
ANNUAL FINANCIAL REPORT HAYWOOD COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2011



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

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

***DIVISION OF COUNTY AUDIT
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This financial report is available at www.tn.gov/comptroller

HAYWOOD COUNTY, TENNESSEE

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Audit Highlights
Annual Financial Report
Haywood County, Tennessee
For the Year Ended June 30, 2011

Scope

We have audited the basic financial statements of Haywood 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 two component units 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 12 findings and recommendations, which we have reviewed with Haywood County management. Detailed findings, recommendations, and management's response are included in the Single Audit section of this report.

Findings and Best Practice

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

OFFICE OF COUNTY MAYOR

- ◆ Material audit adjustments were required for proper financial statement presentation.
- ◆ The county mayor entered into an operating lease agreement without soliciting competitive bids or obtaining the approval of the County Commission.
- ◆ The Solid Waste Disposal Fund had a deficit in unrestricted net assets.
- ◆ The Solid Waste Disposal Fund billing/accounts receivable software application did not have adequate application controls.
- ◆ The office did not issue purchase orders on some purchases.
- ◆ Amounts withheld from contractor payments were not deposited into an escrow account.
- ◆ The office had deficiencies in computer system backup procedures.

OFFICE OF CHIEF ADMINISTRATIVE HIGHWAY OFFICER

- ◆ The Highway Department did not maintain a system to account for materials used on some types of road projects.
-

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

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

OFFICE OF REGISTER

- ◆ Duties were not segregated adequately.
-

OFFICES OF CLERK AND MASTER, JUVENILE COURT CLERK, AND REGISTER

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

HAYWOOD COUNTY

- ◆ Haywood County has a material recurring audit finding.
-

BEST PRACTICE

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

INTRODUCTORY SECTION

Haywood County Officials
June 30, 2011

Officials

Franklin Smith, County Mayor
Greg McCarley, Chief Administrative Highway Officer
Marlon King, Director of Schools
William Howse, Trustee
Dare Simpson, Assessor of Property
Sonya Castellaw, County Clerk
Mary Lonon, Circuit, General Sessions, and Juvenile Courts Clerk
Sarah Levy, Clerk and Master
Steve Smith, Register
Melvin Bond, Sheriff

Board of County Commissioners

Franklin Smith, County Mayor, Chairman	Chris Lea
Becky Booth	Samuel Mathes
Kathy Chapman	Jeffrey Richmond
Wally Eubanks	Jerry Smith
John Gorman, Jr.	Larry Stanley
Robert Green	Joe Stephens
Bob Hooper	Robert Thornton
Richard Jameson	Marjorie Vaulx
Leonard Jones, Jr.	James Waldrop
Allen King	Charles Wills
Janice King	

Highway Commission

William Brummett, Jr., Chairman
James Boyd
Milton Booth
Robert English, Jr.
Willie Ross

Board of Education

Harold Garrett, Chairman
Allen Currie
Pearlie Hess
Robbie King
Daniel Thornton

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

December 9, 2011

Haywood County Mayor and
Board of County Commissioners
Haywood 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 Haywood County, Tennessee, as of and for the year ended June 30, 2011, which collectively comprise Haywood County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Haywood County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

The financial statements of the Haywood County Emergency Communications District and the Haywood County Utility District, component units 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 Haywood County Emergency Communications District and the Haywood County Utility District, which should be included to conform with accounting principles generally accepted in the United States of America. The effects on the financial statements of the aggregate discretely presented component units are not reasonably determinable.

In our opinion, except for the effects of not including the financial statements of the Haywood County Emergency Communications District and the Haywood County Utility District as discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate discretely presented component units of Haywood 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, 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 Haywood 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 December 9, 2011, on our consideration of Haywood 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., Haywood 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.

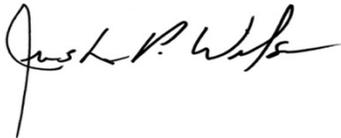
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required 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 64 through 69 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 Haywood County's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Haywood 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 and the General Debt Service Fund, combining and individual fund financial statements of the Haywood 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, sweeping underline that extends to the left.

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

BASIC FINANCIAL STATEMENTS

Exhibit A

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

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Haywood County School Department
<u>ASSETS</u>				
Cash	\$ 44,836	\$ 0	\$ 44,836	\$ 0
Equity in Pooled Cash and Investments	8,037,669	249,488	8,287,157	2,768,466
Accounts Receivable	819,158	505,985	1,325,143	71,834
Allowance for Uncollectibles	(177,730)	(148,348)	(326,078)	0
Due from Other Governments	716,694	9,289	725,983	1,266,246
Due from Primary Government	0	0	0	126,057
Property Taxes Receivable	5,549,841	0	5,549,841	3,953,448
Allowance for Uncollectible Property Taxes	(158,678)	0	(158,678)	(113,035)
Deferred Charges - Debt Issuance Costs	369,698	0	369,698	0
Capital Assets:				
Assets Not Depreciated:				
Land	4,325,061	235,000	4,560,061	170,993
Construction in Progress	11,239,636	0	11,239,636	162,412
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	2,514,826	117,916	2,632,742	7,343,270
Infrastructure	7,112,384	0	7,112,384	0
Other Capital Assets	2,248,215	164,393	2,412,608	2,008,194
Total Assets	<u>\$ 42,641,610</u>	<u>\$ 1,133,723</u>	<u>\$ 43,775,333</u>	<u>\$ 17,757,885</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 174,287	\$ 39,760	\$ 214,047	\$ 89,766
Payroll Deductions Payable	40,128	939	41,067	636,197
Contracts Payable	38,727	0	38,727	0
Retainage Payable	127,875	0	127,875	0
Due to Component Unit	126,057	0	126,057	0
Due to State of Tennessee	6,114	128	6,242	0
Accrued Interest Payable	70,134	0	70,134	0
Other Current Liabilities	23	0	23	0
Deferred Revenue - Current Property Taxes	4,905,972	0	4,905,972	3,494,786
Other Deferred Revenue	0	303,006	303,006	0
Noncurrent Liabilities:				
Due Within One Year	758,583	35,996	794,579	0
Due in More Than One Year (net of unamortized premium on debt)	17,336,673	1,727,700	19,064,373	404,992
Total Liabilities	<u>\$ 23,584,573</u>	<u>\$ 2,107,529</u>	<u>\$ 25,692,102</u>	<u>\$ 4,625,741</u>

(Continued)

Exhibit A

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

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Haywood County School Department
<u>NET ASSETS</u>				
Invested in Capital Assets, Net of Related Debt	\$ 12,324,164	\$ 0	\$ 12,324,164	\$ 0
Invested in Capital Assets	0	517,309	517,309	9,684,869
Restricted for:				
Capital Projects	1,203,179	0	1,203,179	0
Debt Service	2,145,580	0	2,145,580	0
Highway/Public Works	2,863,528	0	2,863,528	0
Solid Waste/Sanitation	169,899	0	169,899	0
Drug Control	78,972	0	78,972	0
Automation	230,415	0	230,415	0
School Federal Projects	0	0	0	313,144
Central Cafeteria	0	0	0	499,227
Other Purposes	52,648	0	52,648	4,261
Unrestricted	(11,348)	(1,491,115)	(1,502,463)	2,630,643
Total Net Assets (Deficit)	<u>\$ 19,057,037</u>	<u>\$ (973,806)</u>	<u>\$ 18,083,231</u>	<u>\$ 13,132,144</u>

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

Exhibit B

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

Functions/Programs	Program Revenues							Net (Expense) Revenue and Changes in Net Assets			Component Unit	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	Governmental Activities	Business-type Activities	Total		Haywood County School Department
					Governmental Activities	Business-type Activities						
Primary Government:												
Governmental Activities:												
General Government	\$ 1,214,320	\$ 362,240	\$ 121,991	\$ 0	\$ 0	\$ (730,089)	\$ 0	\$ (730,089)	\$ 0	\$ (730,089)	\$ 0	0
Finance	950,167	547,743	0	0	0	(402,424)	0	(402,424)	0	(402,424)	0	0
Administration of Justice	1,013,893	613,835	9,135	0	0	(390,923)	0	(390,923)	0	(390,923)	0	0
Public Safety	4,021,603	446,801	95,396	343,625	0	(3,135,781)	0	(3,135,781)	0	(3,135,781)	0	0
Public Health and Welfare	2,084,979	1,368,463	178,308	281,957	0	(256,251)	0	(256,251)	0	(256,251)	0	0
Social, Cultural, and Recreational Services	1,131,143	31,208	128,512	90,270	0	(881,153)	0	(881,153)	0	(881,153)	0	0
Agriculture and Natural Resources	299,568	0	0	0	0	(299,568)	0	(299,568)	0	(299,568)	0	0
Other Operations	1,085,344	13,284	0	0	0	(1,072,060)	0	(1,072,060)	0	(1,072,060)	0	0
Highways/Public Works	3,804,933	370,366	2,274,209	158,417	0	(1,001,941)	0	(1,001,941)	0	(1,001,941)	0	0
Interest on Long-term Debt	848,349	0	32,484	0	0	(815,865)	0	(815,865)	0	(815,865)	0	0
Other Debt Service	42,491	0	16,355	0	0	(26,136)	0	(26,136)	0	(26,136)	0	0
Total Governmental Activities	\$ 16,496,790	\$ 3,753,940	\$ 2,856,390	\$ 874,269	\$ 874,269	\$ (9,012,191)	\$ 0	\$ (9,012,191)	\$ 0	\$ (9,012,191)	\$ 0	0
Business-type Activities:												
Solid Waste Disposal	\$ 844,670	\$ 499,007	\$ 47,096	\$ 0	\$ 0	\$ 0	\$ (298,567)	\$ (298,567)	\$ 0	\$ (298,567)	\$ 0	0
Total Primary Government	\$ 17,341,460	\$ 4,252,947	\$ 2,903,486	\$ 874,269	\$ 874,269	\$ (9,012,191)	\$ (298,567)	\$ (9,310,758)	\$ (9,310,758)	\$ (9,310,758)	\$ 0	0
Component Unit:												
Haywood County School Department	\$ 29,725,592	\$ 363,676	\$ 6,023,822	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (23,338,094)	0
Total Component Unit	\$ 29,725,592	\$ 363,676	\$ 6,023,822	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (23,338,094)	0

(Continued)

Exhibit B

Haywood County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Unit	
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		Total		Haywood County School Department
				Governmental Activities	Business-type Activities			
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes				\$ 4,821,404	\$ 0	\$ 4,821,404	\$ 3,551,094	
Property Taxes Levied for Debt Service				164,502	0	164,502	0	
Local Option Sales Taxes				149,355	0	149,355	1,499,021	
Hotel/Motel Tax				44,299	0	44,299	0	
Wheel Tax				926,341	0	926,341	266,567	
Litigation Taxes				418,410	0	418,410	0	
Business Tax				156,079	0	156,079	0	
Wholesale Beer Tax				50,431	59,867	110,298	0	
Other Local Taxes				26,871	0	26,871	37,821	
Grants and Contributions Not Restricted to Specific Programs				1,890,780	0	1,890,780	17,799,030	
Unrestricted Investment Income				187,428	0	187,428	0	
Miscellaneous				10,992	51,210	62,202	7,134	
Total General Revenues				\$ 8,846,892	\$ 111,077	\$ 8,957,969	\$ 23,160,667	
Transfers				\$ (120,000)	\$ 120,000	\$ 0	\$ 0	
Change in Net Assets				\$ (285,299)	\$ (67,490)	\$ (352,789)	\$ (177,427)	
Net Assets (Deficit), July 1, 2010				19,342,336	(906,316)	18,436,020	13,309,571	
Net Assets (Deficit), June 30, 2011				\$ 19,057,037	\$ (973,806)	\$ 18,083,231	\$ 13,132,144	

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

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Governmental Funds		
ASSETS							
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 44,836	\$ 44,836
Equity in Pooled Cash and Investments	1,654,520	2,536,755	2,197,497	1,402,256	246,641	8,037,669	8,037,669
Accounts Receivable	746,778	35,525	74	0	36,781	819,158	819,158
Allowance for Uncollectibles	(177,730)	0	0	0	0	(177,730)	(177,730)
Due from Other Governments	426,776	276,671	0	0	13,247	716,694	716,694
Due from Other Funds	5,415	0	0	0	0	5,415	5,415
Property Taxes Receivable	4,860,653	507,907	181,281	0	0	5,549,841	5,549,841
Allowance for Uncollectible Property Taxes	(138,973)	(14,522)	(5,183)	0	0	(158,678)	(158,678)
Total Assets	\$ 7,377,439	\$ 3,342,336	\$ 2,373,669	\$ 1,402,256	\$ 341,505	\$ 14,837,205	\$ 14,837,205

LIABILITIES AND FUND BALANCES

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Governmental Funds		
Liabilities							
Accounts Payable	\$ 145,157	\$ 4,806	\$ 0	\$ 20,234	\$ 4,090	\$ 174,287	\$ 174,287
Payroll Deductions Payable	36,808	0	0	689	2,631	40,128	40,128
Contracts Payable	0	0	0	38,727	0	38,727	38,727
Retainage Payable	0	0	0	127,875	0	127,875	127,875
Due to Other Funds	0	0	0	1,210	4,205	5,415	5,415
Due to Component Units	75,083	0	0	50,974	0	126,057	126,057
Due to State of Tennessee	5,765	0	0	239	110	6,114	6,114
Other Current Liabilities	23	0	0	0	0	23	23
Deferred Revenue - Current Property Taxes	4,296,741	448,982	160,249	0	0	4,905,972	4,905,972
Deferred Revenue - Delinquent Property Taxes	414,255	43,287	15,450	0	0	472,992	472,992
Other Deferred Revenues	458,640	131,325	0	0	0	589,965	589,965
Total Liabilities	\$ 5,432,472	\$ 628,400	\$ 175,659	\$ 239,948	\$ 11,036	\$ 6,487,555	\$ 6,487,555
Fund Balances							
Restricted:							
Restricted for General Government	\$ 107,253	\$ 0	\$ 0	\$ 0	\$ 0	\$ 107,253	\$ 107,253
Restricted for Finance	3,115	0	0	0	0	3,115	3,115

(Continued)

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

	Major Funds					Nonmajor Funds		Total Governmental Funds
	General	Highway /	General	General	General	Other	Governmental	
		Public Works	Debt Service	Capital Projects	Funds			
\$	142,911	0	0	0	0	0	142,911	
	17,047	0	0	0	0	78,972	96,019	
	12,737	0	0	0	0	0	12,737	
	0	2,183,239	0	0	0	0	2,183,239	
	0	0	0	0	0	23,664	23,664	
	0	0	1,479,688	0	0	0	1,479,688	
	0	0	0	1,162,308	0	0	1,162,308	
	0	0	0	0	0	40,727	40,727	
	9,823	0	0	0	0	0	9,823	
	23,541	0	0	0	0	169,899	193,440	
	0	530,697	0	0	0	0	530,697	
	0	0	0	0	0	17,207	17,207	
	0	0	718,282	0	0	0	718,282	
	1,628,540	0	0	0	0	0	1,628,540	
	1,944,967	2,713,936	2,197,970	1,162,308	330,469	330,469	8,349,650	
	7,377,439	3,342,336	2,373,669	1,402,256	341,505	341,505	14,837,205	

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

Exhibit C-2

Haywood 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)		\$ 8,349,650
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 4,325,061	
Add: construction in progress	11,239,636	
Add: buildings and improvements net of accumulated depreciation	2,514,826	
Add: infrastructure net of accumulated depreciation	7,112,384	
Add: other capital assets net of accumulated depreciation	<u>2,248,215</u>	27,440,122
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: capital lease payable	\$ (60,883)	
Less: bonds payable	(17,895,492)	
Less: compensated absences payable	(25,020)	
Add: deferred charges - debt issuance costs	369,698	
Less: accrued interest on bonds and capital lease	(70,134)	
Less: other deferred revenues - premium on bonds	<u>(113,861)</u>	(17,795,692)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>1,062,957</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 19,057,037</u>

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

Haywood 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 / Public Works	General Debt Service	General Capital Projects	Other			
					Governmental Funds	Governmental Funds		
Revenues								
Local Taxes	\$ 6,260,272	\$ 605,757	\$ 656,443	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,522,472
Licenses and Permits	19,832	0	0	0	0	0	0	19,832
Fines, Forfeitures, and Penalties	161,252	0	0	0	0	0	0	161,252
Charges for Current Services	990,967	0	0	0	0	0	0	990,967
Other Local Revenues	143,831	377,024	219,912	589	29,760	0	0	1,681,268
Fees Received from County Officials	897,924	0	0	0	0	0	0	897,924
State of Tennessee	929,189	1,936,887	12,248	57,271	37,453	0	0	2,973,048
Federal Government	302,774	549,325	123,681	343,625	301,707	0	0	1,621,112
Other Governments and Citizens Groups	547,018	68,779	0	0	24,118	0	0	639,915
Total Revenues	\$ 10,253,059	\$ 3,537,772	\$ 1,012,284	\$ 401,485	\$ 1,201,533	\$ 0	\$ 16,406,133	
Expenditures								
Current:								
General Government	\$ 1,178,235	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,178,235
Finance	711,727	0	0	0	0	0	0	917,725
Administration of Justice	943,653	0	0	0	0	0	0	948,988
Public Safety	3,812,670	0	0	0	0	0	0	3,859,315
Public Health and Welfare	1,561,691	0	0	0	0	0	0	1,908,312
Social, Cultural, and Recreational Services	1,053,313	0	0	0	0	0	0	1,053,313
Agriculture and Natural Resources	239,252	0	0	0	0	0	0	239,252
Other Operations	921,711	0	0	0	0	0	0	1,005,109
Highways	0	3,023,609	0	0	0	0	0	3,023,609
Debt Service:								
Principal on Debt	62,411	0	663,622	0	0	0	0	726,033
Interest on Debt	1,528	0	854,556	0	0	0	0	856,084
Other Debt Service	0	0	11,384	0	0	0	0	11,384
Capital Projects	0	0	0	4,201,608	379,225	0	0	4,580,833
Total Expenditures	\$ 10,486,191	\$ 3,023,609	\$ 1,529,562	\$ 4,201,608	\$ 1,067,222	\$ 0	\$ 20,308,192	
Excess (Deficiency) of Revenues Over Expenditures	\$ (233,132)	\$ 514,163	\$ (517,278)	\$ (3,800,123)	\$ 134,311	\$ 0	\$ (3,902,059)	

(Continued)

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other		
					Governmental Funds	Governmental Funds	
<u>Other Financing Sources (Uses)</u>							
Capital Leases Issued	\$ 93,625	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 93,625
Insurance Recovery	29,028	0	0	0	0	0	29,028
Transfers Out	0	0	0	0	(120,000)	(120,000)	(120,000)
Total Other Financing Sources (Uses)	\$ 122,653	\$ 0	\$ 0	\$ 0	\$ (120,000)	\$ 2,653	
Net Change in Fund Balances	\$ (110,479)	\$ 514,163	\$ (517,278)	\$ (3,800,123)	\$ 14,311	\$ (3,899,406)	
Fund Balance, July 1, 2010	2,055,446	2,199,773	2,715,248	4,962,431	316,158	12,249,056	
Fund Balance, June 30, 2011	\$ 1,944,967	\$ 2,713,936	\$ 2,197,970	\$ 1,162,308	\$ 330,469	\$ 8,349,650	

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

Exhibit C-4

Haywood 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)		\$ (3,899,406)
<p>(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:</p>		
Add: capital assets purchased in the current period	\$ 4,928,459	
Less: current year depreciation expense	<u>(1,835,800)</u>	3,092,659
<p>(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.</p>		
Less: proceeds received from the disposal of capital assets		(13,900)
<p>(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Add: deferred delinquent property taxes and other deferred June 30, 2011	\$ 1,062,957	
Less: deferred delinquent property taxes and other deferred June 30, 2010	<u>(1,153,954)</u>	(90,997)
<p>(4) The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items.</p>		
Less: capital lease proceeds	\$ (93,625)	
Add: change in premium on bond issuance	16,355	
Less: change in deferred debt issuance costs	(31,107)	
Add: principal payments on capital leases	62,411	
Add: principal payments on bonds	<u>663,622</u>	617,656
<p>(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.</p>		
Change in accrued interest payable	\$ 7,735	
Change in compensated absences payable	<u>954</u>	<u>8,689</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ (285,299)</u>

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

Exhibit D-1

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

	Major Fund
	Business-type
	Activities -
	Enterprise
	Fund
	Solid Waste
	Disposal Fund
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 249,488
Accounts Receivable	505,985
Allowance for Uncollectibles	(148,348)
Due from Other Governments	9,289
Total Current Assets	<u>\$ 616,414</u>
Noncurrent Assets:	
Capital Assets:	
Assets Not Depreciated:	
Land	\$ 235,000
Assets Net of Accumulated Depreciation:	
Buildings and Improvements	117,916
Other Capital Assets	164,393
Total Noncurrent Assets	<u>\$ 517,309</u>
Total Assets	<u>\$ 1,133,723</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 39,760
Payroll Deductions Payable	939
Due to State of Tennessee	128
Other Deferred Revenues	303,006
Current Portion of Long-term Liabilities	35,996
Total Current Liabilities	<u>\$ 379,829</u>
Noncurrent Liabilities:	
Due in More than One Year	\$ 1,727,700
Total Noncurrent Liabilities	<u>\$ 1,727,700</u>
Total Liabilities	<u>\$ 2,107,529</u>
<u>NET ASSETS</u>	
Invested in Capital Assets	\$ 517,309
Unrestricted	<u>(1,491,115)</u>
Net Assets (Deficit)	<u>\$ (973,806)</u>

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

Exhibit D-2

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

	<u>Major Fund</u>
	<u>Business-type</u>
	<u>Activities -</u>
	<u>Enterprise</u>
	<u>Fund</u>
	<u>Solid Waste</u>
	<u>Disposal Fund</u>
<u>Operating Revenues</u>	
Tipping Fees	\$ 499,007
Sale of Materials and Supplies	50,220
Miscellaneous Refunds	990
Total Operating Revenues	<u>\$ 550,217</u>
<u>Operating Expenses</u>	
Supervisor/Director	\$ 18,489
Equipment Operators	94,320
Overtime Pay	5,520
Social Security	6,013
State Retirement	16,477
Employee and Dependent Insurance	19,812
Life Insurance	937
Unemployment Compensation	389
Other Fringe Benefits	7,447
Communication	2,406
Contracts with Government Agencies	2,851
Contracts with Private Agencies	466,789
Licenses	3,195
Rentals	42,000
Travel	719
Crushed Stone	1,945
Diesel Fuel	10,955
Drugs and Medical Supplies	311
Electricity	7,112
Equipment and Machinery Parts	35,436
Gasoline	4,816
Lubricants	1,334
Office Supplies	1,004
Tires and Tubes	5,293
Other Supplies and Materials	5,375
Premiums on Corporate Surety Bonds	100
Trustee's Commission	5,596
Vehicle and Equipment Insurance	3,065

(Continued)

Exhibit D-2

Haywood County, Tennessee
Statement of Revenues, Expenses, and Changes in Net Assets
Proprietary Fund (Cont.)

	<u>Major Fund</u>
	<u>Business-type</u>
	<u>Activities -</u>
	<u>Enterprise</u>
	<u>Fund</u>
	<u>Solid Waste</u>
	<u>Disposal Fund</u>
<u>Operating Expenses (Cont.)</u>	
Workers' Compensation Insurance	\$ 9,439
Depreciation	33,082
Landfill Postclosure Care Costs	17,462
Other Charges	2,934
Maintenance Equipment	37
Motor Vehicles	8,400
Other Construction	3,610
Total Operating Expenses	<u>\$ 844,670</u>
Operating Income (Loss)	<u>\$ (294,453)</u>
<u>Nonoperating Revenues</u>	
Wholesale Beer Tax	\$ 59,867
Lease/Rentals	11,417
Disaster Relief Grants	1,489
Solid Waste Grants	13,190
Contributions	21,000
Total Nonoperating Revenues	<u>\$ 106,963</u>
Income Before Transfers	\$ (187,490)
Transfers In	<u>120,000</u>
Change in Net Assets	\$ (67,490)
Net Assets (Deficit), July 1, 2010	<u>(906,316)</u>
Net Assets (Deficit), June 30, 2011	<u><u>\$ (973,806)</u></u>

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

Exhibit D-3

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

	<u>Major Fund</u> <u>Business-type</u> <u>Activities -</u> <u>Enterprise</u> <u>Fund</u> <u>Solid Waste</u> <u>Disposal Fund</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 484,116
Receipts from Others	49,691
Payments for Waste Collections and Disposal Activity	(834,135)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (300,328)</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Acquisition of Capital Assets	\$ (2,700)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (2,700)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Receipts from Wholesale Beer Tax	\$ 60,383
Receipts from Farmland Rental	11,417
Receipts from Grants	12,891
Contributions	13,500
Miscellaneous Refunds	991
Transfers from Other Funds	120,000
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 219,182</u>
Net Increase (Decrease) in Cash	\$ (83,846)
Cash, July 1, 2010	<u>333,334</u>
Cash, June 30, 2011	<u>\$ 249,488</u>
<u>Reconciliation of Operating Income (Loss)</u>	
to Net Cash Provided By (Used In) Operating Activities	
Operating Income (Loss)	\$ (294,453)
Adjustments to Reconcile Net Operating Income (Loss)	
to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	33,082
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	25,311
(Increase) Decrease in Allowance for Uncollectibles	(5,262)
(Increase) Decrease in Due from Other Funds	6,097
(Increase) Decrease in Due from Other Governments	(9,289)
Increase (Decrease) in Accounts Payable	(4,215)
Increase (Decrease) in Payroll Deductions Payable	74
Increase (Decrease) in Due to State of Tennessee	127
Increase (Decrease) in Other Deferred Revenues	(33,266)
Increase (Decrease) in Accrued Liability for Landfill Postclosure Care Costs	<u>(18,534)</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ (300,328)</u>
<u>Reconciliation of Cash with Statement of Net Assets</u>	
Cash Per Net Assets	<u>\$ 249,488</u>
Cash, June 30, 2011	<u>\$ 249,488</u>

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

Exhibit E

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 968,760
Accounts Receivable	2,355
Due from Other Governments	<u>226,945</u>
Total Assets	<u><u>\$ 1,198,060</u></u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 226,945
Due to Litigants, Heirs, and Others	<u>971,115</u>
Total Liabilities	<u><u>\$ 1,198,060</u></u>

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Haywood 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 Haywood County:

A. Reporting Entity

Haywood County is a public municipal corporation governed by an elected 20-member board. As required by GAAP, these financial statements present Haywood 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 Haywood County School Department operates the public school system in the county, and the voters of Haywood 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 Haywood County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Haywood County, and the Haywood County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the County Commission's approval. The financial statements of the Haywood County Emergency Communications District were not available from other auditors in time for inclusion in this report.

The Haywood County Utility District provides water services to customers within the district, and the Haywood County Commission appoints its three-member governing body. The district is funded primarily from charges to customers for water services and grants. Before the issuance of most debt

instruments, the district must obtain the County Commission's approval. The financial statements of the Haywood County Utility District were not available from other auditors in time for inclusion in this report.

The Haywood 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 Haywood County Emergency Communications District and the Haywood County Utility District were not available in time for inclusion, as previously mentioned. Complete financial statements of the Haywood County Emergency Communications District and the Haywood County Utility District can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Haywood County Emergency Communications District
100 S. Dupree Avenue
Brownsville, TN 38012

Haywood County Utility District
1 North Washington
Brownsville, TN 38012

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 Haywood 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.

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

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

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

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

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

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

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

as all eligibility requirements imposed by the provider have been met and the revenues are available. Haywood County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to accrual and have been recognized as revenues of the current period. Applicable business taxes, litigation taxes, state-shared excise taxes, fines, forfeitures, and penalties are not susceptible to accrual since they are not measurable (reasonably estimable). All other revenue items are considered to be measurable and available only when the county receives cash.

Proprietary fund 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.

Haywood 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.

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

General Capital Projects Fund – This fund accounts for jail construction capital expenditures of the county.

Haywood County reports the following major enterprise fund:

Solid Waste Disposal Fund – This fund accounts for the county’s solid waste landfill operations.

Additionally, Haywood County reports the following fund type:

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers and local sales taxes received by the state to be forwarded to the various cities in Haywood County. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

The discretely presented Haywood County School Department reports the following major governmental funds:

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

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

Additionally, the Haywood County School Department reports the following fund type:

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide 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 limitation. Haywood 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, to account for the operations of the county's landfill. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the county's enterprise fund are tipping fees.

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 funds held by the county trustee as Equity in Pooled Cash and Investments.

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

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Haywood 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. Haywood 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, solid waste disposal, and property taxes receivable are shown with an allowance for uncollectibles. Ambulance and solid waste disposal receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 2.86 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 receivables 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.

Retainage payable in the primary government's General Capital Projects Fund represents amounts withheld from payments made on the jail construction contract pending completion of the project. These amounts are held by the county trustee as Equity in Pooled Cash and Investments.

3. Capital Assets

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

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

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	25
Other Capital Assets	5 - 10
Infrastructure	8 - 30

Property, plant, and equipment of the proprietary fund are depreciated using the straight-line method over the following estimated useful lives:

Buildings and Improvements	30
Machinery and Equipment	5 - 30

4. Compensated Absences

The general policy of Haywood County (with the exception of sick and vacation leave for employees of the Haywood County Highway Department) does not allow employees to accumulate sick and vacation days beyond year end.

It is the policy of the Haywood County Highway Department to permit employees to accumulate earned but unused vacation and sick pay

benefits. There is no liability for unpaid accumulated sick leave since the Highway Department does not have a policy to pay any amounts when employees separate from service with the government. A liability for the vacation benefits is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

It is the policy of the discretely presented School Department to permit the unlimited accumulation of unused sick leave for professional personnel (teachers). Nonprofessional personnel are allowed to accumulate a limited amount of sick leave. There is no liability for unpaid accumulated sick leave since the School Department does not have a policy to pay any amounts when employees separate from service with the School Department.

5. Long-term Obligations

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

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

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

6. Net Assets and Fund Equity

In the government-wide financial statements 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.

As of June 30, 2011, Haywood County had \$2,889,070 in outstanding debt issued for capital purposes of the discretely presented Haywood County School Department. This debt is a liability of Haywood County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Haywood 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 Balances – 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 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 the 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 Haywood County School Department

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

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

Primary Government

Exhibit C-4 includes explanations of the nature of individual elements 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 Haywood County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund (special revenue fund), which is not budgeted, and 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, Beer Board, 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.

B. Net Assets Deficit

The Solid Waste Disposal Fund had a deficit of \$1,491,115 in unrestricted net assets and a total net assets deficit of \$973,806 at June 30, 2011. This deficit primarily resulted from the recognition of a liability (\$1,763,696) for costs associated with closing the county's landfill and monitoring the landfill for 30 years after closure.

C. Appropriations Exceeded Estimated Available Funds

The budget and subsequent amendments approved by the County Commission for the Drug Control Fund resulted in appropriations exceeding estimated available funding causing a budgeted fund deficit of \$21,854.

D. The County Mayor Entered Into an Operating Lease Without Soliciting Competitive Bids or Obtaining the Approval of the County Commission

On December 21, 2010, the county mayor entered into a five-year operating lease for \$300,000 for document scanning services without soliciting competitive bids or obtaining the approval of the County Commission in violation of state statutes. Details are discussed in the Schedule of Findings and Questioned Costs section of this report.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Haywood County and the Haywood County School Department participate in an internal cash and investment pool through the Office of Trustee. The county trustee is the treasurer of the county and in this capacity is responsible for receiving, disbursing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Cash reflected on the balance sheets or statements of net assets represents nonpooled amounts held separately by individual funds.

Deposits

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

For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with

collateral whose market value is equal to 105 percent of the uninsured amount of the deposits. The collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the county.

Investments

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

The county had no pooled 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	\$ 4,325,061	\$ 0	\$ 0	\$ 4,325,061
Construction in Progress	7,088,822	4,150,814	0	11,239,636
Total Capital Assets				
Not Depreciated	\$ 11,413,883	\$ 4,150,814	\$ 0	\$ 15,564,697

Governmental Activities (Cont.):

	Balance 7-1-10	Increases	Decreases	Balance 6-30-11
Capital Assets				
Depreciated:				
Buildings				
and Improvements	\$ 8,116,504	\$ 17,887	\$ 0	\$ 8,134,391
Infrastructure	49,794,472	231,564	0	50,026,036
Other Capital Assets	7,850,352	528,194	64,600	8,313,946
Total Capital Assets				
Depreciated	<u>\$ 65,761,328</u>	<u>\$ 777,645</u>	<u>\$ 64,600</u>	<u>\$ 66,474,373</u>
Less Accumulated				
Depreciation For:				
Buildings				
and Improvements	\$ 5,412,281	\$ 207,284	\$ 0	\$ 5,619,565
Infrastructure	41,786,922	1,126,730	0	42,913,652
Other Capital Assets	5,614,645	501,786	50,700	6,065,731
Total Accumulated				
Depreciation	<u>\$ 52,813,848</u>	<u>\$ 1,835,800</u>	<u>\$ 50,700</u>	<u>\$ 54,598,948</u>
Total Capital Assets				
Depreciated, Net	<u>\$ 12,947,480</u>	<u>\$ (1,058,155)</u>	<u>\$ 13,900</u>	<u>\$ 11,875,425</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 24,361,363</u>	<u>\$ 3,092,659</u>	<u>\$ 13,900</u>	<u>\$ 27,440,122</u>

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

Governmental Activities:

General Government	\$ 106,876
Finance	19,145
Administration of Justice	30,096
Public Safety	215,658
Public Health and Welfare	106,004
Social, Cultural, and Recreational Services	109,708
Other Operations	1,158
Highway Department	<u>1,247,155</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,835,800</u>

Business-type Activities:

	Balance 7-1-10	Increases	Balance 6-30-11
Capital Assets			
Not Depreciated:			
Land	\$ 235,000	\$ 0	\$ 235,000
Total Capital Assets			
Not Depreciated	\$ 235,000	\$ 0	\$ 235,000
Capital Assets			
Depreciated:			
Buildings and			
Improvements	\$ 225,797	\$ 0	\$ 225,797
Other Capital Assets	660,838	2,700	663,538
Total Capital Assets			
Depreciated	\$ 886,635	\$ 2,700	\$ 889,335
Less Accumulated			
Depreciation For:			
Buildings and			
Improvements	\$ 100,345	\$ 7,536	\$ 107,881
Other Capital Assets	473,599	25,546	499,145
Total Accumulated			
Depreciation	\$ 573,944	\$ 33,082	\$ 607,026
Total Capital Assets			
Depreciated, Net	\$ 312,691	\$ (30,382)	\$ 282,309
Business-type Activities			
Capital Assets, Net	\$ 547,691	\$ (30,382)	\$ 517,309

There were no decreases during the year.

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

	Balance 7-1-10	Increases	Balance 6-30-11
Capital Assets Not			
Depreciated:			
Land	\$ 170,993	\$ 0	\$ 170,993
Construction in Progress	0	162,412	162,412
Total Capital Assets			
Not Depreciated	\$ 170,993	\$ 162,412	\$ 333,405

Governmental Activities (Cont.):

	Balance 7-1-10	Increases	Balance 6-30-11
Capital Assets			
Depreciated:			
Buildings and			
Improvements	\$ 19,245,954	\$ 0	\$ 19,245,954
Other Capital Assets	5,425,498	258,952	5,684,450
Total Capital Assets			
Depreciated	\$ 24,671,452	\$ 258,952	\$ 24,930,404
Less Accumulated			
Depreciated For:			
Buildings and			
Improvements	\$ 11,360,103	\$ 542,581	\$ 11,902,684
Other Capital Assets	3,315,637	360,619	3,676,256
Total Accumulated			
Depreciation	\$ 14,675,740	\$ 903,200	\$ 15,578,940
Total Capital Assets			
Depreciated, Net	\$ 9,995,712	\$ (644,248)	\$ 9,351,464
Governmental Activities			
Capital Assets, Net	\$ 10,166,705	\$ (481,836)	\$ 9,684,869

There were no decreases during the year. Depreciation expense was charged to functions of the discretely presented Haywood County School Department as follows:

Governmental Activities:

Instruction	\$ 468,893
Support Services	417,531
Operation of Non-Instructional Services	<u>16,776</u>
Total Depreciation Expense -	
Governmental Activities	<u>\$ 903,200</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:

Receivable Fund	Payable Fund	Amount
General	General Capital Projects	\$ 1,210
General	Nonmajor governmental	4,205

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.

Due to/from Primary Government and Component Units:

Receivable Fund	Payable Fund	Amount
Component Unit:		
School Department:		
Nonmajor governmental	Primary Government: General	\$ 75,083
"	General Capital Projects	50,974

Interfund Transfers:

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

Primary Government

Transfer Out	Transfer In
	Solid Waste Disposal Fund
Nonmajor governmental fund	\$ 120,000

Discretely Presented Haywood County School Department

Transfer Out	Transfer In
	General Purpose School Fund
School Federal Projects Fund	\$ 5,940

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

D. Operating Leases

The county mayor obtained document scanning services under an operating lease considered to be non-cancelable. The rental expenditures for the year ended June 30, 2011, were \$20,000. There are no provisions for contingent or sublease rentals in the agreements. This lease was not entered into in compliance with state statutes. The future minimum lease payments for this lease are as follows:

<u>Year Ending June 30</u>	<u>Governmental Funds</u>
2012	\$ 60,000
2013	60,000
2014	60,000
2015	60,000
2016	<u>40,000</u>
Total Minimum Lease Payments	<u>\$ 280,000</u>

E. Capital Lease

On October 1, 2010, Haywood County entered into a two-year lease-purchase agreement for four Sheriff's Department vehicles. The terms of the agreement require total lease payments of \$93,625 plus interest of five percent. Title to the vehicles transfers to Haywood County at the end of the lease period. The General Fund is making the lease payments.

The assets acquired through capital leases are as follows:

<u>Asset</u>	<u>Governmental Activities</u>
Other Fixed Assets	\$ 93,625
Less: Accumulated Depreciation	<u>(15,533)</u>
Total Book Value	<u>\$ 78,092</u>

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2011, were as follows:

<u>Year Ending June 30</u>	<u>Governmental Funds</u>
2012	\$ 32,743
2013	<u>32,743</u>
Total Minimum Lease Payments	\$ 65,486
Less: Amount Representing Interest	<u>(4,603)</u>
 Present Value of Minimum Lease Payments	 <u><u>\$ 60,883</u></u>

F. Long-term Debt

Primary Government

General Obligation Bonds

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

General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation bonds outstanding were issued for original terms of up to 40 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2011, will be retired from the General Debt Service Fund.

General obligation bonds and the capital lease 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>
General Obligation Bonds	3.625 to 5.55%	\$ 15,860,000	\$ 15,295,492
General Obligation Bonds - Refunding	3 to 3.5	3,400,000	2,600,000
Capital Lease	5	93,625	60,883

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

Year Ending	Bonds		
	Principal	Interest	Total
2012	\$ 710,118	\$ 773,305	\$ 1,483,423
2013	726,293	750,492	1,476,785
2014	742,515	727,171	1,469,686
2015	783,799	702,995	1,486,794
2016	800,141	673,927	1,474,068
2017-21	4,873,149	2,850,593	7,723,742
2022-26	4,665,104	1,819,484	6,484,588
2027-31	4,426,314	637,524	5,063,838
2032-36	135,266	27,158	162,424
2037-38	32,793	1,385	34,178
Total	<u>\$ 17,895,492</u>	<u>\$ 8,964,034</u>	<u>\$ 26,859,526</u>

There is \$2,197,970 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$953, based on the 2010 federal census. Debt per capita, including bonds and the capital lease, totaled \$956, 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		Capital Lease
Balance, July 1, 2010	\$ 18,559,114	\$	29,669
Additions		0	93,625
Deductions	(663,622)		(62,411)
Balance, June 30, 2011	<u>\$ 17,895,492</u>	<u>\$</u>	<u>60,883</u>
Balance Due Within One Year	<u>\$ 710,118</u>	<u>\$</u>	<u>29,699</u>
			Compensated Absences
Balance, July 1, 2010		\$	25,974
Additions			25,468
Deductions			(26,422)
Balance, June 30, 2011		<u>\$</u>	<u>25,020</u>
Balance Due Within One Year		<u>\$</u>	<u>18,766</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2011	\$ 17,981,395
Less: Balance Due Within One Year	(758,583)
Add: Unamortized Premium on Debt	<u>113,861</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u><u>\$ 17,336,673</u></u>

Compensated absences will be paid from the employing fund, the Highway/Public Works Fund.

Haywood County Solid Waste Disposal Fund (enterprise fund)

Changes in Long-term Liabilities

Long-term liability activity for the Solid Waste Disposal Fund (enterprise fund) for the year ended June 30, 2011, was as follows:

Business-type Activities:

	Postclosure Care Costs
Balance, July 1, 2010	\$ 1,782,230
Additions	17,462
Deductions	<u>(35,996)</u>
Balance, June 30, 2011	<u><u>\$ 1,763,696</u></u>
Balance Due Within One Year	<u><u>\$ 35,996</u></u>

Discretely Presented Haywood County School Department

Changes in Long-term Liabilities

Long-term liability activity for the discretely presented Haywood County School Department for the year ended June 30, 2011, was as follows:

Governmental Activities:

	Other Postemployment Benefits
Balance, July 1, 2010	\$ 347,030
Additions	225,824
Deductions	<u>(167,862)</u>
Balance, June 30, 2011	<u>\$ 404,992</u>
Balance Due Within One Year	<u>\$ 0</u>

Other postemployment benefits will be paid from the employing funds: the General Purpose School, School Federal Projects, and Central Cafeteria funds.

G. On-Behalf Payments

Primary Government

The State of Tennessee pays health insurance premiums for some retired employees on-behalf of Haywood County. These payments are made by the state to the Medicare Supplement Plan. This plan 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 \$1,253. The county has recognized these on-behalf payments as revenues and expenditures in the General Fund.

Discretely Presented Haywood County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Haywood 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 \$89,529 and \$32,695, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. **OTHER INFORMATION**

A. **Risk Management**

Primary Government

Employee Health Insurance

It is the policy of the county to purchase commercial insurance for its employees' health coverage. Retirees are not allowed to continue coverage. Settled claims have not exceeded this commercial insurance coverage in any of the past three years.

Workers' Compensation Insurance

Haywood County participates in the Local Government Workers' Compensation Fund (LGWCF), a public entity risk pool established under the provisions of Section 29-20-401, *Tennessee Code Annotated (TCA)*, by the Tennessee County Services Association to provide a program of workers' compensation coverage to employees of local governments. The county pays an annual premium to the LGWCF for its workers' compensation insurance coverage. The LGWCF is to be self-sustaining through member premiums. The LGWCF reinsures through commercial insurance companies for claims exceeding \$300,000.

Liability, Property, and Casualty

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

Discretely Presented Haywood County School Department

Employee Health Insurance

The Haywood County School Department participates in the Local Education Group Insurance Fund (LEGIF), which is 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.

Liability, Property, Casualty, and Workers' Compensation Insurance

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

B. Accounting Change

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Government 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. Haywood County and the Haywood County School Department have implemented provisions of this statement in the financial statements of this report for their governmental funds.

C. Subsequent Events

During the 2010-11 year, Haywood County entered into two loan agreements with the State of Tennessee. Under the loan agreements, the state made \$2,000,000 available for loan to Haywood County for energy efficiency improvements at local schools. Haywood County received loan proceeds on October 7, 2011, and November 2, 2011, totaling \$1,461,392 and \$75,124, respectively, under these agreements.

D. Contingent Liabilities

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

E. Changes in Administration

On August 31, 2010, Ann Medford left the Office of County Clerk and was succeeded by Sonya Castellaw, and Elma Pirtle left the Office of Circuit, General Sessions, and Juvenile Courts Clerk and was succeeded by Mary

Lonon. On April 30, 2011, Judy Hardister left the Office of Clerk and Master and was succeeded by Sarah Levy.

F. Landfill Closure/Postclosure Care Costs

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

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Haywood County closed its sanitary landfill in 1998. The \$1,763,696, reported as postclosure care liability at June 30, 2011, represents amounts based on what it would cost to perform all postclosure care in 2011. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

G. Joint Ventures

The Brownsville – Haywood County Emergency Management Agency is a joint venture between Haywood County and the City of Brownsville. The agency's three-member board includes the county mayor, the mayor of the City of Brownsville, and one member who is jointly selected by the county mayor and the city mayor. The agency is jointly funded by the county and the City of Brownsville with additional revenues received from the State of Tennessee, the federal government, and private contributions. During the year ended June 30, 2011, the county provided financial assistance of \$17,103 to the agency.

The HTL Advantage is a joint venture between Haywood, Tipton, and Lauderdale counties and the cities of Brownsville, Ripley, and Covington. The board comprises ten members and consists of the mayors from each of the counties and cities, and one member from the Southwest Tennessee Electric Cooperative, the Covington Electric System, Ripley Power and Light, and the Brownsville Electric System. The purpose of the board is to establish and operate an office that markets the entire defined region for economic development and to bring the region attention of prospective industrial and commercial interests, which would be beneficial for the common good of all entities involved herein. The counties, cities, and electric systems provide the funding for the board. Haywood County contributed \$50,000 to HTL Advantage during the year.

On July 1, 2010, the Elma Ross Public Library became jointly owned by Haywood County and the City of Brownsville. It is operated by an appointed board. The board comprises seven members, four of whom are appointed by the Haywood County Commission. The remaining three members are appointed by the City of Brownsville. Haywood County has control over budgeting and financing the joint venture only to the extent of representation by the four board members appointed. Haywood County contributed \$69,418 to the operations of the library during the year ended June 30, 2011.

Haywood County does not have an equity interest in any of the above-noted joint ventures. Complete financial statements for the Brownsville - Haywood County Emergency Management Agency, HTL Advantage, and the Elma Ross Public Library can be obtained from their respective administrative offices at the following addresses:

Administrative Offices:

Brownsville – Haywood County
Emergency Management Agency
City Hall
Brownsville, TN 38012

HTL Advantage
1469 South Main Street
Covington, TN 38019

Elma Ross Public Library
1011 East Main Street
Brownsville, TN 38012

H. Retirement Commitments

Plan Description

Employees of Haywood 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 Haywood 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

Haywood County has adopted a noncontributory plan for its employees by assuming employee contributions of up to five percent of annual covered payroll. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2011, was 13.33 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 \$1,203,197 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 six 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	\$1,203,197	100%	\$0
6-30-10	1,134,920	100	0
6-30-09	1,056,148	100	0

Funded Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the plan was 88.14 percent funded. The actuarial accrued liability for benefits was \$25 million, and the actuarial value of assets was \$22 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$3 million. The covered payroll (annual payroll of active employees covered by the plan) was \$8 million, and the ratio of the UAAL to the covered payroll was 36.05 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 Haywood 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 SETHEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230, or can be accessed at www.tn.gov/treasury/tcrs/Schools.

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 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 \$1,188,094, \$849,123, and \$787,806, respectively, equal to the required contributions for each year.

I. Other Postemployment Benefits (OPEB)

Plan Description

The Haywood County School Department participates in the state-administered Local Education Group Insurance Plan for healthcare benefits. For accounting purposes, the plan is an agent multiple-employer defined benefit OPEB plan. Benefits are established and amended by an insurance committee created by Section 8-27-302, *Tennessee Code Annotated*, for local education employees. In previous fiscal years, prior to reaching age 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://tn.gov/finance/act/cafr.html>.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employer in the plan develops its own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state provides a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. During the year ended June 30, 2011, the Haywood County School Department contributed \$167,862, for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan
	<hr/>
ARC	\$ 225,000
Interest on the NPO	15,616
Adjustment to the ARC	(14,792)
Annual OPEB cost	<hr/> \$ 225,824
Less: Amount of contribution	(167,862)
Increase/decrease in NPO	<hr/> \$ 57,962
Net OPEB obligation, 7-1-10	<hr/> 347,030
 Net OPEB obligation, 6-30-11	 <hr/> <hr/> \$ 404,992

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-09	Local Education Group	\$ 236,396	37 %	\$ 292,073
6-30-10	"	216,694	75	347,030
6-30-11	"	225,824	74	404,992

Funded Status and Funding Progress

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

	<u>Local Education Group Plan</u>
Actuarial valuation date	7-1-10
Actuarial accrued liability (AAL)	\$ 2,015,000
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 2,015,000
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 11,225,457
UAAL as a % of covered payroll	18%

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 Group 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 rate includes a three percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level of percentage of payroll on a closed basis over a 30-year period beginning with June 30, 2008.

J. Purchasing Laws

Office of County Mayor

Purchasing procedures for the County Mayor's Office are governed by the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, *Tennessee Code Annotated (TCA)*. This act provides for all purchases exceeding \$10,000 (excluding emergency purchases) to be made based on competitive bids solicited through newspaper advertisement.

Office of Chief Administrative Highway Officer

Purchasing procedures for the Highway Department are governed by provisions of Chapter 24, Private Acts of 1991, as amended and Section 54-7-113, *TCA* (Uniform Road Law), which require all purchases exceeding \$10,000 to be made on the basis of publicly advertised competitive bids.

Office of Director of Schools

Purchasing procedures for the discretely presented Haywood 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.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 6,260,272	\$ 6,215,856	\$ 6,215,856	\$ 44,416
Licenses and Permits	19,832	22,691	22,691	(2,859)
Fines, Forfeitures, and Penalties	161,252	160,508	171,332	(10,080)
Charges for Current Services	990,967	864,365	744,207	246,760
Other Local Revenues	143,831	169,700	169,700	(25,869)
Fees Received from County Officials	897,924	1,080,248	1,080,248	(182,324)
State of Tennessee	929,189	656,105	867,762	61,427
Federal Government	302,774	125,268	200,844	101,930
Other Governments and Citizens Groups	547,018	613,512	641,950	(94,932)
Total Revenues	\$ 10,253,059	\$ 9,908,253	\$ 10,114,590	\$ 138,469
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 169,201	\$ 161,536	\$ 183,113	\$ 13,912
Beer Board	1,394	2,100	2,100	706
County Mayor/Executive	247,979	252,009	256,964	8,985
County Attorney	105,416	31,189	109,359	3,943
Election Commission	143,021	140,896	144,596	1,575
Register of Deeds	132,636	124,583	133,840	1,204
Development	62,178	61,351	62,611	433
County Buildings	316,410	342,759	357,458	41,048
<u>Finance</u>				
Accounting and Budgeting	9,100	8,000	9,200	100
Property Assessor's Office	332,803	352,431	352,431	19,628
Reappraisal Program	17,054	30,336	30,336	13,282
County Trustee's Office	96,427	265,135	265,135	168,708
County Clerk's Office	256,343	329,862	332,662	76,319
<u>Administration of Justice</u>				
Circuit Court	470,663	497,901	514,182	43,519
General Sessions Judge	229,452	224,352	230,428	976
General Sessions Court Clerk	5,298	9,000	9,000	3,702
Chancery Court	159,314	159,380	162,397	3,083
Juvenile Court	78,926	79,691	79,691	765
<u>Public Safety</u>				
Sheriff's Department	1,514,711	1,455,087	1,527,514	12,803
Jail	1,462,468	1,288,248	1,478,225	15,757
Workhouse	215,923	227,353	227,353	11,430
Fire Prevention and Control	297,255	381,876	391,718	94,463
Civil Defense	112,662	68,982	114,178	1,516
Rescue Squad	10,652	10,652	10,652	0
County Coroner/Medical Examiner	4,800	4,800	4,800	0
Other Public Safety	194,199	195,234	195,234	1,035

(Continued)

Exhibit F-1

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Expenditures (Cont.)</u>				
<u>Public Health and Welfare</u>				
Local Health Center	\$ 54,586	\$ 59,414	\$ 59,414	\$ 4,828
Rabies and Animal Control	80,048	84,567	84,567	4,519
Ambulance/Emergency Medical Services	1,296,073	1,317,746	1,354,985	58,912
Alcohol and Drug Programs	5,000	5,000	5,000	0
Other Local Health Services	0	3,500	3,500	3,500
Appropriation to State	125,984	135,470	135,470	9,486
<u>Social, Cultural, and Recreational Services</u>				
Libraries	69,418	137,385	137,735	68,317
Parks and Fair Boards	832,199	797,848	852,676	20,477
Other Social, Cultural, and Recreational	151,696	116,076	168,457	16,761
<u>Agriculture and Natural Resources</u>				
Agriculture Extension Service	140,304	154,420	168,830	28,526
Forest Service	2,000	2,000	2,000	0
Soil Conservation	96,948	95,865	97,865	917
<u>Other Operations</u>				
Industrial Development	91,883	165,000	165,000	73,117
Veterans' Services	12,728	17,792	17,792	5,064
Other Charges	53,021	44,494	57,495	4,474
Contributions to Other Agencies	326,574	326,868	337,692	11,118
Employee Benefits	1,253	0	1,253	0
ARRA Grant # 1	199,081	0	199,801	720
Miscellaneous	237,171	244,288	244,288	7,117
<u>Principal on Debt</u>				
General Government	62,411	0	62,411	0
<u>Interest on Debt</u>				
General Government	1,528	0	1,528	0
Total Expenditures	<u>\$ 10,486,191</u>	<u>\$ 10,412,476</u>	<u>\$ 11,342,936</u>	<u>\$ 856,745</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (233,132)	\$ (504,223)	\$ (1,228,346)	\$ 995,214
<u>Other Financing Sources (Uses)</u>				
Capital Leases Issued	\$ 93,625	\$ 0	\$ 93,625	\$ 0
Insurance Recovery	29,028	1,000	21,635	7,393
Total Other Financing Sources (Uses)	<u>\$ 122,653</u>	<u>\$ 1,000</u>	<u>\$ 115,260</u>	<u>\$ 7,393</u>
Net Change in Fund Balance	\$ (110,479)	\$ (503,223)	\$ (1,113,086)	\$ 1,002,607
Fund Balance, July 1, 2010	2,055,446	1,706,675	1,706,675	348,771
Fund Balance, June 30, 2011	<u>\$ 1,944,967</u>	<u>\$ 1,203,452</u>	<u>\$ 593,589</u>	<u>\$ 1,351,378</u>

Exhibit F-2

Haywood County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 605,757	\$ 614,316	\$ 614,316	\$ (8,559)
Charges for Current Services	0	25	25	(25)
Other Local Revenues	377,024	260,000	317,208	59,816
State of Tennessee	1,936,887	2,686,473	2,686,473	(749,586)
Federal Government	549,325	0	0	549,325
Other Governments and Citizens Groups	68,779	0	68,779	0
Total Revenues	<u>\$ 3,537,772</u>	<u>\$ 3,560,814</u>	<u>\$ 3,686,801</u>	<u>\$ (149,029)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 179,615	\$ 195,535	\$ 195,535	\$ 15,920
Highway and Bridge Maintenance	1,302,080	2,258,100	2,331,879	1,029,799
Operation and Maintenance of Equipment	736,194	850,350	855,350	119,156
Other Charges	107,377	131,000	131,000	23,623
Employee Benefits	244,502	248,500	253,500	8,998
Capital Outlay	453,841	1,666,229	1,666,229	1,212,388
Total Expenditures	<u>\$ 3,023,609</u>	<u>\$ 5,349,714</u>	<u>\$ 5,433,493</u>	<u>\$ 2,409,884</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 514,163</u>	<u>\$ (1,788,900)</u>	<u>\$ (1,746,692)</u>	<u>\$ 2,260,855</u>
Net Change in Fund Balance	\$ 514,163	\$ (1,788,900)	\$ (1,746,692)	\$ 2,260,855
Fund Balance, July 1, 2010	<u>2,199,773</u>	<u>2,164,358</u>	<u>2,164,358</u>	<u>35,415</u>
Fund Balance, June 30, 2011	<u>\$ 2,713,936</u>	<u>\$ 375,458</u>	<u>\$ 417,666</u>	<u>\$ 2,296,270</u>

Exhibit F-3

Haywood County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Haywood 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	\$ 22,465	\$ 25,489	\$ 3,024	88.14 %	\$ 8,388	36.05 %
7-1-07	20,764	22,676	1,912	91.57	7,573	25.25

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 valuations are presented.

Exhibit F-4

Haywood County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plan
Discretely Presented Haywood County School Department
June 30, 2011

(Dollar amounts in thousands)

Plan	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Local Education Group	7-1-07	\$ 0	\$ 2,648	\$ 2,648	0%	\$ 13,208	20%
"	7-1-09	0	1,941	1,941	0	13,878	14
"	7-1-10	0	2,015	2,015	0	11,225	18

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

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

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

B. THE COUNTY MAYOR ENTERED INTO AN OPERATING LEASE WITHOUT SOLICITING COMPETITIVE BIDS OR OBTAINING THE APPROVAL OF THE COUNTY COMMISSION

On December 21, 2010, the county mayor entered into a five-year operating lease for \$300,000 for document scanning services without soliciting competitive bids or obtaining the approval of the County Commission in violation of state statutes. Details are discussed in the Schedule of Findings and Questioned Costs section of this report.

**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.

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

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

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

Capital Projects Funds

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 and other capital assets.

Community Development/Industrial Park Fund – The Community Development/Industrial Park Fund is used to account for revenues received from public works grants provided for community development projects.

HUD Grant Projects Fund – The HUD Grant Projects Fund is used to account for revenues received from grants provided for housing projects.

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for revenues provided for an industrial park project.

Exhibit G-1

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

	Special Revenue Funds			Capital Projects Funds			Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Constitu- tional Officers - Fees	Total	Community/ Development/ Industrial Park	Other Capital Projects	
\$	0 \$	0 \$	44,836 \$	44,836 \$	0 \$	0 \$	44,836
Equity in Pooled Cash and Investments	140,045	78,972	0	219,017	23,664	3,960	246,641
Accounts Receivable	36,685	0	96	36,781	0	0	36,781
Due from Other Governments	0	0	0	0	0	13,247	13,247
Total Assets	\$ 176,730 \$	78,972 \$	44,932 \$	300,634 \$	23,664 \$	17,207 \$	341,505

ASSETS

Cash
 Equity in Pooled Cash and Investments
 Accounts Receivable
 Due from Other Governments

Total Assets

LIABILITIES AND FUND BALANCES

Liabilities

\$	4,090 \$	0 \$	0 \$	4,090 \$	0 \$	0 \$	4,090
Accounts Payable	2,631	0	0	2,631	0	0	2,631
Payroll Deductions Payable	0	0	4,205	4,205	0	0	4,205
Due to Other Funds	110	0	0	110	0	0	110
Due to State of Tennessee	6,831	0	4,205	11,036	0	0	11,036
Total Liabilities	\$ 6,831 \$	0 \$	4,205 \$	11,036 \$	0 \$	0 \$	11,036

Fund Balances

Restricted:

Restricted for Public Safety
 Restricted for Capital Outlay

Committed:

Committed for Finance
 Committed for Public Health and Welfare
 Committed for Capital Outlay

Total Fund Balances

\$	0 \$	78,972 \$	0 \$	78,972 \$	0 \$	0 \$	78,972
Accounts Payable	0	0	0	0	23,664	0	23,664
Payroll Deductions Payable	0	0	40,727	40,727	0	0	40,727
Due to Other Funds	169,899	0	0	169,899	0	0	169,899
Due to State of Tennessee	0	0	0	0	0	17,207	17,207
Total Fund Balances	\$ 169,899 \$	78,972 \$	40,727 \$	289,598 \$	23,664 \$	17,207 \$	330,469

Total Liabilities and Fund Balances

\$	176,730 \$	78,972 \$	44,932 \$	300,634 \$	23,664 \$	17,207 \$	341,505
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Exhibit G-2

Haywood 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				Capital Projects Funds				Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Constituti- onal Officers - Fees	Total	Community Development/ Industrial Park	HUD Grant Projects	Other Capital Projects	Total	
Revenues									
Fines, Forfeitures, and Penalties	\$ 0	\$ 118,194	\$ 0	\$ 118,194	\$ 0	\$ 0	\$ 0	\$ 0	\$ 118,194
Charges for Current Services	508,559	0	181,742	690,301	0	0	0	0	690,301
Other Local Revenues	784	0	0	784	0	0	28,976	28,976	29,760
State of Tennessee	27,453	0	0	27,453	10,000	0	0	10,000	37,453
Federal Government	0	0	0	0	41,917	199,790	60,000	301,707	301,707
Other Governments and Citizens Groups	0	0	0	0	5,000	19,118	0	24,118	24,118
Total Revenues	\$ 536,796	\$ 118,194	\$ 181,742	\$ 836,732	\$ 56,917	\$ 199,790	\$ 108,094	\$ 364,801	\$ 1,201,533
Expenditures									
Current:									
Finance	\$ 0	\$ 0	\$ 205,998	\$ 205,998	\$ 0	\$ 0	\$ 0	\$ 0	\$ 205,998
Administration of Justice	0	0	5,335	5,335	0	0	0	0	5,335
Public Safety	0	46,645	0	46,645	0	0	0	0	46,645
Public Health and Welfare	346,621	0	0	346,621	0	0	0	0	346,621
Other Operations	83,398	0	0	83,398	0	0	0	0	83,398
Capital Projects	0	0	0	0	48,600	199,790	130,835	379,225	379,225
Total Expenditures	\$ 430,019	\$ 46,645	\$ 211,333	\$ 687,997	\$ 48,600	\$ 199,790	\$ 130,835	\$ 379,225	\$ 1,067,222
Excess (Deficiency) of Revenues Over Expenditures	\$ 106,777	\$ 71,549	\$ (29,591)	\$ 148,735	\$ 8,317	\$ 0	\$ (22,741)	\$ (14,424)	\$ 134,311
Other Financing Sources (Uses)									
Transfers Out	\$ (120,000)	\$ 0	\$ 0	\$ (120,000)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (120,000)
Total Other Financing Sources (Uses)	\$ (120,000)	\$ 0	\$ 0	\$ (120,000)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (120,000)
Net Change in Fund Balances Fund Balance, July 1, 2010	\$ (13,223)	\$ 71,549	\$ (29,591)	\$ 28,735	\$ 8,317	\$ 0	\$ (22,741)	\$ (14,424)	\$ 14,311
Fund Balance, June 30, 2011	\$ 183,122	\$ 7,423	\$ 70,318	\$ 260,863	\$ 15,347	\$ 0	\$ 39,948	\$ 55,295	\$ 316,158
Fund Balance, June 30, 2011	\$ 169,899	\$ 78,972	\$ 40,727	\$ 289,598	\$ 23,664	\$ 0	\$ 17,207	\$ 40,871	\$ 330,469

Exhibit G-3

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 508,559	\$ 496,000	\$ 496,000	\$ 12,559
Other Local Revenues	784	1,000	1,000	(216)
State of Tennessee	27,453	29,000	29,000	(1,547)
Total Revenues	<u>\$ 536,796</u>	<u>\$ 526,000</u>	<u>\$ 526,000</u>	<u>\$ 10,796</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Waste Pickup	\$ 346,621	\$ 333,528	\$ 352,528	\$ 5,907
<u>Other Operations</u>				
Other Charges	30,485	32,350	32,350	1,865
Employee Benefits	52,913	58,945	58,945	6,032
Total Expenditures	<u>\$ 430,019</u>	<u>\$ 424,823</u>	<u>\$ 443,823</u>	<u>\$ 13,804</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 106,777</u>	<u>\$ 101,177</u>	<u>\$ 82,177</u>	<u>\$ 24,600</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (120,000)	\$ (160,000)	\$ (160,000)	\$ 40,000
Total Other Financing Sources (Uses)	<u>\$ (120,000)</u>	<u>\$ (160,000)</u>	<u>\$ (160,000)</u>	<u>\$ 40,000</u>
Net Change in Fund Balance	\$ (13,223)	\$ (58,823)	\$ (77,823)	\$ 64,600
Fund Balance, July 1, 2010	<u>183,122</u>	<u>144,609</u>	<u>144,609</u>	<u>38,513</u>
Fund Balance, June 30, 2011	<u>\$ 169,899</u>	<u>\$ 85,786</u>	<u>\$ 66,786</u>	<u>\$ 103,113</u>

Exhibit G-4

Haywood County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 118,194	\$ 8,200	\$ 17,767	\$ 100,427
Total Revenues	\$ 118,194	\$ 8,200	\$ 17,767	\$ 100,427
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 46,645	\$ 7,570	\$ 47,043	\$ 398
Total Expenditures	\$ 46,645	\$ 7,570	\$ 47,043	\$ 398
Excess (Deficiency) of Revenues Over Expenditures	\$ 71,549	\$ 630	\$ (29,276)	\$ 100,825
Net Change in Fund Balance	\$ 71,549	\$ 630	\$ (29,276)	\$ 100,825
Fund Balance, July 1, 2010	7,423	7,422	7,422	1
Fund Balance, June 30, 2011	\$ 78,972	\$ 8,052	\$ (21,854)	\$ 100,826

Major Governmental Fund

General Debt Service Fund

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

Exhibit H

Haywood 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	\$ 656,443	\$ 695,635	\$ 695,635	\$ (39,192)
Other Local Revenues	219,912	374,445	374,445	(154,533)
State of Tennessee	12,248	11,967	11,967	281
Federal Government	123,681	0	123,681	0
Total Revenues	<u>\$ 1,012,284</u>	<u>\$ 1,082,047</u>	<u>\$ 1,205,728</u>	<u>\$ (193,444)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 663,622	\$ 666,272	\$ 664,052	\$ 430
<u>Interest on Debt</u>				
General Government	854,556	731,444	855,125	569
<u>Other Debt Service</u>				
General Government	11,384	8,407	11,477	93
Total Expenditures	<u>\$ 1,529,562</u>	<u>\$ 1,406,123</u>	<u>\$ 1,530,654</u>	<u>\$ 1,092</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (517,278)</u>	<u>\$ (324,076)</u>	<u>\$ (324,926)</u>	<u>\$ (192,352)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ 0	\$ (1,000)	\$ (1,000)	\$ 1,000
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ (1,000)</u>	<u>\$ (1,000)</u>	<u>\$ 1,000</u>
Net Change in Fund Balance	\$ (517,278)	\$ (325,076)	\$ (325,926)	\$ (191,352)
Fund Balance, July 1, 2010	<u>2,715,248</u>	<u>2,666,028</u>	<u>2,666,028</u>	<u>49,220</u>
Fund Balance, June 30, 2011	<u>\$ 2,197,970</u>	<u>\$ 2,340,952</u>	<u>\$ 2,340,102</u>	<u>\$ (142,132)</u>

Fiduciary Funds

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

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

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

Exhibit I-1

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

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 968,760	\$ 968,760
Accounts Receivable	0	2,355	2,355
Due from Other Governments	226,945	0	226,945
Total Assets	<u>\$ 226,945</u>	<u>\$ 971,115</u>	<u>\$ 1,198,060</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 226,945	\$ 0	\$ 226,945
Due to Litigants, Heirs, and Others	0	971,115	971,115
Total Liabilities	<u>\$ 226,945</u>	<u>\$ 971,115</u>	<u>\$ 1,198,060</u>

Exhibit I-2

Haywood 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	\$ 1,359,104	\$ 1,359,104	\$ 0
Due from Other Governments	229,314	226,945	229,314	226,945
Total Assets	\$ 229,314	\$ 1,586,049	\$ 1,588,418	\$ 226,945
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 229,314	\$ 1,586,049	\$ 1,588,418	\$ 226,945
Total Liabilities	\$ 229,314	\$ 1,586,049	\$ 1,588,418	\$ 226,945
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,125,064	\$ 5,061,896	\$ 5,218,200	\$ 968,760
Accounts Receivable	1,959	2,355	1,959	2,355
Total Assets	\$ 1,127,023	\$ 5,064,251	\$ 5,220,159	\$ 971,115
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,127,023	\$ 5,064,251	\$ 5,220,159	\$ 971,115
Total Liabilities	\$ 1,127,023	\$ 5,064,251	\$ 5,220,159	\$ 971,115
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,125,064	\$ 5,061,896	\$ 5,218,200	\$ 968,760
Equity in Pooled Cash and Investments	0	1,359,104	1,359,104	0
Accounts Receivable	1,959	2,355	1,959	2,355
Due from Other Governments	229,314	226,945	229,314	226,945
Total Assets	\$ 1,356,337	\$ 6,650,300	\$ 6,808,577	\$ 1,198,060
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 229,314	\$ 1,586,049	\$ 1,588,418	\$ 226,945
Due to Litigants, Heirs, and Others	1,127,023	5,064,251	5,220,159	971,115
Total Liabilities	\$ 1,356,337	\$ 6,650,300	\$ 6,808,577	\$ 1,198,060

Haywood County School Department

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

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

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

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

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

Exhibit J-1

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

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Charges for Services	Operating Grants and Contributions	Total Governmental Activities	
Governmental Activities:				
Instruction	\$ 16,902,580	\$ 24,735	\$ 3,295,315	\$ (13,582,530)
Support Services	9,817,013	0	254,919	(9,562,094)
Operation of Non-Instructional Services	3,005,999	338,941	2,473,588	(193,470)
Total Governmental Activities	\$ 29,725,592	\$ 363,676	\$ 6,023,822	\$ (23,338,094)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 3,551,094
Local Option Sales Taxes				1,499,021
Wheel Tax				266,567
Other Local Taxes				37,821
Grants and Contributions Not Restricted to Specific Programs				17,799,030
Miscellaneous				7,134
Total General Revenues				\$ 23,160,667
Change in Net Assets				\$ (177,427)
Net Assets, July 1, 2010				13,309,571
Net Assets, June 30, 2011				\$ 13,132,144

Exhibit J-2

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

	Major Funds		Nonmajor Funds	Total Govern- mental Funds
	General Purpose School	School Federal Projects	Other Govern- mental Funds	
<u>ASSETS</u>				
Equity in Pooled Cash and Investments	\$ 2,234,901	\$ 98,032	\$ 435,533	\$ 2,768,466
Accounts Receivable	71,834	0	0	71,834
Due from Other Governments	994,080	272,166	0	1,266,246
Due from Primary Government	0	0	126,057	126,057
Property Taxes Receivable	3,953,448	0	0	3,953,448
Allowance for Uncollectible Property Taxes	(113,035)	0	0	(113,035)
Total Assets	<u>\$ 7,141,228</u>	<u>\$ 370,198</u>	<u>\$ 561,590</u>	<u>\$ 8,073,016</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 36,703	\$ 2,089	\$ 50,974	\$ 89,766
Payroll Deductions Payable	569,843	54,965	11,389	636,197
Deferred Revenue - Current Property Taxes	3,494,786	0	0	3,494,786
Deferred Revenue - Delinquent Property Taxes	336,937	0	0	336,937
Other Deferred Revenues	124,000	0	0	124,000
Total Liabilities	<u>\$ 4,562,269</u>	<u>\$ 57,054</u>	<u>\$ 62,363</u>	<u>\$ 4,681,686</u>
<u>Fund Balances</u>				
Restricted:				
Restricted for Education	\$ 4,261	\$ 113,144	\$ 0	\$ 117,405
Restricted for Operation of Non-Instructional Services	0	0	499,227	499,227
Assigned:				
Assigned for Education	129,900	200,000	0	329,900
Unassigned	2,444,798	0	0	2,444,798
Total Fund Balances	<u>\$ 2,578,959</u>	<u>\$ 313,144</u>	<u>\$ 499,227</u>	<u>\$ 3,391,330</u>
Total Liabilities and Fund Balances	<u>\$ 7,141,228</u>	<u>\$ 370,198</u>	<u>\$ 561,590</u>	<u>\$ 8,073,016</u>

Exhibit J-3

Haywood County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
Discretely Presented Haywood 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 J-2)		\$	3,391,330
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	170,993	
Add: construction in progress		162,412	
Add: buildings and improvements net of accumulated depreciation		7,343,270	
Add: other capital assets net of accumulated depreciation		<u>2,008,194</u>	9,684,869
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: other postemployment benefits liability			(404,992)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			
			<u>460,937</u>
Net assets of governmental activities (Exhibit A)		\$	<u><u>13,132,144</u></u>

Exhibit J-4

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

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Federal Projects	Other Govern- mental Funds	
Revenues				
Local Taxes	\$ 5,493,489	\$ 0	\$ 0	\$ 5,493,489
Licenses and Permits	846	0	0	846
Charges for Current Services	24,735	0	338,941	363,676
Other Local Revenues	165,494	0	602	166,096
State of Tennessee	17,367,492	0	20,223	17,387,715
Federal Government	231,054	4,016,316	1,820,095	6,067,465
Other Governments and Citizens Groups	0	0	50,974	50,974
Total Revenues	\$ 23,283,110	\$ 4,016,316	\$ 2,230,835	\$ 29,530,261
Expenditures				
Current:				
Instruction	\$ 13,237,806	\$ 2,893,592	\$ 0	\$ 16,131,398
Support Services	9,086,397	731,571	144	9,818,112
Operation of Non-Instructional Services	707,312	346,806	2,043,701	3,097,819
Capital Outlay	102,044	0	0	102,044
Capital Projects	0	0	50,974	50,974
Total Expenditures	\$ 23,133,559	\$ 3,971,969	\$ 2,094,819	\$ 29,200,347
Excess (Deficiency) of Revenues Over Expenditures	\$ 149,551	\$ 44,347	\$ 136,016	\$ 329,914
Other Financing Sources (Uses)				
Insurance Recovery	\$ 14,553	\$ 0	\$ 0	\$ 14,553
Transfers In	5,940	0	0	5,940
Transfers Out	0	(5,940)	0	(5,940)
Total Other Financing Sources (Uses)	\$ 20,493	\$ (5,940)	\$ 0	\$ 14,553
Net Change in Fund Balances	\$ 170,044	\$ 38,407	\$ 136,016	\$ 344,467
Fund Balance, July 1, 2010	2,408,915	274,737	363,211	3,046,863
Fund Balance, June 30, 2011	\$ 2,578,959	\$ 313,144	\$ 499,227	\$ 3,391,330

Exhibit J-5

Haywood County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Haywood 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 J-4)		\$ 344,467
(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	\$ 421,364	
Less: current-year depreciation expense	<u>(903,200)</u>	(481,836)
(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	\$ 460,937	
Less: deferred delinquent property taxes and other deferred June 30, 2010	<u>(443,033)</u>	17,904
(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in other postemployment benefits liability		<u>(57,962)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ (177,427)</u>

Exhibit J-6

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

	Special Revenue Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
	Central Cafeteria	Education Capital Projects	
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 435,533	\$ 0	\$ 435,533
Due from Primary Government	75,083	50,974	126,057
Total Assets	<u>\$ 510,616</u>	<u>\$ 50,974</u>	<u>\$ 561,590</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 0	\$ 50,974	\$ 50,974
Payroll Deductions Payable	11,389	0	11,389
Total Liabilities	<u>\$ 11,389</u>	<u>\$ 50,974</u>	<u>\$ 62,363</u>
<u>Fund Balances</u>			
Restricted:			
Restricted for Operation of Non-Instructional Services	\$ 499,227	\$ 0	\$ 499,227
Total Fund Balances	<u>\$ 499,227</u>	<u>\$ 0</u>	<u>\$ 499,227</u>
Total Liabilities and Fund Balances	<u>\$ 510,616</u>	<u>\$ 50,974</u>	<u>\$ 561,590</u>

Exhibit J-7

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

	Special Revenue Fund	Capital Projects Fund	Total
	Central Cafeteria	Education Capital Projects	Nonmajor Governmental Funds
<u>Revenues</u>			
Charges for Current Services	\$ 338,941	\$ 0	\$ 338,941
Other Local Revenues	602	0	602
State of Tennessee	20,223	0	20,223
Federal Government	1,820,095	0	1,820,095
Other Governments and Citizens Groups	0	50,974	50,974
Total Revenues	<u>\$ 2,179,861</u>	<u>\$ 50,974</u>	<u>\$ 2,230,835</u>
<u>Expenditures</u>			
Current:			
Support Services	\$ 144	\$ 0	\$ 144
Operation of Non-Instructional Services	2,043,701	0	2,043,701
Capital Projects	0	50,974	50,974
Total Expenditures	<u>\$ 2,043,845</u>	<u>\$ 50,974</u>	<u>\$ 2,094,819</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 136,016</u>	<u>\$ 0</u>	<u>\$ 136,016</u>
Net Change in Fund Balances	\$ 136,016	\$ 0	\$ 136,016
Fund Balance, July 1, 2010	<u>363,211</u>	<u>0</u>	<u>363,211</u>
Fund Balance, June 30, 2011	<u>\$ 499,227</u>	<u>\$ 0</u>	<u>\$ 499,227</u>

Exhibit J-8

Haywood County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Haywood County School Department
General Purpose School 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	\$ 5,493,489	\$ 0	\$ 0	\$ 5,493,489	\$ 5,564,102	\$ 5,564,102	\$ (70,613)
Licenses and Permits	846	0	0	846	2,000	2,000	(1,154)
Charges for Current Services	24,735	0	0	24,735	30,000	30,000	(5,265)
Other Local Revenues	165,494	0	0	165,494	192,049	254,924	(89,430)
State of Tennessee	17,367,492	0	0	17,367,492	17,166,838	17,424,780	(57,288)
Federal Government	231,054	0	0	231,054	194,369	241,503	(10,449)
Total Revenues	\$ 23,283,110	\$ 0	\$ 0	\$ 23,283,110	\$ 23,149,358	\$ 23,517,309	\$ (234,199)
Expenditures							
<u>Instruction</u>							
Regular Instruction Program	\$ 10,629,349	(1,000)	19,011	\$ 10,647,360	\$ 11,064,932	\$ 10,977,779	\$ 330,419
Alternative Instruction Program	414,353	0	0	414,353	373,830	416,224	1,871
Special Education Program	1,516,283	0	0	1,516,283	1,518,286	1,542,990	26,707
Vocational Education Program	618,362	0	0	618,362	633,190	633,190	14,828
Adult Education Program	59,459	(959)	0	58,500	51,198	71,271	12,771
<u>Support Services</u>							
Attendance	129,959	0	0	129,959	140,921	140,921	10,962
Health Services	179,368	0	0	179,368	152,515	180,016	648
Other Student Support	793,559	0	0	793,559	800,703	813,715	20,156
Regular Instruction Program	826,495	0	0	826,495	880,336	829,119	2,624
Alternative Instruction Program	21,325	0	0	21,325	9,909	22,120	795
Special Education Program	185,282	0	0	185,282	170,142	188,639	3,357
Vocational Education Program	129,679	0	0	129,679	142,477	142,478	12,799
Adult Programs	65,352	0	0	65,352	61,844	67,548	2,196

(Continued)

Exhibit J-8

Haywood County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Haywood 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>							
Other Programs	\$ 122,224	\$ 0	\$ 0	\$ 122,224	\$ 0	\$ 122,224	\$ 0
Board of Education	401,472	0	0	401,472	438,841	425,603	24,131
Director of Schools	310,326	0	596	310,922	315,197	315,398	4,476
Office of the Principal	1,464,969	0	0	1,464,969	1,622,176	1,554,843	89,874
Fiscal Services	315,836	0	0	315,836	316,869	316,869	1,033
Operation of Plant	1,520,014	0	94	1,520,108	1,556,571	1,557,765	37,657
Maintenance of Plant	659,911	(43,589)	42,245	658,567	565,563	704,580	46,013
Transportation	1,872,602	(5,369)	20,413	1,887,646	1,737,017	1,918,336	30,690
Central and Other	88,024	0	0	88,024	90,832	90,832	2,808
<u>Operation of Non-Instructional Services</u>							
Food Service	133,640	0	29,776	163,416	240,000	240,967	77,551
Early Childhood Education	573,672	(1,081)	17,765	590,356	591,676	591,677	1,321
<u>Capital Outlay</u>							
Regular Capital Outlay	102,044	(72,677)	0	29,367	45,000	45,000	15,633
Total Expenditures	\$ 23,133,559	\$ (124,675)	\$ 129,900	\$ 23,138,784	\$ 23,520,025	\$ 23,910,104	\$ 771,320
<u>Excess (Deficiency) of Revenues</u> <u>Over Expenditures</u>	\$ 149,551	\$ 124,675	\$ (129,900)	\$ 144,326	\$ (370,667)	\$ (392,795)	\$ 537,121
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 14,553	\$ 0	\$ 0	\$ 14,553	\$ 0	\$ 0	\$ 14,553
Transfers In	5,940	0	0	5,940	14,000	14,000	(8,060)
Total Other Financing Sources (Uses)	\$ 20,493	\$ 0	\$ 0	\$ 20,493	\$ 14,000	\$ 14,000	\$ 6,493
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ 170,044	\$ 124,675	\$ (129,900)	\$ 164,819	\$ (356,667)	\$ (378,795)	\$ 543,614
	2,408,915	(124,675)	0	2,284,240	2,234,072	2,234,072	50,168
Fund Balance, June 30, 2011	\$ 2,578,959	\$ 0	\$ (129,900)	\$ 2,449,059	\$ 1,877,405	\$ 1,855,277	\$ 593,782

Exhibit J-9

Haywood County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 Discretely Presented Haywood County School Department
 School Federal Projects 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>							
Federal Government	\$ 4,016,316 \$	0 \$	0 \$	4,016,316 \$	5,000,658 \$	5,022,104 \$	(1,005,788)
Total Revenues	\$ 4,016,316 \$	0 \$	0 \$	4,016,316 \$	5,000,658 \$	5,022,104 \$	(1,005,788)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 1,882,469 \$	(47,918) \$	94,089 \$	1,928,640 \$	2,185,675 \$	2,279,962 \$	351,322
Alternative Instruction Program	20,460	0	0	20,460	42,129	25,803	5,343
Special Education Program	950,329	0	5,844	956,173	1,244,128	1,293,933	337,760
Vocational Education Program	40,334	0	0	40,334	40,562	40,562	228
<u>Support Services</u>							
Health Services	12,934	0	0	12,934	29,552	29,552	16,618
Other Student Support	165,016	(2,116)	0	162,900	211,720	242,781	79,881
Regular Instruction Program	256,136	0	0	256,136	548,447	503,684	247,548
Special Education Program	196,669	0	0	196,669	275,442	231,429	34,760
Vocational Education Program	1,179	0	0	1,179	1,995	1,995	816
Adult Programs	545	0	0	545	0	545	0
Office of the Principal	18,098	0	0	18,098	17,781	18,098	0
Maintenance of Plant	2,752	0	0	2,752	3,916	3,916	1,164
Transportation	78,242	0	0	78,242	86,462	88,148	4,906
<u>Operation of Non-Instructional Services</u>							
Food Service	31,546	0	0	31,546	39,615	35,620	4,074
Community Services	306,679	0	0	306,679	303,981	306,679	0
Early Childhood Education	8,581	0	0	8,581	8,660	8,660	79
Total Expenditures	\$ 3,971,969 \$	(50,034) \$	99,933 \$	4,021,868 \$	5,040,065 \$	5,106,367 \$	1,084,499

(Continued)

Exhibit J-9

Haywood County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 Discretely Presented Haywood County School Department
 School Federal Projects 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	
Excess (Deficiency) of Revenues Over Expenditures	\$ 44,347 \$	50,034 \$	(99,933) \$	(5,552) \$	(39,407) \$	(84,263) \$	78,711
Other Financing Sources (Uses)							
Transfers Out	\$ (5,940) \$	0 \$	0 \$	(5,940) \$	(9,075) \$	(5,940) \$	0
Total Other Financing Sources (Uses)	\$ (5,940) \$	0 \$	0 \$	(5,940) \$	(9,075) \$	(5,940) \$	0
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ 38,407 \$	50,034 \$	(99,933) \$	(11,492) \$	(48,482) \$	(90,203) \$	78,711
	274,737	(50,034)	0	224,703	274,737	274,737	(50,034)
Fund Balance, June 30, 2011	\$ 313,144 \$	0 \$	(99,933) \$	213,211 \$	226,255 \$	184,534 \$	28,677

Exhibit J-10

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 338,941	\$ 365,715	\$ 365,715	\$ (26,774)
Other Local Revenues	602	1,100	1,100	(498)
State of Tennessee	20,223	22,000	22,000	(1,777)
Federal Government	1,820,095	1,604,087	1,724,638	95,457
Total Revenues	<u>\$ 2,179,861</u>	<u>\$ 1,992,902</u>	<u>\$ 2,113,453</u>	<u>\$ 66,408</u>
<u>Expenditures</u>				
<u>Support Services</u>				
Board of Education	\$ 144	\$ 144	\$ 144	\$ 0
<u>Operation of Non-Instructional Services</u>				
Food Service	2,043,701	1,992,758	2,113,309	69,608
Total Expenditures	<u>\$ 2,043,845</u>	<u>\$ 1,992,902</u>	<u>\$ 2,113,453</u>	<u>\$ 69,608</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 136,016</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 136,016</u>
Net Change in Fund Balance	\$ 136,016	\$ 0	\$ 0	\$ 136,016
Fund Balance, July 1, 2010	<u>363,211</u>	<u>363,211</u>	<u>363,211</u>	<u>0</u>
Fund Balance, June 30, 2011	<u>\$ 499,227</u>	<u>\$ 363,211</u>	<u>\$ 363,211</u>	<u>\$ 136,016</u>

MISCELLANEOUS SCHEDULES

Exhibit K-1

Haywood County, Tennessee
Schedule of Changes in Capital Leases and Bonds
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
CAPITAL LEASES PAYABLE								
<u>Payable through General Fund</u>								
Sheriff's Vehicles (4)	\$ 89,080	5.15 %	9-8-08	9-10-10	\$ 29,669	\$ 0	\$ 29,669	\$ 0
Sheriff's Vehicles (4)	93,625	5	10-1-10	10-1-12	0	93,625	32,742	60,883
Total Capital Leases Payable					\$ 29,669	\$ 93,625	\$ 62,411	\$ 60,883
BONDS PAYABLE								
<u>Payable through General Debt Service Fund</u>								
Waterline (USDA Rural Development)	560,000	4.875	2-5-1998	2-5-38	\$ 484,198	\$ 0	\$ 8,968	\$ 475,230
General Obligation 2007	5,000,000	4 to 4.05	12-20-07	6-1-28	5,000,000	0	0	5,000,000
General Obligation 2008	4,425,000	3.625 to 4.3	12-23-08	6-30-21	4,125,000	0	150,000	3,975,000
General Obligation Refunding, Series 2009	3,400,000	3 to 3.5	4-15-09	6-30-16	3,090,000	0	490,000	2,600,000
General Obligation 2009	300,000	4.5	6-30-09	6-28-24	284,916	0	14,654	270,262
General Obligation 2010	5,575,000	4.75 to 5.55	3-10-10	6-1-30	5,575,000	0	0	5,575,000
Total Bonds Payable					\$ 18,559,114	\$ 0	\$ 663,622	\$ 17,895,492

Exhibit K-2

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

Year Ending June 30	Capital Lease		
	Principal	Interest	Total
2012	\$ 29,699	\$ 3,044	\$ 32,743
2013	31,184	1,559	32,743
Total	\$ 60,883	\$ 4,603	\$ 65,486

Year Ending June 30	Bonds		
	Principal	Interest	Total
2012	\$ 710,118	\$ 773,305	\$ 1,483,423
2013	726,293	750,492	1,476,785
2014	742,515	727,171	1,469,686
2015	783,799	702,995	1,486,794
2016	800,141	673,927	1,474,068
2017	881,546	647,673	1,529,219
2018	933,018	609,462	1,542,480
2019	984,557	571,924	1,556,481
2020	1,011,170	531,710	1,542,880
2021	1,062,858	489,824	1,552,682
2022	869,624	445,105	1,314,729
2023	906,473	406,834	1,313,307
2024	943,151	365,936	1,309,087
2025	952,496	322,812	1,275,308
2026	993,360	278,797	1,272,157
2027	1,034,265	233,642	1,267,907
2028	1,075,216	185,661	1,260,877
2029	1,121,214	135,046	1,256,260
2030	1,172,260	74,049	1,246,309
2031	23,359	9,126	32,485
2032	24,512	7,973	32,485
2033	25,721	6,764	32,485
2034	26,991	5,494	32,485
2035	28,322	4,162	32,484
2036	29,720	2,765	32,485
2037	31,187	1,299	32,486
2038	1,606	86	1,692
Total	\$ 17,895,492	\$ 8,964,034	\$ 26,859,526

Exhibit K-3

Haywood County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Haywood 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>			
Solid Waste/Sanitation	Solid Waste Disposal	Operations	\$ <u>120,000</u>
Total Transfers Primary Government			\$ <u>120,000</u>
<u>DISCRETELY PRESENTED HAYWOOD COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Early intervening services	\$ <u>5,940</u>
Total Transfers Discretely Presented Haywood County School Department			\$ <u>5,940</u>

Exhibit K-4

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

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA, and County Commission	\$ 91,596 (1,2)	\$ 50,000	State Automobile Mutual Insurance Company
Chief Administrative Highway Officer	Section 8-24-102, TCA, and County Commission	71,976 (1)	100,000	"
Director of Schools	State Board of Education and County Board of Education	94,579 (3)	50,000	"
Trustee	Section 8-24-102, TCA, and County Commission	61,711 (1)	717,000	"
Assessor of Property	Section 8-24-102, TCA, and County Commission	61,711 (1)	10,000	Auto-Owners Insurance Company
County Clerk:				
Ann Medford (7-1-10 through 8-31-10)	Section 8-24-102, TCA, and County Commission	12,385 (1)	50,000	State Automobile Mutual Insurance Company
Sonya Castellaw (9-1-10 through 6-30-11)	Section 8-24-102, TCA	49,326	50,000	"
Circuit, General Sessions, and Juvenile Courts Clerk:				
Elma Pirtle (7-1-10 through 8-31-10)	Section 8-24-102, TCA	9,865	50,000	"
Mary Lonon (9-1-10 through 6-30-11)	Section 8-24-102, TCA	49,326	50,000	Western Surety Company
Clerk and Master:				
Judy Hardister (7-1-10 through 4-30-11)	Section 8-24-102, TCA, and County Commission	51,846 (1,4)	70,000	State Automobile Mutual Insurance Company
Sarah Levy (5-1-11 through 6-30-11)	Section 8-24-102, TCA	9,865	70,000	RLI Insurance Company
Register	Section 8-24-102, TCA, and County Commission	61,711 (1)	25,000	State Automobile Mutual Insurance Company
Sheriff	Section 8-24-102, TCA, and County Commission	68,230 (1,5)	25,000	"
Employee Blanket Bonds:				
Office of County Mayor and Highway Department:				
All Employees			150,000	Local Government Property and Casualty Fund
Office of Director of Schools:				
All Employees			150,000	Tennessee Risk Management Trust

(1) Includes a certified public administrator supplement of \$2,520.
(2) Includes county commission chairman compensation of \$19,096.
(3) Includes a career ladder supplement of \$1,000.
(4) Does not include special commissioner fees of \$5,335.
(5) Includes a law enforcement training supplement of \$600.

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 3,989,972	\$ 0	\$ 0	\$ 0	\$ 416,922
Discount on Property Taxes	(43,149)	0	0	0	(4,509)
Trustee's Collections - Prior Year	240,504	0	0	0	25,175
Trustee's Collections - Bankruptcy	677	0	0	0	81
Circuit/Clerk & Master Collections - Prior Years	99,349	0	0	0	10,443
Interest and Penalty	38,843	0	0	0	3,972
Payments in-Lieu-of Taxes - T.V.A.	195,128	0	0	0	20,389
Payments in-Lieu-of Taxes - Local Utilities	64,250	0	0	0	0
Payments in-Lieu-of Taxes - Other	507,617	0	0	0	0
<u>County Local Option Taxes</u>					
Local Option Sales Tax	150,673	0	0	0	0
Hotel/Motel Tax	45,073	0	0	0	0
Wheel Tax	526,466	0	0	0	133,284
Litigation Tax - General	195,737	0	0	0	0
Litigation Tax - Special Purpose	3,142	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0
Business Tax	156,079	0	0	0	0
Other County Local Option Taxes	25,065	0	0	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	12,609	0	0	0	0
Wholesale Beer Tax	50,431	0	0	0	0
Beer Privilege Tax	1,806	0	0	0	0
Total Local Taxes	\$ 6,260,272	\$ 0	\$ 0	\$ 0	\$ 605,757
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Animal Registration	\$ 1,320	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	1,484	0	0	0	0
<u>Permits</u>					
Beer Permits	1,188	0	0	0	0

(Continued)

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Licenses and Permits (Cont.)</u>					
<u>Permits (Cont.)</u>					
Building Permits	15,840	0	0	0	0
Total Licenses and Permits	\$ 15,840	\$ 0	\$ 0	\$ 0	\$ 0
	\$ 19,832	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Officers Costs	2,327	0	0	0	0
Drug Control Fines	2,263	0	571	0	0
Jail Fees	5,200	0	0	0	0
Data Entry Fee - Circuit Court	152	0	0	0	0
Courtroom Security Fee	412	0	0	0	0
<u>General Sessions Court</u>					
Fines	15,053	0	0	0	0
Officers Costs	23,530	0	0	0	0
Game and Fish Fines	619	0	0	0	0
Drug Control Fines	1,030	0	969	0	0
Jail Fees	21,873	0	0	0	0
DUI Treatment Fines	3,994	0	0	0	0
Data Entry Fee - General Sessions Court	11,855	0	0	0	0
Courtroom Security Fee	51,771	0	0	0	0
Victims Assistance Assessments	13,284	0	0	0	0
<u>Juvenile Court</u>					
Fines	796	0	0	0	0
Officers Costs	1,292	0	0	0	0
Data Entry Fee - Juvenile Court	1,168	0	0	0	0
Victims Assistance Assessments	744	0	0	0	0
<u>Chancery Court</u>					
Officers Costs	1,279	0	0	0	0
Data Entry Fee - Chancery Court	1,114	0	0	0	0
Courtroom Security Fee	1,496	0	0	0	0

(Continued)

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Judicial District Drug Program</u>					
Drug Task Force Forfeitures and Seizures	0 \$	0 \$	116,654 \$	0 \$	0
Total Fines, Forfeitures, and Penalties	161,252 \$	0 \$	118,194 \$	0 \$	0
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Residential Waste Collection Charge	0 \$	507,290 \$	0 \$	0 \$	0
Patient Charges	895,928	0	0	0	0
Zoning Studies	360	0	0	0	0
Work Release Charges for Board	0	1,269	0	0	0
Other General Service Charges	11,042	0	0	0	0
<u>Fees</u>					
Recreation Fees	29,764	0	0	0	0
Copy Fees	2,592	0	0	0	0
Greenbelt Late Application Fee	50	0	0	0	0
Telephone Commissions	28,068	0	0	0	0
Vending Machine Collections	3,438	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	181,742	0
Data Processing Fee - Register	10,824	0	0	0	0
Data Processing Fee - Sheriff	4,329	0	0	0	0
Sexual Offender Registration Fees - Sheriff	900	0	0	0	0
Data Processing Fee - County Clerk	3,672	0	0	0	0
Total Charges for Current Services	990,967 \$	508,559 \$	0 \$	181,742 \$	0
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	0 \$	0 \$	0 \$	0 \$	0
Lease/Rentals	16,051	0	0	0	570
Sale of Materials and Supplies	87,441	0	0	0	102,342
Commissary Sales	36,808	0	0	0	0
Sale of Gasoline	0	0	0	0	268,024

(Continued)

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Other Local Revenues (Cont.)</u>					
<u>Recurring Items (Cont.)</u>					
Miscellaneous Refunds	\$ 2,781	\$ 784	\$ 0	\$ 0	\$ 88
<u>Nonrecurring Items</u>					
Sale of Equipment	750	0	0	0	6,000
<u>Other Local Revenues</u>					
Other Local Revenues	0	0	0	0	0
Total Other Local Revenues	\$ 143,831	\$ 784	\$ 0	\$ 0	\$ 377,024
<u>Fees Received from County Officials</u>					
<u>Excess Fees</u>					
County Clerk	\$ 19,715	\$ 0	\$ 0	\$ 0	\$ 0
Trustee	155,000	0	0	0	0
<u>Fees in-Lieu-of Salary</u>					
County Clerk	185,022	0	0	0	0
Circuit Court Clerk	25,464	0	0	0	0
General Sessions Court Clerk	336,649	0	0	0	0
Clerk and Master	75,698	0	0	0	0
Juvenile Court Clerk	26,516	0	0	0	0
Register	60,845	0	0	0	0
Sheriff	13,015	0	0	0	0
Total Fees Received from County Officials	\$ 897,924	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 9,135	\$ 0	\$ 0	\$ 0	\$ 0
On-Behalf Contributions for OPEB	1,253	0	0	0	0
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	9,600	0	0	0	0
Other Public Safety Grants	5,361	0	0	0	0
<u>Health and Welfare Grants</u>					
Health Department Programs	135,831	0	0	0	0

(Continued)

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>State of Tennessee (Cont.)</u>					
<u>Health and Welfare Grants (Cont.)</u>					
Other Health and Welfare Grants	\$ 15,024	\$ 0	\$ 0	\$ 0	\$ 0
<u>Public Works Grants</u>					
Bridge Program	0	0	0	0	158,417
Litter Program	0	27,453	0	0	0
<u>Other State Revenues</u>					
Income Tax	24,323	0	0	0	0
Beer Tax	18,724	0	0	0	0
Alcoholic Beverage Tax	34,564	0	0	0	0
Mixed Drink Tax	3,590	0	0	0	0
State Revenue Sharing - T.V.A.	328,388	0	0	0	34,314
Contracted Prisoner Boarding	232,750	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	1,728,257
Petroleum Special Tax	0	0	0	0	15,899
Registrar's Salary Supplement	15,164	0	0	0	0
Other State Grants	94,035	0	0	0	0
Other State Revenues	1,447	0	0	0	0
Total State of Tennessee	\$ 929,189	\$ 27,453	\$ 0	\$ 0	\$ 1,936,887
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA - Other	\$ 118,512	\$ 0	\$ 0	\$ 0	\$ 0
Community Development	0	0	0	0	0
Disaster Relief	3,827	0	0	0	549,325
Homeland Security Grants	45,195	0	0	0	0
ARRA Grant # 1	100,000	0	0	0	0
Other Federal through State	0	0	0	0	0
<u>Direct Federal Revenue</u>					
Forest Service	35,240	0	0	0	0
Tax Credit Bond Rebate	0	0	0	0	0
Total Federal Government	\$ 302,774	\$ 0	\$ 0	\$ 0	\$ 549,325

(Continued)

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 452,079	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Services	69,804	0	0	0	68,779
Other					
Other	25,135	0	0	0	0
Total Other Governments and Citizens Groups	\$ 547,018	\$ 0	\$ 0	\$ 0	\$ 68,779
Total	\$ 10,253,059	\$ 536,796	\$ 118,194	\$ 181,742	\$ 3,537,772

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

	Debt Service Fund	Capital Projects Funds					Total
		General Debt Service	General Capital Projects	Community Development/Industrial Park	HUD Grant Projects	Other Capital Projects	
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 150,436	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,557,330
Discount on Property Taxes	(1,609)	0	0	0	0	0	(49,267)
Trustee's Collections - Prior Year	8,985	0	0	0	0	0	274,664
Trustee's Collections - Bankruptcy	27	0	0	0	0	0	785
Circuit/Clerk & Master Collections - Prior Years	3,727	0	0	0	0	0	113,519
Interest and Penalty	1,477	0	0	0	0	0	44,292
Payments in-Lieu-of Taxes - T.V.A.	7,278	0	0	0	0	0	222,795
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	0	0	0	64,250
Payments in-Lieu-of Taxes - Other	0	0	0	0	0	0	507,617
<u>County Local Option Taxes</u>							
Local Option Sales Tax	0	0	0	0	0	0	150,673
Hotel/Motel Tax	0	0	0	0	0	0	45,073
Wheel Tax	266,591	0	0	0	0	0	926,341
Litigation Tax - General	0	0	0	0	0	0	195,737
Litigation Tax - Special Purpose	0	0	0	0	0	0	3,142
Litigation Tax - Jail, Workhouse, or Courthouse	219,531	0	0	0	0	0	219,531
Business Tax	0	0	0	0	0	0	156,079
Other County Local Option Taxes	0	0	0	0	0	0	25,065
<u>Statutory Local Taxes</u>							
Bank Excise Tax	0	0	0	0	0	0	12,609
Wholesale Beer Tax	0	0	0	0	0	0	50,431
Beer Privilege Tax	0	0	0	0	0	0	1,806
Total Local Taxes	\$ 656,443	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,522,472
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Animal Registration	0	0	0	0	0	0	1,320
Cable TV Franchise	0	0	0	0	0	0	1,484
<u>Permits</u>							
Beer Permits	0	0	0	0	0	0	1,188

(Continued)

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

	Debt Service Fund		Capital Projects Funds					Total
	General Debt Service	General Capital Projects	Community Development/Industrial Park	HUD Grant Projects	Other Capital Projects			
<u>Licenses and Permits (Cont.)</u>								
<u>Permits (Cont.)</u>								
Building Permits	0	0	0	0	0	0	15,840	
Total Licenses and Permits	0	0	0	0	0	0	19,832	
	\$	\$	\$	\$	\$	\$	\$	
<u>Fines, Forfeitures, and Penalties</u>								
<u>Circuit Court</u>								
Officers Costs	0	0	0	0	0	0	2,327	
Drug Control Fines	0	0	0	0	0	0	2,834	
Jail Fees	0	0	0	0	0	0	5,200	
Data Entry Fee - Circuit Court	0	0	0	0	0	0	152	
Courtroom Security Fee	0	0	0	0	0	0	412	
<u>General Sessions Court</u>								
Fines	0	0	0	0	0	0	15,053	
Officers Costs	0	0	0	0	0	0	23,530	
Game and Fish Fines	0	0	0	0	0	0	619	
Drug Control Fines	0	0	0	0	0	0	1,999	
Jail Fees	0	0	0	0	0	0	21,873	
DUI Treatment Fines	0	0	0	0	0	0	3,994	
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	11,855	
Courtroom Security Fee	0	0	0	0	0	0	51,771	
Victims Assistance Assessments	0	0	0	0	0	0	13,284	
<u>Juvenile Court</u>								
Fines	0	0	0	0	0	0	796	
Officers Costs	0	0	0	0	0	0	1,292	
Data Entry Fee - Juvenile Court	0	0	0	0	0	0	1,168	
Victims Assistance Assessments	0	0	0	0	0	0	744	
<u>Chancery Court</u>								
Officers Costs	0	0	0	0	0	0	1,279	
Data Entry Fee - Chancery Court	0	0	0	0	0	0	1,114	
Courtroom Security Fee	0	0	0	0	0	0	1,496	

(Continued)

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

	Debt Service Fund	Capital Projects Funds					Total
		General Debt Service	General Capital Projects	Community Development/Industrial Park	HUD Grant Projects	Other Capital Projects	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>							
<u>Judicial District Drug Program</u>							
Drug Task Force Forfeitures and Seizures	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	116,654
Total Fines, Forfeitures, and Penalties	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	279,446
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Residential Waste Collection Charge	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	507,290
Patient Charges	0	0	0	0	0	0	895,928
Zoning Studies	0	0	0	0	0	0	360
Work Release Charges for Board	0	0	0	0	0	0	1,269
Other General Service Charges	0	0	0	0	0	0	11,042
<u>Fees</u>							
Recreation Fees	0	0	0	0	0	0	29,764
Copy Fees	0	0	0	0	0	0	2,592
Greenbelt Late Application Fee	0	0	0	0	0	0	50
Telephone Commissions	0	0	0	0	0	0	28,068
Vending Machine Collections	0	0	0	0	0	0	3,438
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0	181,742
Data Processing Fee - Register	0	0	0	0	0	0	10,824
Data Processing Fee - Sheriff	0	0	0	0	0	0	4,329
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	0	900
Data Processing Fee - County Clerk	0	0	0	0	0	0	3,672
Total Charges for Current Services	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	1,681,268
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	187,428 \$	0 \$	0 \$	0 \$	0 \$	0 \$	187,428
Lease/Rentals	0	0	0	0	0	28,976	45,597
Sale of Materials and Supplies	0	0	0	0	0	0	189,783
Commissary Sales	0	0	0	0	0	0	36,808
Sale of Gasoline	0	0	0	0	0	0	268,024

(Continued)

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

	Debt Service Fund	Capital Projects Funds					Total
		General Debt Service	General Capital Projects	Community Development/Industrial Park	HUD Grant Projects	Other Capital Projects	
<u>Other Local Revenues (Cont.)</u>							
<u>Recurring Items (Cont.)</u>							
Miscellaneous Refunds	\$ 0	\$ 589	\$ 0	\$ 0	\$ 0	\$ 4,242	
<u>Nonrecurring Items</u>							
Sale of Equipment	0	0	0	0	0	6,750	
<u>Other Local Revenues</u>							
Other Local Revenues	32,484	0	0	0	0	32,484	
Total Other Local Revenues	\$ 219,912	\$ 589	\$ 0	\$ 0	\$ 28,976	\$ 771,116	
<u>Fees Received from County Officials</u>							
<u>Excess Fees</u>							
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 19,715	
Trustee	0	0	0	0	0	155,000	
<u>Fees in-Lieu-of Salary</u>							
County Clerk	0	0	0	0	0	185,022	
Circuit Court Clerk	0	0	0	0	0	25,464	
General Sessions Court Clerk	0	0	0	0	0	336,649	
Clerk and Master	0	0	0	0	0	75,698	
Juvenile Court Clerk	0	0	0	0	0	26,516	
Register	0	0	0	0	0	60,845	
Sheriff	0	0	0	0	0	13,015	
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 897,924	
<u>State of Tennessee</u>							
General Government Grants							
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,135	
On-Behalf Contributions for OPEB	0	0	0	0	0	1,253	
<u>Public Safety Grants</u>							
Law Enforcement Training Programs	0	0	0	0	0	9,600	
Other Public Safety Grants	0	0	0	0	0	5,361	
<u>Health and Welfare Grants</u>							
Health Department Programs	0	0	0	0	0	135,831	

(Continued)

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

	Debt Service Fund	Capital Projects Funds					Total
		General Debt Service	General Capital Projects	Community Development/Industrial Park	HUD Grant Projects	Other Capital Projects	
<u>State of Tennessee (Cont.)</u>							
<u>Health and Welfare Grants (Cont.)</u>							
Other Health and Welfare Grants	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 15,024
<u>Public Works Grants</u>							
Bridge Program	0	0	0	0	0	0	158,417
Litter Program	0	0	0	0	0	0	27,453
<u>Other State Revenues</u>							
Income Tax	0	0	0	0	0	0	24,323
Beer Tax	0	0	0	0	0	0	18,724
Alcoholic Beverage Tax	0	0	0	0	0	0	34,564
Mixed Drink Tax	0	0	0	0	0	0	3,590
State Revenue Sharing - T.V.A.	12,248	0	0	0	0	0	374,950
Contracted Prisoner Boarding	0	0	0	0	0	0	232,750
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	1,728,257
Petroleum Special Tax	0	0	0	0	0	0	15,899
Registrar's Salary Supplement	0	0	0	0	0	0	15,164
Other State Grants	0	57,271	10,000	0	0	0	161,306
Other State Revenues	0	0	0	0	0	0	1,447
Total State of Tennessee	\$ 12,248	\$ 57,271	\$ 10,000	\$ 0	\$ 0	\$ 0	\$ 2,973,048
<u>Federal Government</u>							
<u>Federal Through State</u>							
USDA - Other	0	0	10,000	0	0	0	128,512
Community Development	0	0	28,917	199,790	60,000	0	288,707
Disaster Relief	0	0	3,000	0	0	0	556,152
Homeland Security Grants	0	0	0	0	0	0	45,195
ARRA Grant # 1	0	0	0	0	0	0	100,000
Other Federal through State	0	343,625	0	0	0	0	343,625
<u>Direct Federal Revenue</u>							
Forest Service	0	0	0	0	0	0	35,240
Tax Credit Bond Rebate	123,681	0	0	0	0	0	123,681
Total Federal Government	\$ 123,681	\$ 343,625	\$ 41,917	\$ 199,790	\$ 60,000	\$ 0	\$ 1,621,112

(Continued)

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

	Debt Service Fund		Capital Projects Funds					Total
	General Debt Service	General Capital Projects	Community Development/Industrial Park	HUD Grant Projects	Other Capital Projects			
<u>Other Governments and Citizens Groups</u>								
<u>Other Governments</u>								
Contributions	\$ 0	\$ 0	\$ 5,000	\$ 0	\$ 19,118	\$ 476,197		
Contracted Services	0	0	0	0	0	138,583		
Other	0	0	0	0	0	25,135		
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 5,000	\$ 0	\$ 19,118	\$ 639,915		
Total	\$ 1,012,284	\$ 401,485	\$ 56,917	\$ 199,790	\$ 108,094	\$ 16,406,133		

Exhibit K-6

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

	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 3,245,359	\$ 0	\$ 0	\$ 0	\$ 3,245,359
Discount on Property Taxes	(35,095)	0	0	0	(35,095)
Trustee's Collections - Prior Year	195,956	0	0	0	195,956
Trustee's Collections - Bankruptcy	631	0	0	0	631
Circuit/Clerk & Master Collections - Prior Years	81,290	0	0	0	81,290
Interest and Penalty	31,147	0	0	0	31,147
Payments in-Lieu-of Taxes - T.V.A.	158,709	0	0	0	158,709
<u>County Local Option Taxes</u>					
Local Option Sales Tax	1,510,908	0	0	0	1,510,908
Wheel Tax	266,567	0	0	0	266,567
<u>Statutory Local Taxes</u>					
Interstate Telecommunications Tax	1,971	0	0	0	1,971
Other Statutory Local Taxes	36,046	0	0	0	36,046
Total Local Taxes	\$ 5,493,489	\$ 0	\$ 0	\$ 0	\$ 5,493,489
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 846	\$ 0	\$ 0	\$ 0	\$ 846
Total Licenses and Permits	\$ 846	\$ 0	\$ 0	\$ 0	\$ 846
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Lunch Payments - Children	\$ 0	\$ 0	\$ 62,495	\$ 0	\$ 62,495
Lunch Payments - Adults	0	0	35,382	0	35,382
Income from Breakfast	0	0	3,858	0	3,858
A la carte Sales	0	0	90,471	0	90,471
Receipts from Individual Schools	24,735	0	0	0	24,735
<u>Other Charges for Services</u>					
Other Charges for Services	0	0	146,735	0	146,735
Total Charges for Current Services	\$ 24,735	\$ 0	\$ 338,941	\$ 0	\$ 363,676
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 602	\$ 0	\$ 602
Lease/Rentals	2,944	0	0	0	2,944
Refund of Telecommunication & Internet Fees (E-Rate)	81,297	0	0	0	81,297
Miscellaneous Refunds	3,871	0	0	0	3,871
<u>Nonrecurring Items</u>					
Damages Recovered from Individuals	319	0	0	0	319
Contributions and Gifts	1,000	0	0	0	1,000
<u>Other Local Revenues</u>					
Other Local Revenues	76,063	0	0	0	76,063
Total Other Local Revenues	\$ 165,494	\$ 0	\$ 602	\$ 0	\$ 166,096
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-Behalf Contributions for OPEB	\$ 122,224	\$ 0	\$ 0	\$ 0	\$ 122,224

(Continued)

Exhibit K-6

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

	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>State of Tennessee (Cont.)</u>					
<u>State Education Funds</u>					
Basic Education Program	\$ 14,322,740	\$ 0	\$ 0	\$ 0	\$ 14,322,740
Basic Education Program - ARRA	1,690,260	0	0	0	1,690,260
Early Childhood Education	598,717	0	0	0	598,717
School Food Service	0	0	20,223	0	20,223
Energy Efficient School Initiative	32,150	0	0	0	32,150
Driver Education	1,861	0	0	0	1,861
Other State Education Funds	1,801	0	0	0	1,801
Coordinated School Health - ARRA	90,000	0	0	0	90,000
Internet Connectivity - ARRA	9,817	0	0	0	9,817
Family Resource Centers - ARRA	33,300	0	0	0	33,300
Statewide Student Management System (SSMS) - ARRA	8,477	0	0	0	8,477
Career Ladder Program	118,100	0	0	0	118,100
Career Ladder - Extended Contract - ARRA	43,459	0	0	0	43,459
Other Vocational	4,000	0	0	0	4,000
<u>Other State Revenues</u>					
Mixed Drink Tax	3,590	0	0	0	3,590
State Revenue Sharing - T.V.A.	267,096	0	0	0	267,096
Safe Schools - ARRA	19,900	0	0	0	19,900
Total State of Tennessee	\$ 17,367,492	\$ 0	\$ 20,223	\$ 0	\$ 17,387,715
<u>Federal Government</u>					
<u>Federal through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,139,263	\$ 0	\$ 1,139,263
USDA - Commodities	0	0	120,551	0	120,551
Breakfast	0	0	535,589	0	535,589
USDA - Other	0	0	14,792	0	14,792
USDA Food Service Equipment Grant - ARRA	0	0	9,900	0	9,900
Adult Education State Grant Program	105,854	0	0	0	105,854
Vocational Education - Basic Grants to States	0	67,492	0	0	67,492
Title I Grants to Local Education Agencies	0	1,355,143	0	0	1,355,143
Special Education - Grants to States	19,960	953,803	0	0	973,763
Special Education Preschool Grants	0	43,962	0	0	43,962
English Language Acquisition Grants	0	15,763	0	0	15,763
Safe and Drug-free Schools - State Grants	0	412,501	0	0	412,501
Rural Education	0	106,105	0	0	106,105
Eisenhower Professional Development State Grants	0	202,880	0	0	202,880
Race to the Top - ARRA	0	411,897	0	0	411,897
Other Federal through State	14,721	446,770	0	0	461,491
<u>Direct Federal Revenue</u>					
ROTC Reimbursement	90,519	0	0	0	90,519
Total Federal Government	\$ 231,054	\$ 4,016,316	\$ 1,820,095	\$ 0	\$ 6,067,465
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 0	\$ 0	\$ 0	\$ 50,974	\$ 50,974
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 50,974	\$ 50,974
Total	\$ 23,283,110	\$ 4,016,316	\$ 2,179,861	\$ 50,974	\$ 29,530,261

Exhibit K-7

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

General Fund

General Government

County Commission

Other Salaries and Wages	\$	19,096	
Board and Committee Members Fees		28,219	
Social Security		3,203	
State Retirement		353	
Life Insurance		1,440	
Audit Services		5,939	
Dues and Memberships		5,111	
Other Contracted Services		12,371	
Food Supplies		6,437	
Other Charges		59,534	
Building Construction		27,498	
Total County Commission			\$ 169,201

Beer Board

Secretary to Board	\$	300	
Board and Committee Members Fees		800	
Legal Notices, Recording, and Court Costs		294	
Total Beer Board			1,394

County Mayor/Executive

County Official/Administrative Officer	\$	69,980	
Accountants/Bookkeepers		70,642	
Secretary(ies)		22,022	
Educational Incentive - Official/Admin Officer		2,520	
Social Security		14,173	
State Retirement		21,226	
Employee and Dependent Insurance		11,539	
Life Insurance		962	
Unemployment Compensation		269	
Other Fringe Benefits		2,940	
Communication		4,575	
Data Processing Services		6,685	
Dues and Memberships		2,824	
Maintenance and Repair Services - Office Equipment		103	
Maintenance and Repair Services - Vehicles		1,642	
Postal Charges		4,694	
Travel		939	
Gasoline		4,689	
Library Books/Media		716	
Office Supplies		3,381	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

County Mayor/Executive (Cont.)

Premiums on Corporate Surety Bonds	\$	84	
Workers' Compensation Insurance		641	
Office Equipment		733	
Total County Mayor/Executive			\$ 247,979

County Attorney

County Official/Administrative Officer	\$	5,400	
Social Security		413	
State Retirement		720	
Operating Lease Payments		1,368	
Legal Services		93,099	
Duplicating Supplies		79	
Library Books/Media		4,337	
Total County Attorney			105,416

Election Commission

County Official/Administrative Officer	\$	53,272	
Part-time Personnel		19,201	
Election Commission		4,000	
Election Workers		21,039	
Social Security		5,549	
State Retirement		7,101	
Life Insurance		230	
Unemployment Compensation		174	
Communication		3,447	
Data Processing Services		9,379	
Dues and Memberships		150	
Legal Notices, Recording, and Court Costs		2,100	
Maintenance Agreements		5,885	
Postal Charges		1,520	
Printing, Stationery, and Forms		2,786	
Travel		5,001	
Office Supplies		756	
Workers' Compensation Insurance		265	
Other Charges		141	
Voting Machines		1,025	
Total Election Commission			143,021

Register of Deeds

County Official/Administrative Officer	\$	59,191	
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(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

Deputy(ies)	\$	29,746	
Educational Incentive - Official/Admin Officer		2,520	
Social Security		6,949	
State Retirement		10,896	
Employee and Dependent Insurance		6,500	
Life Insurance		448	
Unemployment Compensation		122	
Other Fringe Benefits		1,470	
Communication		1,403	
Dues and Memberships		584	
Postal Charges		156	
Printing, Stationery, and Forms		1,441	
Rentals		1,090	
Travel		1,045	
Office Supplies		22	
Premiums on Corporate Surety Bonds		84	
Workers' Compensation Insurance		350	
Data Processing Equipment		8,619	
Total Register of Deeds			\$ 132,636

Development

Supervisor/Director	\$	30,400	
Secretary(ies)		1,200	
Social Security		2,372	
State Retirement		4,080	
Employee and Dependent Insurance		4,566	
Life Insurance		201	
Unemployment Compensation		75	
Other Fringe Benefits		210	
Communication		1,440	
Contracts with Government Agencies		7,750	
Data Processing Services		840	
Dues and Memberships		145	
Maintenance and Repair Services - Vehicles		271	
Postal Charges		41	
Travel		1,064	
Gasoline		2,759	
Office Supplies		1,774	
Vehicle and Equipment Insurance		540	
Workers' Compensation Insurance		2,450	
Total Development			62,178

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

County Buildings

Supervisor/Director	\$	31,195	
Guards		11,936	
Custodial Personnel		53,480	
Other Salaries and Wages		18,374	
Social Security		8,708	
State Retirement		14,014	
Employee and Dependent Insurance		18,268	
Life Insurance		862	
Unemployment Compensation		441	
Other Fringe Benefits		4,830	
Communication		520	
Maintenance Agreements		36,714	
Maintenance and Repair Services - Vehicles		1,032	
Rentals		2,400	
Travel		38	
Custodial Supplies		5,098	
Duplicating Supplies		1,312	
Gasoline		86	
Utilities		58,061	
Other Supplies and Materials		22,006	
Vehicle and Equipment Insurance		756	
Workers' Compensation Insurance		4,321	
Building Improvements		21,958	
Total County Buildings			\$ 316,410

Finance

Accounting and Budgeting

Board and Committee Members Fees	\$	9,100	
Total Accounting and Budgeting			9,100

Property Assessor's Office

County Official/Administrative Officer	\$	59,191	
Deputy(ies)		129,465	
Educational Incentive - Official/Admin Officer		2,520	
Board and Committee Members Fees		1,052	
Social Security		14,280	
State Retirement		25,700	
Employee and Dependent Insurance		17,561	
Life Insurance		1,249	
Unemployment Compensation		345	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Other Fringe Benefits	\$	4,410	
Communication		3,269	
Contracts with Private Agencies		22,415	
Data Processing Services		15,190	
Dues and Memberships		1,217	
Maintenance and Repair Services - Vehicles		1,562	
Postal Charges		2,004	
Rentals		8,400	
Travel		2,143	
Duplicating Supplies		2,579	
Gasoline		3,804	
Office Supplies		1,409	
Utilities		6,003	
Vehicle and Equipment Insurance		1,063	
Workers' Compensation Insurance		2,863	
Office Equipment		3,109	
Total Property Assessor's Office			\$ 332,803

Reappraisal Program

Other Salaries and Wages	\$	9,058	
Social Security		656	
State Retirement		1,244	
Unemployment Compensation		15	
Data Processing Services		1,954	
Maintenance and Repair Services - Vehicles		500	
Gasoline		973	
Office Supplies		891	
Workers' Compensation Insurance		1,763	
Total Reappraisal Program			17,054

County Trustee's Office

Educational Incentive - Official/Admin Officer	\$	2,520	
Social Security		12,353	
State Retirement		22,418	
Employee and Dependent Insurance		24,098	
Life Insurance		1,018	
Unemployment Compensation		288	
Other Fringe Benefits		2,520	
Communication		4,145	
Data Processing Services		5,999	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Dues and Memberships	\$	920	
Maintenance Agreements		3,725	
Maintenance and Repair Services - Office Equipment		790	
Postal Charges		6,569	
Printing, Stationery, and Forms		1,816	
Office Supplies		3,371	
Premiums on Corporate Surety Bonds		1,952	
Workers' Compensation Insurance		700	
Other Charges		1,225	
Total County Trustee's Office			\$ 96,427

County Clerk's Office

County Official/Administrative Officer	\$	49,326	
Deputy(ies)		112,924	
Part-time Personnel		3,227	
Social Security		13,970	
State Retirement		18,459	
Employee and Dependent Insurance		23,842	
Life Insurance		985	
Unemployment Compensation		395	
Other Fringe Benefits		3,780	
Communication		1,485	
Dues and Memberships		497	
Operating Lease Payments		1,088	
Maintenance Agreements		14,982	
Postal Charges		2,771	
Printing, Stationery, and Forms		1,308	
Travel		2,357	
Office Supplies		2,058	
Premiums on Corporate Surety Bonds		150	
Workers' Compensation Insurance		678	
Other Charges		420	
Data Processing Equipment		557	
Office Equipment		1,084	
Total County Clerk's Office			256,343

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	59,191
Deputy(ies)		252,240

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Board and Committee Members Fees	\$	200	
Jury and Witness Expense		6,908	
Social Security		23,798	
State Retirement		42,997	
Employee and Dependent Insurance		41,204	
Life Insurance		2,173	
Unemployment Compensation		720	
Other Fringe Benefits		11,130	
Communication		2,866	
Data Processing Services		9,865	
Dues and Memberships		624	
Maintenance and Repair Services - Office Equipment		250	
Postal Charges		1,118	
Printing, Stationery, and Forms		2,512	
Rentals		3,903	
Travel		1,913	
Office Supplies		3,676	
Premiums on Corporate Surety Bonds		250	
Workers' Compensation Insurance		1,214	
Other Charges		615	
Office Equipment		1,296	
Total Circuit Court			\$ 470,663

General Sessions Judge

Judge(s)	\$	154,320	
Secretary(ies)		29,489	
Social Security		11,041	
State Retirement		24,394	
Employee and Dependent Insurance		1,868	
Life Insurance		684	
Unemployment Compensation		90	
Other Fringe Benefits		1,470	
Communication		424	
Dues and Memberships		1,070	
Travel		1,643	
Library Books/Media		570	
Office Supplies		1,047	
Workers' Compensation Insurance		645	
Office Equipment		697	
Total General Sessions Judge			229,452

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court Clerk

Postal Charges	\$	1,566	
Printing, Stationery, and Forms		1,426	
Office Supplies		2,306	
Total General Sessions Court Clerk			\$ 5,298

Chancery Court

County Official/Administrative Officer	\$	59,191	
Deputy(ies)		54,638	
Educational Incentive - Official/Admin Officer		2,520	
Social Security		8,719	
State Retirement		15,257	
Employee and Dependent Insurance		6,075	
Life Insurance		637	
Unemployment Compensation		288	
Other Fringe Benefits		630	
Communication		1,586	
Dues and Memberships		492	
Postal Charges		708	
Printing, Stationery, and Forms		565	
Travel		97	
Other Contracted Services		102	
Office Supplies		1,356	
Premiums on Corporate Surety Bonds		1,413	
Workers' Compensation Insurance		400	
Other Charges		549	
Office Equipment		4,091	
Total Chancery Court			159,314

Juvenile Court

Youth Service Officer(s)	\$	51,288	
Social Security		3,946	
State Retirement		7,005	
Employee and Dependent Insurance		5,778	
Life Insurance		378	
Unemployment Compensation		144	
Other Fringe Benefits		1,260	
Communication		3,117	
Dues and Memberships		286	
Legal Services		1,997	
Postal Charges		306	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

Travel	\$	688	
Office Supplies		1,874	
Workers' Compensation Insurance		240	
Other Charges		619	
Total Juvenile Court			\$ 78,926

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	65,110
Supervisor/Director		38,937
Deputy(ies)		330,604
Detective(s)		30,326
Investigator(s)		40,822
Lieutenant(s)		146,776
Sergeant(s)		52,026
Salary Supplements		1,350
Guards		27,628
Secretary(ies)		47,442
Educational Incentive - Official/Admin Officer		2,520
Overtime Pay		44,158
In-Service Training		9,600
Social Security		61,135
State Retirement		107,249
Employee and Dependent Insurance		100,830
Life Insurance		4,133
Unemployment Compensation		1,798
Other Fringe Benefits		19,320
Communication		18,888
Dues and Memberships		2,529
Legal Notices, Recording, and Court Costs		491
Maintenance Agreements		4,613
Maintenance and Repair Services - Equipment		1,158
Maintenance and Repair Services - Office Equipment		3,095
Maintenance and Repair Services - Vehicles		28,779
Medical and Dental Services		917
Postal Charges		714
Printing, Stationery, and Forms		821
Travel		5,552
Tuition		5,466
Gasoline		100,126

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Instructional Supplies and Materials	\$	667	
Law Enforcement Supplies		10,422	
Library Books/Media		359	
Office Supplies		2,954	
Tires and Tubes		8,016	
Uniforms		10,199	
Other Supplies and Materials		1,723	
Premiums on Corporate Surety Bonds		488	
Vehicle and Equipment Insurance		12,031	
Workers' Compensation Insurance		19,177	
Other Charges		1,132	
Law Enforcement Equipment		29,876	
Motor Vehicles		111,394	
Other Equipment		1,360	
Total Sheriff's Department			\$ 1,514,711

Jail

Assistant(s)	\$	32,965
Supervisor/Director		33,000
Deputy(ies)		354,077
Secretary(ies)		27,440
Cafeteria Personnel		66,031
Overtime Pay		28,913
Social Security		40,967
State Retirement		60,286
Employee and Dependent Insurance		84,535
Life Insurance		4,350
Unemployment Compensation		1,725
Other Fringe Benefits		14,700
Communication		6,712
Contracts with Other Public Agencies		17,648
Maintenance Agreements		3,506
Maintenance and Repair Services - Equipment		20,020
Maintenance and Repair Services - Office Equipment		3,568
Maintenance and Repair Services - Vehicles		2,585
Medical and Dental Services		284,632
Postal Charges		138
Printing, Stationery, and Forms		1,179
Travel		2,648
Remittance of Revenue Collected		250

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Custodial Supplies	\$	13,168	
Drugs and Medical Supplies		96,028	
Food Supplies		130,436	
Gasoline		2,462	
Library Books/Media		102	
Office Supplies		2,416	
Prisoners Clothing		5,669	
Uniforms		7,708	
Utilities		79,290	
Other Supplies and Materials		8,404	
Vehicle and Equipment Insurance		1,134	
Workers' Compensation Insurance		12,500	
Building Improvements		8,239	
Food Service Equipment		1,810	
Office Equipment		1,227	
Total Jail			\$ 1,462,468

Workhouse

County Official/Administrative Officer	\$	26,315	
Assistant(s)		21,506	
Laborers		20,567	
Social Security		5,032	
State Retirement		9,564	
Employee and Dependent Insurance		14,885	
Life Insurance		396	
Unemployment Compensation		157	
Other Fringe Benefits		3,360	
Communication		2,392	
Maintenance and Repair Services - Buildings		4,535	
Maintenance and Repair Services - Equipment		35,127	
Other Contracted Services		1,490	
Diesel Fuel		10,236	
Fertilizer, Lime, and Seed		13,157	
Gasoline		4,345	
Utilities		9,218	
Vehicle and Equipment Insurance		1,890	
Workers' Compensation Insurance		6,801	
Other Charges		5,009	
Other Equipment		19,941	
Total Workhouse			215,923

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Fire Prevention and Control

Other Per Diem and Fees	\$	20,856	
Social Security		974	
State Retirement		1,697	
Life Insurance		138	
Unemployment Compensation		56	
Contracts with Government Agencies		193,453	
Maintenance and Repair Services - Equipment		7,177	
Maintenance and Repair Services - Vehicles		4,052	
Diesel Fuel		6,751	
Gasoline		1,258	
Other Supplies and Materials		18	
Vehicle and Equipment Insurance		30,946	
Workers' Compensation Insurance		3,695	
Other Charges		20,184	
Motor Vehicles		6,000	
Total Fire Prevention and Control			\$ 297,255

Civil Defense

County Official/Administrative Officer	\$	32,678	
Part-time Personnel		8,607	
Social Security		3,288	
Life Insurance		166	
Unemployment Compensation		120	
Other Fringe Benefits		1,470	
Contracts with Government Agencies		17,103	
Vehicle and Equipment Insurance		540	
Workers' Compensation Insurance		2,784	
Other Charges		20,652	
Other Equipment		25,254	
Total Civil Defense			112,662

Rescue Squad

Contributions	\$	7,250	
Vehicle and Equipment Insurance		3,402	
Total Rescue Squad			10,652

County Coroner/Medical Examiner

Medical Personnel	\$	4,800	
Total County Coroner/Medical Examiner			4,800

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Other Public Safety

Contracts with Government Agencies	\$ 194,199	
Total Other Public Safety		\$ 194,199

Public Health and Welfare

Local Health Center

Custodial Personnel	\$ 16,800	
State Retirement	611	
Communication	3,092	
Contracts with Government Agencies	13,654	
Maintenance and Repair Services - Buildings	8,742	
Postal Charges	201	
Custodial Supplies	566	
Drugs and Medical Supplies	1,824	
Office Supplies	1,233	
Utilities	7,863	
Total Local Health Center		54,586

Rabies and Animal Control

Contracts with Government Agencies	\$ 80,048	
Total Rabies and Animal Control		80,048

Ambulance/Emergency Medical Services

Assistant(s)	\$ 43,290	
Supervisor/Director	54,560	
Medical Personnel	2,000	
Paraprofessionals	245,604	
Secretary(ies)	26,969	
Attendants	253,846	
Part-time Personnel	45,656	
Overtime Pay	51,311	
Other Salaries and Wages	11,342	
In-Service Training	4,258	
Social Security	54,712	
State Retirement	88,972	
Employee and Dependent Insurance	71,923	
Life Insurance	4,158	
Unemployment Compensation	1,936	
Other Fringe Benefits	16,170	
Communication	7,912	
Data Processing Services	4,042	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Dues and Memberships	\$	290	
Laundry Service		2,683	
Licenses		2,685	
Maintenance Agreements		6,094	
Maintenance and Repair Services - Buildings		3,908	
Maintenance and Repair Services - Vehicles		33,103	
Postal Charges		1,640	
Travel		1,813	
Tuition		1,535	
Custodial Supplies		2,840	
Diesel Fuel		27,020	
Drugs and Medical Supplies		35,637	
Gasoline		5,941	
Office Supplies		7,016	
Uniforms		7,034	
Utilities		9,678	
Other Supplies and Materials		1,769	
Liability Insurance		17,125	
Refunds		3,634	
Vehicle and Equipment Insurance		8,179	
Workers' Compensation Insurance		53,113	
Motor Vehicles		64,968	
Other Equipment		9,707	
Total Ambulance/Emergency Medical Services			\$ 1,296,073

Alcohol and Drug Programs

Contributions	\$	5,000	
Total Alcohol and Drug Programs			5,000

Appropriation to State

Paraprofessionals	\$	29,543	
Clerical Personnel		61,567	
Social Security		6,556	
State Retirement		9,076	
Employee and Dependent Insurance		13,406	
Life Insurance		540	
Unemployment Compensation		376	
Other Fringe Benefits		2,940	
Travel		1,380	
Workers' Compensation Insurance		600	
Total Appropriation to State			125,984

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services

Libraries

Contributions	\$ 69,418	
Total Libraries		\$ 69,418

Parks and Fair Boards

County Official/Administrative Officer	\$ 45,356
Supervisor/Director	20,394
Foremen	32,258
Laborers	134,131
Secretary(ies)	29,750
Temporary Personnel	40,780
Overtime Pay	3,817
Social Security	22,577
State Retirement	36,546
Employee and Dependent Insurance	41,517
Life Insurance	1,819
Unemployment Compensation	1,052
Other Fringe Benefits	9,870
Communication	8,491
Dues and Memberships	1,434
Maintenance and Repair Services - Buildings	24,650
Maintenance and Repair Services - Equipment	8,000
Maintenance and Repair Services - Office Equipment	1,101
Maintenance and Repair Services - Vehicles	8,903
Pest Control	1,290
Postal Charges	492
Travel	3,980
Custodial Supplies	11,404
Fertilizer, Lime, and Seed	35,758
Gasoline	15,485
Office Supplies	5,472
Utilities	83,297
Other Supplies and Materials	12,758
Refunds	10,165
Vehicle and Equipment Insurance	3,402
Workers' Compensation Insurance	8,066
Other Charges	2,274
Building Improvements	34,429
Heating and Air Conditioning Equipment	2,212
Maintenance Equipment	10,692
Motor Vehicles	23,418

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Parks and Fair Boards (Cont.)

Site Development	\$ 95,159	
Total Parks and Fair Boards		\$ 832,199

Other Social, Cultural, and Recreational

Temporary Personnel	\$ 11,617	
Social Security	562	
Unemployment Compensation	55	
Payments to Schools - Other USDA	107,380	
Travel	152	
Other Supplies and Materials	12,655	
Workers' Compensation Insurance	120	
Other Charges	2,805	
Site Development	16,350	
Total Other Social, Cultural, and Recreational		151,696

Agriculture and Natural Resources

Agriculture Extension Service

Salary Supplements	\$ 109,866	
Part-time Personnel	13,020	
Social Security	983	
Unemployment Compensation	71	
Communication	3,150	
Licenses	783	
Travel	7,210	
Custodial Supplies	630	
Other Supplies and Materials	2,449	
Data Processing Equipment	2,142	
Total Agriculture Extension Service		140,304

Forest Service

Contributions	\$ 2,000	
Total Forest Service		2,000

Soil Conservation

Secretary(ies)	\$ 23,083	
Other Salaries and Wages	41,386	
Social Security	4,440	
State Retirement	8,902	
Employee and Dependent Insurance	11,854	
Life Insurance	427	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation (Cont.)

Unemployment Compensation	\$	144	
Other Fringe Benefits		2,310	
Contributions		900	
Workers' Compensation Insurance		3,502	
Total Soil Conservation			\$ 96,948

Other Operations

Industrial Development

Engineering Services	\$	6,762	
Other Contracted Services		50,000	
Other Charges		35,121	
Total Industrial Development			91,883

Veterans' Services

Other Salaries and Wages	\$	8,343	
Social Security		628	
Unemployment Compensation		48	
Communication		1,713	
Data Processing Services		450	
Postal Charges		33	
Rentals		600	
Travel		771	
Office Supplies		142	
Total Veterans' Services			12,728

Other Charges

Assistant(s)	\$	8,417	
Supervisor/Director		25,181	
Social Security		2,727	
State Retirement		3,917	
Employee and Dependent Insurance		5,523	
Life Insurance		153	
Unemployment Compensation		132	
Other Fringe Benefits		4,200	
Communication		464	
Maintenance Agreements		1,270	
Workers' Compensation Insurance		1,037	
Total Other Charges			53,021

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Other Operations (Cont.)

Contributions to Other Agencies

Contributions	\$ 303,404	
Remittance of Revenue Collected	<u>23,170</u>	
Total Contributions to Other Agencies		\$ 326,574

Employee Benefits

On-Behalf Payments to OPEB	\$ <u>1,253</u>	
Total Employee Benefits		1,253

ARRA Grant # 1

Contracts with Other Public Agencies	\$ 10,000	
Building Improvements	<u>189,081</u>	
Total ARRA Grant # 1		199,081

Miscellaneous

Building and Contents Insurance	\$ 37,092	
Liability Insurance	66,382	
Trustee's Commission	121,866	
Other Charges	<u>11,831</u>	
Total Miscellaneous		237,171

Principal on Debt

General Government

Principal on Capital Leases	\$ <u>62,411</u>	
Total General Government		62,411

Interest on Debt

General Government

Interest on Capital Leases	\$ <u>1,528</u>	
Total General Government		<u>1,528</u>

Total General Fund \$ 10,486,191

Solid Waste/Sanitation Fund

Public Health and Welfare

Waste Pickup

Supervisor/Director	\$ 19,669
Equipment Operators	97,182
Secretary(ies)	28,265
Overtime Pay	1,772
Life Insurance	803

(Continued)

Exhibit K-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Waste Pickup (Cont.)

Unemployment Compensation	\$	386	
Other Fringe Benefits		9,765	
Communication		2,341	
Data Processing Services		27,142	
Legal Notices, Recording, and Court Costs		25	
Maintenance and Repair Services - Equipment		85	
Postal Charges		15,376	
Printing, Stationery, and Forms		250	
Crushed Stone		150	
Diesel Fuel		43,536	
Electricity		4,868	
Equipment and Machinery Parts		40,874	
Gasoline		12,826	
Instructional Supplies and Materials		5,543	
Lubricants		2,385	
Office Supplies		1,621	
Tires and Tubes		10,911	
Other Supplies and Materials		2,072	
Other Charges		1,854	
Maintenance Equipment		8,520	
Motor Vehicles		8,400	
Total Waste Pickup			\$ 346,621

Other Operations

Other Charges

Trustee's Commission	\$	5,109	
Vehicle and Equipment Insurance		15,826	
Workers' Compensation Insurance		9,550	
Total Other Charges			30,485

Employee Benefits

Social Security	\$	11,093	
State Retirement		18,161	
Employee and Dependent Insurance		23,659	
Total Employee Benefits			52,913

Total Solid Waste/Sanitation Fund \$ 430,019

(Continued)

Exhibit K-7

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

Drug Control Fund

Public Safety

Drug Enforcement

Maintenance and Repair Services - Vehicles	\$	1,082	
Tuition		282	
Instructional Supplies and Materials		1,050	
Law Enforcement Supplies		2,515	
Uniforms		46	
Trustee's Commission		1,181	
Other Charges		4,137	
Law Enforcement Equipment		6,446	
Motor Vehicles		29,906	
Total Drug Enforcement			\$ 46,645

Total Drug Control Fund \$ 46,645

Constitutional Officers - Fees Fund

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$	172,440	
Total County Trustee's Office			\$ 172,440

County Clerk's Office

Constitutional Officers' Operating Expenses	\$	33,558	
Total County Clerk's Office			33,558

Administration of Justice

Chancery Court

Constitutional Officers' Operating Expenses	\$	5,335	
Total Chancery Court			5,335

Total Constitutional Officers - Fees Fund 211,333

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	69,456	
Accountants/Bookkeepers		60,809	
Educational Incentive - Official/Admin Officer		2,520	
Longevity Pay		1,050	
Board and Committee Members Fees		13,200	
Communication		5,335	
Data Processing Services		6,562	

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Dues and Memberships	\$	3,338	
Legal Notices, Recording, and Court Costs		1,106	
Maintenance and Repair Services - Office Equipment		313	
Postal Charges		473	
Travel		1,896	
Drugs and Medical Supplies		879	
Electricity		9,369	
Office Supplies		1,833	
Other Charges		1,476	
Total Administration			\$ 179,615

Highway and Bridge Maintenance

Laborers	\$	429,541	
Other Contracted Services		68,779	
Asphalt - Hot Mix		175,506	
Asphalt - Liquid		285,517	
Crushed Stone		186,238	
Fertilizer, Lime, and Seed		82,920	
Other Road Supplies		1,274	
Pipe		71,880	
Road Signs		425	
Total Highway and Bridge Maintenance			1,302,080

Operation and Maintenance of Equipment

Laborers	\$	150,554	
Diesel Fuel		240,067	
Equipment and Machinery Parts		110,622	
Gasoline		189,237	
Lubricants		8,096	
Tires and Tubes		37,618	
Total Operation and Maintenance of Equipment			736,194

Other Charges

Liability Insurance	\$	3,887	
Premiums on Corporate Surety Bonds		425	
Trustee's Commission		28,515	
Vehicle and Equipment Insurance		37,560	
Workers' Compensation Insurance		36,990	
Total Other Charges			107,377

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Employee Benefits

Social Security	\$	51,499	
State Retirement		92,959	
Employee and Dependent Insurance		95,946	
Unemployment Compensation		507	
Other Fringe Benefits		<u>3,591</u>	
Total Employee Benefits	\$		244,502

Capital Outlay

Engineering Services	\$	32,664	
Bridge Construction		161,487	
Highway Equipment		253,990	
Other Capital Outlay		<u>5,700</u>	
Total Capital Outlay			<u>453,841</u>

Total Highway/Public Works Fund \$ 3,023,609

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	<u>663,622</u>	
Total General Government	\$		663,622

Interest on Debt

General Government

Interest on Bonds	\$	<u>854,556</u>	
Total General Government			854,556

Other Debt Service

General Government

Trustee's Commission	\$	8,514	
Other Debt Issuance Charges		<u>2,870</u>	
Total General Government			<u>11,384</u>

Total General Debt Service Fund 1,529,562

General Capital Projects Fund

Capital Projects

Administration of Justice Projects

Foremen	\$	271,018	
Social Security		21,440	

(Continued)

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

General Capital Projects Fund (Cont.)

Capital Projects (Cont.)

Administration of Justice Projects (Cont.)

Unemployment Compensation	\$	648	
Architects		51,556	
Communication		80	
Permits		810	
Utilities		87,287	
Other Supplies and Materials		3,416	
Building and Contents Insurance		2,451	
Liability Insurance		19,661	
Workers' Compensation Insurance		23,814	
Other Charges		10,075	
Building Construction		3,342,306	
Communication Equipment		7,412	
Furniture and Fixtures		308,660	
Total Administration of Justice Projects			\$ 4,150,634

Education Capital Projects

Contributions	\$	50,974	
Total Education Capital Projects			<u>50,974</u>

Total General Capital Projects Fund \$ 4,201,608

Community Development/Industrial Park Fund

Capital Projects

Other General Government Projects

Consultants	\$	32,000	
Engineering Services		12,600	
Other Contracted Services		4,000	
Total Other General Government Projects			<u>\$ 48,600</u>

Total Community Development/Industrial Park Fund 48,600

HUD Grant Projects Fund

Capital Projects

Other General Government Projects

Consultants	\$	15,910	
Building Construction		183,880	
Total Other General Government Projects			<u>\$ 199,790</u>

Total HUD Grant Projects Fund 199,790

(Continued)

Exhibit K-7

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

<u>Other Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Other General Government Projects</u>		
Engineering Services	\$	86,432
Other Charges		16,600
Other Construction		<u>27,803</u>
Total Other General Government Projects		<u>\$ 130,835</u>
Total Other Capital Projects Fund		<u>\$ 130,835</u>
Total Governmental Funds - Primary Government		<u><u>\$ 20,308,192</u></u>

Exhibit K-8

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 7,076,380	
Career Ladder Program	67,649	
Career Ladder Extended Contracts	53,011	
Educational Assistants	559,284	
Other Salaries and Wages	4,313	
Certified Substitute Teachers	19,532	
Non-certified Substitute Teachers	73,414	
Social Security	457,611	
State Retirement	726,851	
Medical Insurance	895,752	
Dental Insurance	47,672	
Unemployment Compensation	10,833	
Employer Medicare	107,222	
Other Contracted Services	106,752	
Instructional Supplies and Materials	179,813	
Textbooks	192,551	
Other Supplies and Materials	19,348	
Other Charges	5,722	
Regular Instruction Equipment	25,639	
Total Regular Instruction Program		\$ 10,629,349

Alternative Instruction Program

Teachers	\$ 284,064	
Career Ladder Program	2,000	
Other Salaries and Wages	26,656	
Certified Substitute Teachers	168	
Non-certified Substitute Teachers	2,512	
Social Security	18,252	
State Retirement	29,441	
Medical Insurance	41,981	
Dental Insurance	1,947	
Unemployment Compensation	379	
Employer Medicare	4,269	
Other Contracted Services	871	
Instructional Supplies and Materials	1,579	
Other Supplies and Materials	122	
Other Charges	112	
Total Alternative Instruction Program		414,353

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program

Teachers	\$ 1,048,437	
Career Ladder Program	3,000	
Homebound Teachers	7,725	
Educational Assistants	29,508	
Other Salaries and Wages	19,227	
Certified Substitute Teachers	2,842	
Non-certified Substitute Teachers	11,177	
Social Security	65,526	
State Retirement	99,922	
Medical Insurance	132,686	
Dental Insurance	6,895	
Unemployment Compensation	1,302	
Employer Medicare	15,399	
Contracts with Other School Systems	50,000	
Maintenance and Repair Services - Equipment	357	
Other Contracted Services	3,082	
Instructional Supplies and Materials	1,073	
Special Education Equipment	18,125	
Total Special Education Program	\$ 1,516,283	

Vocational Education Program

Teachers	\$ 449,520	
Career Ladder Program	1,000	
Certified Substitute Teachers	2,147	
Non-certified Substitute Teachers	7,408	
Social Security	26,343	
State Retirement	40,802	
Medical Insurance	56,070	
Dental Insurance	2,362	
Unemployment Compensation	554	
Employer Medicare	6,184	
Maintenance and Repair Services - Equipment	2,154	
Instructional Supplies and Materials	12,263	
T&I Construction Materials	6,947	
Textbooks	54	
Vocational Instruction Equipment	4,554	
Total Vocational Education Program	618,362	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Adult Education Program

Teachers	\$	49,878	
Unemployment Compensation		185	
Employer Medicare		723	
Instructional Supplies and Materials		8,608	
Other Charges		65	
Total Adult Education Program			\$ 59,459

Support Services

Attendance

Supervisor/Director	\$	73,377	
Career Ladder Program		3,000	
Career Ladder Extended Contracts		600	
Social Security		4,700	
State Retirement		6,963	
Medical Insurance		4,366	
Dental Insurance		302	
Unemployment Compensation		42	
Employer Medicare		1,099	
Travel		1,267	
Other Contracted Services		33,212	
Other Supplies and Materials		40	
Other Charges		756	
Attendance Equipment		235	
Total Attendance			129,959

Health Services

Medical Personnel	\$	80,951	
In-Service Training		216	
Social Security		4,364	
State Retirement		7,345	
Medical Insurance		18,834	
Dental Insurance		604	
Unemployment Compensation		84	
Employer Medicare		1,021	
Travel		2,831	
Other Contracted Services		7,655	
Drugs and Medical Supplies		1,992	
Other Supplies and Materials		47,293	
In Service/Staff Development		6,178	
Total Health Services			179,368

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support

Career Ladder Program	\$	4,970	
Guidance Personnel		355,211	
Attendants		131,088	
Other Salaries and Wages		2,001	
Social Security		29,131	
State Retirement		49,720	
Medical Insurance		37,228	
Dental Insurance		2,145	
Unemployment Compensation		846	
Employer Medicare		6,813	
Contracts with Government Agencies		80,616	
Evaluation and Testing		51,864	
Travel		899	
Other Contracted Services		8,230	
Other Supplies and Materials		1,091	
In Service/Staff Development		1,512	
Other Charges		12,202	
Other Equipment		17,992	
Total Other Student Support			\$ 793,559

Regular Instruction Program

Supervisor/Director	\$	239,017
Career Ladder Program		10,955
Career Ladder Extended Contracts		200
Librarians		252,791
Instructional Computer Personnel		56,072
Other Salaries and Wages		39,000
Social Security		34,701
State Retirement		55,743
Medical Insurance		69,951
Dental Insurance		3,308
Unemployment Compensation		509
Employer Medicare		8,115
Travel		4,544
Other Contracted Services		2,970
Library Books/Media		27,719
Periodicals		3,563
Other Supplies and Materials		2,061
In Service/Staff Development		15,241

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Other Charges	\$ 35	
Total Regular Instruction Program		\$ 826,495

Alternative Instruction Program

Supervisor/Director	\$ 15,894	
Career Ladder Program	70	
Social Security	976	
State Retirement	1,445	
Medical Insurance	603	
Dental Insurance	67	
Unemployment Compensation	47	
Employer Medicare	228	
Travel	405	
In Service/Staff Development	1,590	
Total Alternative Instruction Program		21,325

Special Education Program

Supervisor/Director	\$ 85,431	
Career Ladder Program	3,930	
Psychological Personnel	54,928	
Social Security	8,614	
State Retirement	13,055	
Medical Insurance	9,822	
Dental Insurance	537	
Unemployment Compensation	86	
Employer Medicare	2,015	
Travel	5,854	
In Service/Staff Development	770	
Other Charges	240	
Total Special Education Program		185,282

Vocational Education Program

Supervisor/Director	\$ 54,130
Secretary(ies)	38,619
Social Security	5,534
State Retirement	10,046
Medical Insurance	3,817
Dental Insurance	302
Unemployment Compensation	122

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Vocational Education Program (Cont.)

Employer Medicare	\$	1,294	
Travel		4,649	
Other Contracted Services		2,306	
Other Supplies and Materials		4,413	
In Service/Staff Development		4,447	
Total Vocational Education Program			\$ 129,679

Adult Programs

Supervisor/Director	\$	20,634	
Career Ladder Extended Contracts		200	
Other Salaries and Wages		25,527	
Social Security		2,690	
State Retirement		5,288	
Medical Insurance		5,637	
Dental Insurance		102	
Unemployment Compensation		42	
Employer Medicare		629	
Travel		69	
In Service/Staff Development		3,287	
Other Charges		1,247	
Total Adult Programs			65,352

Other Programs

On-Behalf Payments to OPEB	\$	122,224	
Total Other Programs			122,224

Board of Education

Secretary to Board	\$	3,007	
Board and Committee Members Fees		4,675	
Social Security		476	
State Retirement		401	
Medical Insurance		289	
Unemployment Compensation		5	
Employer Medicare		111	
Audit Services		5,688	
Dues and Memberships		8,165	
Legal Services		4,952	
Travel		14,900	
Other Contracted Services		42,338	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Liability Insurance	\$	26,284	
Premiums on Corporate Surety Bonds		80	
Trustee's Commission		139,359	
Workers' Compensation Insurance		141,251	
Refund to Applicant for Criminal Investigation		1,272	
Other Charges		8,219	
Total Board of Education			\$ 401,472

Director of Schools

County Official/Administrative Officer	\$	93,579	
Career Ladder Program		1,000	
Clerical Personnel		87,022	
Social Security		10,882	
State Retirement		20,155	
Medical Insurance		18,346	
Dental Insurance		554	
Unemployment Compensation		163	
Employer Medicare		2,545	
Communication		10,547	
Dues and Memberships		2,658	
Postal Charges		5,512	
Travel		8,409	
Other Contracted Services		10,667	
Office Supplies		7,578	
In Service/Staff Development		417	
Other Charges		7,803	
Administration Equipment		22,489	
Total Director of Schools			310,326

Office of the Principal

Principals	\$	369,266	
Career Ladder Program		9,751	
Accountants/Bookkeepers		60,878	
Career Ladder Extended Contracts		7,914	
Assistant Principals		438,325	
Secretary(ies)		191,626	
Social Security		62,462	
State Retirement		107,803	
Medical Insurance		121,761	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Dental Insurance	\$	3,653	
Unemployment Compensation		1,196	
Employer Medicare		14,608	
Communication		56,982	
Travel		2,367	
Other Contracted Services		11,775	
Other Supplies and Materials		1,155	
In Service/Staff Development		785	
Other Charges		2,443	
Administration Equipment		219	
Total Office of the Principal			\$ 1,464,969

Fiscal Services

Supervisor/Director	\$	78,691	
Accountants/Bookkeepers		76,676	
Clerical Personnel		71,368	
Social Security		13,027	
State Retirement		29,195	
Medical Insurance		19,283	
Dental Insurance		302	
Unemployment Compensation		214	
Employer Medicare		3,047	
Data Processing Services		823	
Maintenance and Repair Services - Equipment		506	
Travel		477	
Other Contracted Services		8,887	
Data Processing Supplies		4,979	
Other Supplies and Materials		855	
In Service/Staff Development		892	
Administration Equipment		6,614	
Total Fiscal Services			315,836

Operation of Plant

Other Salaries and Wages	\$	1,500	
Social Security		93	
Unemployment Compensation		7	
Employer Medicare		22	
Other Contracted Services		614,232	
Electricity		589,173	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Natural Gas	\$	122,418	
Water and Sewer		75,848	
Other Supplies and Materials		501	
Boiler Insurance		6,007	
Building and Contents Insurance		109,450	
Other Charges		763	
Total Operation of Plant			\$ 1,520,014

Maintenance of Plant

Supervisor/Director	\$	38,917	
Maintenance Personnel		133,599	
Social Security		9,941	
State Retirement		22,563	
Medical Insurance		18,376	
Unemployment Compensation		367	
Employer Medicare		2,325	
Laundry Service		2,230	
Maintenance and Repair Services - Buildings		201,498	
Maintenance and Repair Services - Equipment		2,181	
Other Contracted Services		57,751	
Other Supplies and Materials		153,404	
Other Charges		4,621	
Maintenance Equipment		12,138	
Total Maintenance of Plant			659,911

Transportation

Supervisor/Director	\$	40,652	
Mechanic(s)		140,725	
Bus Drivers		650,196	
Social Security		50,862	
State Retirement		103,754	
Medical Insurance		10,906	
Dental Insurance		174	
Unemployment Compensation		2,242	
Employer Medicare		11,895	
Communication		29,103	
Laundry Service		2,379	
Maintenance and Repair Services - Vehicles		125,636	
Medical and Dental Services		11,964	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Diesel Fuel	\$	238,753	
Gasoline		46,127	
Lubricants		7,795	
Tires and Tubes		75,814	
Vehicle Parts		44,348	
Other Supplies and Materials		66,980	
Vehicle and Equipment Insurance		33,792	
In Service/Staff Development		1,582	
Other Charges		12,715	
Transportation Equipment		<u>164,208</u>	
Total Transportation			\$ 1,872,602

Central and Other

Supervisor/Director	\$	60,105	
Social Security		3,507	
State Retirement		5,437	
Medical Insurance		10,950	
Dental Insurance		604	
Unemployment Compensation		42	
Employer Medicare		820	
Travel		463	
Other Supplies and Materials		<u>6,096</u>	
Total Central and Other			88,024

Operation of Non-Instructional Services

Food Service

Food Supplies	\$	962	
Food Service Equipment		<u>132,678</u>	
Total Food Service			133,640

Early Childhood Education

Teachers	\$	269,640	
Educational Assistants		108,083	
Other Salaries and Wages		414	
Certified Substitute Teachers		1,072	
Non-certified Substitute Teachers		1,786	
Social Security		22,003	
State Retirement		37,614	
Medical Insurance		47,285	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

Dental Insurance	\$	1,793	
Unemployment Compensation		572	
Employer Medicare		5,161	
Other Contracted Services		166	
Instructional Supplies and Materials		48,742	
Other Supplies and Materials		1,843	
In Service/Staff Development		1,102	
Other Charges		5,980	
Other Equipment		20,416	
Total Early Childhood Education			\$ 573,672

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	102,044	
Total Regular Capital Outlay			<u>102,044</u>

Total General Purpose School Fund \$ 23,133,559

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	885,851	
Educational Assistants		230,042	
Certified Substitute Teachers		878	
Non-certified Substitute Teachers		3,772	
Social Security		66,060	
State Retirement		108,320	
Medical Insurance		102,373	
Dental Insurance		5,270	
Unemployment Compensation		1,434	
Employer Medicare		15,457	
Other Contracted Services		23,700	
Instructional Supplies and Materials		37,001	
Other Supplies and Materials		53,339	
Regular Instruction Equipment		348,972	
Total Regular Instruction Program			\$ 1,882,469

Alternative Instruction Program

Teachers	\$	3,650	
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(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Alternative Instruction Program (Cont.)

Other Salaries and Wages	\$	1,170	
Social Security		299	
State Retirement		471	
Employer Medicare		70	
Other Contracted Services		3,500	
Instructional Supplies and Materials		520	
Other Equipment		10,780	
Total Alternative Instruction Program			\$ 20,460

Special Education Program

Teachers	\$	59,206	
Homebound Teachers		10,799	
Educational Assistants		482,356	
Other Salaries and Wages		16,125	
Social Security		34,479	
State Retirement		62,616	
Medical Insurance		15,929	
Dental Insurance		301	
Unemployment Compensation		1,232	
Employer Medicare		8,064	
Contracts with Other School Systems		128,678	
Other Contracted Services		50,161	
Instructional Supplies and Materials		32,815	
Other Supplies and Materials		250	
Special Education Equipment		47,318	
Total Special Education Program			950,329

Vocational Education Program

Teachers	\$	5,400	
Social Security		335	
State Retirement		489	
Employer Medicare		78	
Instructional Supplies and Materials		34,032	
Total Vocational Education Program			40,334

Support Services

Health Services

Medical Personnel	\$	11,983	
Social Security		743	

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

State Retirement	\$	34	
Employer Medicare		174	
Total Health Services			\$ 12,934

Other Student Support

Guidance Personnel	\$	33,510	
Attendants		4,800	
Other Salaries and Wages		54,396	
Social Security		4,629	
State Retirement		9,334	
Medical Insurance		9,417	
Dental Insurance		277	
Unemployment Compensation		125	
Employer Medicare		1,255	
Evaluation and Testing		9,349	
Travel		18,653	
Other Contracted Services		11,512	
Other Supplies and Materials		3,576	
In Service/Staff Development		3,310	
Other Charges		873	
Total Other Student Support			165,016

Regular Instruction Program

Supervisor/Director	\$	36,287	
Librarians		3,325	
Instructional Computer Personnel		50,786	
Other Salaries and Wages		63,299	
In-Service Training		10,602	
Social Security		6,970	
State Retirement		10,788	
Medical Insurance		10,158	
Dental Insurance		340	
Unemployment Compensation		74	
Employer Medicare		2,286	
Travel		922	
In Service/Staff Development		60,299	
Total Regular Instruction Program			256,136

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Special Education Program

Supervisor/Director	\$	29,381	
Psychological Personnel		525	
Assessment Personnel		104,172	
In-Service Training		8,960	
Social Security		8,669	
State Retirement		12,952	
Medical Insurance		9,391	
Dental Insurance		906	
Unemployment Compensation		114	
Employer Medicare		2,027	
Travel		2,782	
Other Supplies and Materials		4,006	
In Service/Staff Development		12,784	
Total Special Education Program			\$ 196,669

Vocational Education Program

Secretary(ies)	\$	975	
Social Security		60	
State Retirement		130	
Employer Medicare		14	
Total Vocational Education Program			1,179

Adult Programs

Other Salaries and Wages	\$	450	
Social Security		28	
State Retirement		60	
Employer Medicare		7	
Total Adult Programs			545

Office of the Principal

Principals	\$	3,550	
Accountants/Bookkeepers		1,500	
Assistant Principals		5,025	
Secretary(ies)		5,188	
Social Security		946	
State Retirement		1,668	
Employer Medicare		221	
Total Office of the Principal			18,098

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant

Maintenance Personnel	\$	2,275	
Social Security		141	
State Retirement		303	
Employer Medicare		33	
Total Maintenance of Plant			\$ 2,752

Transportation

Mechanic(s)	\$	7,861	
Bus Drivers		45,625	
Social Security		3,316	
State Retirement		6,893	
Unemployment Compensation		33	
Employer Medicare		776	
Contracts with Parents		6,330	
Other Charges		7,408	
Total Transportation			78,242

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$	26,075	
Social Security		1,617	
State Retirement		3,476	
Employer Medicare		378	
Total Food Service			31,546

Community Services

Supervisor/Director	\$	57,116	
Other Salaries and Wages		182,315	
Social Security		14,528	
State Retirement		21,725	
Medical Insurance		7,715	
Dental Insurance		302	
Unemployment Compensation		60	
Employer Medicare		3,398	
Travel		803	
Instructional Supplies and Materials		14,544	
In Service/Staff Development		1,304	
Other Charges		2,869	
Total Community Services			306,679

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education

Teachers	\$	3,750	
Educational Assistants		3,475	
Social Security		448	
State Retirement		803	
Employer Medicare		105	
Total Early Childhood Education			\$ 8,581

Total School Federal Projects Fund \$ 3,971,969

Central Cafeteria Fund

Support Services

Board of Education

Refund to Applicant for Criminal Investigation	\$	144	
Total Board of Education			\$ 144

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	57,785
Accountants/Bookkeepers		37,203
Clerical Personnel		29,313
Cafeteria Personnel		645,131
Other Salaries and Wages		26,602
Social Security		47,290
State Retirement		100,258
Medical Insurance		29,929
Unemployment Compensation		2,287
Employer Medicare		11,060
Other Fringe Benefits		23,400
Communication		5,351
Maintenance and Repair Services - Equipment		24,816
Transportation - Other than Students		11,240
Travel		6,087
Other Contracted Services		4,758
Food Preparation Supplies		78,138
Food Supplies		737,562
Office Supplies		5,643
USDA - Commodities		120,551
Other Supplies and Materials		16,075
In Service/Staff Development		2,528

(Continued)

Exhibit K-8

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Other Charges	\$ 811	
Food Service Equipment	<u>19,883</u>	
Total Food Service		<u>\$ 2,043,701</u>

Total Central Cafeteria Fund \$ 2,043,845

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Architects	<u>\$ 50,974</u>	
Total Education Capital Projects		<u>\$ 50,974</u>

Total Education Capital Projects Fund 50,974

Total Governmental Funds - Haywood County School Department \$ 29,200,347

Exhibit K-9

Haywood County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2011

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 1,359,104
Total Cash Receipts	<u>\$ 1,359,104</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 1,345,513
Trustee's Commission	13,591
Total Cash Disbursements	<u>\$ 1,359,104</u>
 Excess of Cash Receipts Over (Under)	
Cash Disbursements	\$ 0
Cash Balance, July 1, 2010	<u>0</u>
 Cash Balance, June 30, 2011	<u><u>\$ 0</u></u>

SINGLE AUDIT SECTION



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

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

December 9, 2011

Haywood County Mayor and
Board of County Commissioners
Haywood 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 Haywood County, Tennessee, as of and for the year ended June 30, 2011, which collectively comprise Haywood County's basic financial statements and have issued our report thereon dated December 9, 2011. Our report on the aggregate discretely presented component units financial statements was qualified due to not including the financial statements of the Haywood County Emergency Communications District and the Haywood County Utility District, which were not available from other auditors as of the date of this report. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

reporting. Accordingly, we do not express an opinion on the effectiveness of Haywood County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses: 11.01 and 11.12.

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies: 11.03, 11.04, 11.08, 11.09, 11.10, and 11.11.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Haywood 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: 11.02, 11.05, 11.06, and 11.07.

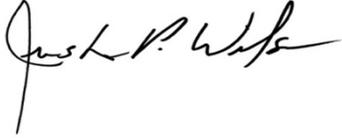
We also noted certain matters that we reported to management of Haywood County in separate communications.

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

This report is intended solely for the information and use of management, the county mayor, director of schools, chief administrative highway officer, County Commission, Board

of Education, others within Haywood 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 long vertical stroke extending downwards from the end.

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

December 9, 2011

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

To the County Mayor and Board of County Commissioners:

Compliance

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

In our opinion, Haywood County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

The management of Haywood 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 Haywood 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 Haywood 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

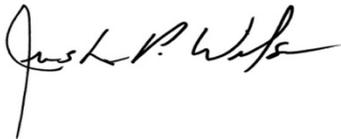
We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Haywood County as of and for the year ended June 30, 2011, and have issued our report thereon dated December 9, 2011. Our report on the aggregate discretely presented component units financial statements was qualified due to not including the financial statements of the Haywood County Emergency Communications District and the Haywood County Utility District, which were not available from other auditors as of the date of this report. Our audit was performed for the purpose of forming our opinions on the financial statements as a whole. The 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 financial statements.

Such information is the responsibility of management and was derived from and relates 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 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 taken as a whole.

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

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

Yours very truly,

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

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

Haywood 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	Pass-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	\$ 535,589
National School Lunch Program	10.555	N/A	1,139,263 (3)
Summer Food Service Program for Children	10.559	N/A	14,792
Child Nutrition Discretionary Grants, Limited Availability	10.579	N/A	9,900
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	120,551 (3)
Passed-through State Department of Human Services:			
Child and Adult Care Food Program	10.558	(2)	118,512
Passed-through Tennessee Housing Development Agency:			
Rural Business Enterprise Grants	10.769	(2)	70,000
Total U.S. Department of Agriculture			\$ 2,008,607
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program	14.228	GG-10-33119-00	\$ 28,917
Passed-through Tennessee Housing Development Agency:			
Home Investment Partnerships Program	14.239	(2)	199,790
Total U.S. Department of Housing and Urban Development			\$ 228,707
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	(2)	\$ 9,135
Total U.S. Department of Justice			\$ 9,135
U.S. Department of Energy:			
Passed-through State Department of Economic and Community Development:			
Energy Efficiency and Conservation Block Grant Program (EECBG), Recovery Act	81.128	(2)	\$ 100,000
Total U.S. Department of Energy			\$ 100,000
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	(2)	\$ 105,854
Passed-through State Department of Education:			
Title I, Part A Cluster:			
Title I Grants to Local Educational Agencies	84.010	N/A	1,060,101
Title I Grants to Local Educational Agencies, Recovery Act	84.389	N/A	344,667
Special Education Cluster (IDEA):			
Special Education - Grants to States	84.027	N/A	705,071
Special Education - Preschool Grants	84.173	N/A	37,393
Special Education - Grants to States, Recovery Act	84.391	N/A	318,500
Career and Technical Education - Basic Grants to States	84.048	(2)	66,342
Safe and Drug-free Schools and Communities - State Grants	84.186	(2)	300
Twenty-first Century Community Learning Centers	84.287	(2)	350,000
State Grants for Innovative Programs	84.298	(2)	114,209
English Language Acquisition Grants	84.365	(2)	6,853
Improving Teacher Quality State Grants	84.367	(2)	231,204
Education Technology State Grants, Recovery Act	84.386	(2)	12,273
State Fiscal Stabilization Fund Cluster:			
State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	(2)	1,690,260
State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	84.397	(2)	204,953
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	(2)	317,808
Education Jobs Fund	84.410	(2)	433,148
Total U.S. Department of Education			\$ 5,998,936

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Health and Human Services: Passed-through State Department of Education: ARRA - Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Programs	93.714	(2)	\$ 14,721
Total U.S. Department of Health and Human Services			\$ 14,721
U.S. Department of Homeland Security: Passed-through State Department of Military: Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(2)	\$ 557,641
Hazard Mitigation Grant	97.039	(2)	343,625
Homeland Security Grant Program	97.067	(2)	45,195
Total U.S. Department of Homeland Security			\$ 946,461
Total Expenditures of Federal Awards			\$ 9,306,567

State Grants		Contract Number	
Optional Waste Tire Grant - State Department of Environment and Conservation	N/A	(2)	\$ 13,190
Public Safety Grant - State Department of Transportation	N/A	(2)	4,011
Highway Safety Grant - State Department of Transportation	N/A	(2)	1,350
Rural Local Health Services - State Department of Health	N/A	(2)	135,831
Delta Rural Health - Lebonheur Methodist Hospital	N/A	(2)	15,024
Litter Grant - State Department of Transportation	N/A	(2)	27,453
Orange Carpet Grant- State Department of Economic and Community Development	N/A	(2)	10,000
Hazard Mitigation Grant - State Department of Military	N/A	(2)	57,271
Early Childhood Education - State Department of Education	N/A	(2)	598,717
Energy Efficient Grant - State Department of Education	N/A	(2)	32,150
ConnecTenn - State Department of Education	N/A	(2)	1,801
Local Parks and Recreation Fund - State Department of Environment and Conservation	N/A	(2)	94,035
Total State Grants			\$ 990,833

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 \$1,259,814.

Haywood 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 Haywood 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>
10.02	154	The General Capital Projects Fund required material audit adjustments for proper financial statement presentation
10.03	154	The Solid Waste Disposal Fund had a deficit in unrestricted net assets

OFFICE OF CHIEF ADMINISTRATIVE HIGHWAY OFFICER

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
10.05	155	The Highway Department did not maintain a system to account for materials used on some types of road projects

OFFICE OF REGISTER

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
10.06	156	Duties were not segregated adequately in the office

OTHER FINDING

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
10.07	156	Haywood County has a material recurring audit finding

HAYWOOD 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 Haywood County disclosed significant deficiencies in internal control. Two of these deficiencies were considered to be material weaknesses.
3. The audit disclosed one instance of noncompliance that is material to the financial statements of Haywood County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Title I, Part A Cluster: Title I Grants to Local Educational Agencies and Title I Grants to Local Educational Agencies, Recovery Act (CFDA Nos. 84.010 and 84.389); the Special Education Cluster (IDEA): Special Education – Grants to States, Special Education – Preschool Grants, and Special Education – Grants to States, Recovery Act (CFDA Nos. 84.027, 84.173, and 84.391); the State Fiscal Stabilization Fund Cluster: State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act and State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act (CFDA Nos. 84.394 and 84.397); State Fiscal Stabilization Fund (SFSF) – Race-to-the-Top Incentive Grants, Recovery Act (CFDA No. 84.395); Education Jobs Fund (CFDA No. 84.410); Disaster Grants - Public Assistance (Presidentially Declared Disasters) (CFDA No. 97.036); and Hazard Mitigation Grant (CFDA No. 97.039) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Haywood County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The clerk and master provided a written response on one finding, which is paraphrased in this report. Other management officials did not provide responses for inclusion in this report.

OFFICE OF COUNTY MAYOR

FINDING 11.01 **MATERIAL AUDIT ADJUSTMENTS WERE REQUIRED FOR PROPER FINANCIAL STATEMENT PRESENTATION**

(Internal Control – Material Weakness Under *Government Auditing Standards*)

At June 30, 2011, various general ledger account balances of the General Capital Projects Fund were not materially correct, and audit adjustments were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require Haywood County to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the county's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the county has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. This deficiency is the result of management's failure to correct the finding noted in the prior-year audit report. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

Haywood County should have appropriate processes in place to ensure that its general ledgers are materially correct.

FINDING 11.02 **THE COUNTY MAYOR ENTERED INTO AN OPERATING LEASE AGREEMENT WITHOUT SOLICITING COMPETITIVE BIDS OR OBTAINING THE APPROVAL OF THE COUNTY COMMISSION**

(Material Noncompliance Under *Government Auditing Standards*)

On December 21, 2010, the county mayor entered into a five-year operating lease agreement totaling \$300,000 with Doc Imaging, LLC. This lease agreement provided for the use of equipment and employees for document scanning services with payment terms of \$5,000 per month for 60 months. This lease was not competitively bid. Sections 5-14-201 through 5-14-206, *Tennessee Code Annotated (TCA)*, require public advertising and solicitation of competitive bids on leases exceeding \$10,000. The failure to solicit competitive bids could result in the county paying more than the most competitive price. Also, this lease agreement was not approved by the County Commission. Section 7-51-904,

TCA, provides that “such contract, lease or lease-purchase agreement shall first be approved by resolution or ordinance duly adopted by the governing body of the municipality, and no such contract, lease, or lease-purchase agreement shall be entered into by a municipality without such approval.”

RECOMMENDATION

Leases exceeding \$10,000 should be competitively bid, and all lease agreements should be approved by the County Commission as required by state statutes.

FINDING 11.03 **THE SOLID WASTE DISPOSAL FUND HAD A DEFICIT IN UNRESTRICTED NET ASSETS**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The Solid Waste Disposal Fund had a deficit in unrestricted net assets of \$1,491,115 at June 30, 2011. This deficit resulted from the recognition of a liability totaling \$1,763,696 in the financial statements for costs associated with closing the county’s landfill and monitoring the landfill for 30 years after its closure. Generally accepted accounting principles and state statutes require that such costs be reflected in the financial statements. This deficiency exists because management failed to correct the finding noted in prior audit reports and resulted in inadequate financing to fund the liability.

RECOMMENDATION

County officials should develop and implement a plan that would fund the deficit in unrestricted net assets.

FINDING 11.04 **THE SOLID WASTE DISPOSAL FUND BILLING/ACCOUNTS RECEIVABLE SOFTWARE APPLICATION DID NOT HAVE ADEQUATE APPLICATION CONTROLS**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The following internal control deficiencies related to the software application were identified:

- A. Users had the ability to alter receipts before batches were processed leaving no audit trail of the original transaction.
- B. Gaps in the receipt number sequence were possible because users had the ability to delete credit entries, delete receipts, and discard receipt numbers before batches were processed. An audit trail of the deletions was not

maintained. The capability to delete receipts and discard receipt numbers was later removed by the vendor.

- C. The application did not produce a report listing receipts in sequential order. Batch reports were presented in receipt number order, but after processing batches, the reports cannot be recalled.

Sound business practices dictate that proper application controls be implemented. Since the vendor did not design the system with proper controls, inappropriate system activity could occur.

RECOMMENDATION

Management should contact the software vendor concerning the addition of controls to the software application that would provide an audit trail for any changes to receipts. The capability to perform any deletion involving receipts should be removed from the system. Instead, a void option should be used. A report listing all receipt transactions in sequential order for a date range should be readily available. These controls would help to ensure the reliability and integrity of the information maintained by the system.

FINDING 11.05 **THE OFFICE DID NOT ISSUE PURCHASE ORDERS ON SOME PURCHASES** (Noncompliance Under *Government Auditing Standards*)

A resolution adopted by the County Commission in August 2005, requires officials to issue purchase orders for goods and services in excess of \$500. However, some purchase orders were not issued for purchases that exceeded \$500. Purchase orders are necessary to control who has purchasing authority for the county and to document purchasing commitments.

RECOMMENDATION

To strengthen internal controls over purchasing procedures and to document purchasing commitments, the office should issue purchase orders for all applicable purchases.

FINDING 11.06 **AMOUNTS WITHHELD FROM CONTRACTOR PAYMENTS WERE NOT DEPOSITED INTO AN ESCROW ACCOUNT** (Noncompliance Under *Government Auditing Standards*)

The county did not deposit amounts withheld from contractor payments into an escrow account. Section 66-34-104, *Tennessee Code Annotated*, requires that funds withheld from contractor payments be deposited into an escrow account for contracts of \$500,000 or more. This deficiency resulted from a lack of management oversight and could result in the loss of interest earnings for the contractor.

RECOMMENDATION

Amounts withheld from contractor payments on contracts of \$500,000 or more should be deposited into an escrow account in compliance with state statute.

FINDING 11.07 **THE OFFICE HAD DEFICIENCIES IN COMPUTER SYSTEM BACKUP PROCEDURES** (Noncompliance Under *Government Auditing Standards*)

System backups were not stored off-site. 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. This deficiency is the result of management's failure to implement adequate disaster recovery planning procedures. 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. Proper system backup procedures were implemented in June 2011.

RECOMMENDATION

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

OFFICE OF CHIEF ADMINISTRATIVE HIGHWAY OFFICER

FINDING 11.08 **THE HIGHWAY DEPARTMENT DID NOT MAINTAIN A SYSTEM TO ACCOUNT FOR MATERIALS USED ON SOME TYPES OF ROAD PROJECTS** (Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The Highway Department had a system to determine the use of road materials, such as bridge lumber and rock, for state-aid road projects. However, the department did not have a system to account for materials used on other types of road projects. Sound business practice dictates the accountability of road materials. This deficiency exists because management failed to correct the finding noted in the prior-year audit report. The failure to maintain a system to document the use of road materials results in a loss of control over assets and increases the risk of inventory loss.

RECOMMENDATION

The Highway Department should develop and implement a system to account for materials used on all types of road projects.

OFFICE OF CIRCUIT, GENERAL SESSIONS AND JUVENILE COURTS CLERK

FINDING 11.09 **THE OFFICE DID NOT REVIEW ITS SOFTWARE AUDIT LOGS**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The software application used by the office generated a log that displayed changes made by users. This log provided the only audit trail of these changes and should be reviewed for inappropriate activity. During the audit period, management was aware of the importance of these logs. However, management chose not to review the logs. Because the office began using a new software program in September 2011, this deficiency no longer exists.

OFFICE OF REGISTER

FINDING 11.10 **DUTIES WERE NOT SEGREGATED ADEQUATELY**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

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

RECOMMENDATION

The register should segregate duties to the extent possible using available resources.

OFFICES OF CLERK AND MASTER, JUVENILE COURT CLERK, AND REGISTER

FINDING 11.11 **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 Offices of Clerk and Master, Juvenile Court Clerk, and 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 the 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 official 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 officials resulting in loss of control over assets.

RECOMMENDATION

Officials should assign each employee their own cash drawer.

MANAGEMENT’S RESPONSE – CLERK AND MASTER

We are a small office with only three employees. The office moved into a new building during the year, and I did not take office as clerk and master until May 1, 2011. We also converted to new software. Due to the extra time required for this, I opted for a simpler more efficient way of handling receipts and generating daily reports. While I understand the importance of segregating duties for accounting/auditing purposes, I also place a high priority on customer service. By simplifying operations with one cash drawer, we were able to free up time everyday by only having to balance one cash drawer and generate one set of reports from that drawer. Cross-training employees was also easier by having just one cash drawer. In the future, we plan to convert to a multiple cash drawer system.

HAYWOOD COUNTY

FINDING 11.12 **HAYWOOD COUNTY HAS A MATERIAL RECURRING AUDIT FINDING
(Internal Control – Material Weakness Under *Government Auditing Standards*)**

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

<u>Finding Numbers</u>	<u>Description</u>
11.01, 10.02, 09.02	Several funds required material audit adjustments for proper financial statement presentation

The recurring nature of the above-noted finding indicates that management is either unwilling or unable to address the deficiency. The Local Government Modernization Act of 2005 in Section 9-3-405, *Tennessee Code Annotated (TCA)*, encourages local governments to consider establishing an Audit Committee and further provides that the Comptroller may require that an Audit Committee be established in any local government that (1) is in noncompliance with the accounting and financial reporting standards required by the Governmental Accounting Standards Board, or (2) has recurring findings from the annual audit for three or more consecutive years as determined by the Comptroller to be a material

weakness in internal control or material noncompliance under *Government Auditing Standards*. The responsibilities and duties of an Audit Committee are to address financial and other reporting practices, internal control, compliance with laws and regulations, and ethics.

RECOMMENDATION

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

BEST PRACTICE

HAYWOOD COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING

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

**HAYWOOD 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.