

ANNUAL FINANCIAL REPORT
HARTSVILLE/TROUSDALE
COUNTY GOVERNMENT, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2011



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COUNTY GOVERNMENT, 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

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Audit Highlights

Annual Financial Report
Hartsville/Trousdale County Government, Tennessee
For the Year Ended June 30, 2011

Scope

We have audited the basic financial statements of Hartsville/Trousdale County Government as of and for the year ended June 30, 2011.

Results

Our report on Hartsville/Trousdale County Government is unqualified.

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

Findings and Best Practices

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

OFFICE OF COUNTY EXECUTIVE

- ◆ Fund equity was not classified properly.
- ◆ The Ambulance Service had operating deficiencies.

OFFICE OF SUPERINTENDENT OF ROADS

- ◆ A formal purchase order system had not been established.

OFFICES OF COUNTY CLERK, CIRCUIT AND GENERAL SESSIONS COURTS CLERK, AND CLERK AND MASTER

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

OFFICES OF SUPERINTENDENT OF ROADS, COUNTY CLERK, CIRCUIT AND GENERAL SESSIONS COURTS CLERK, CLERK AND MASTER, REGISTER, AND SHERIFF

- ◆ Duties were not segregated adequately.
-

BEST PRACTICES

The Division of County Audit strongly believes that the items noted below are best practices 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 Hartsville/Trousdale County.

- Hartsville/Trousdale County Government should adopt a central system of accounting, budgeting, and purchasing.
- Hartsville/Trousdale County Government should establish an Audit Committee.

INTRODUCTORY SECTION

Hartsville/Trousdale County Government Officials

June 30, 2011

Officials

Jakie West, County Executive
Charles Beasley, Superintendent of Roads
Clint Satterfield, Director of Schools
Kay Celsor, Trustee
Dewayne Byrd, Assessor of Property
Rita Crowder, County Clerk
Kim Taylor, Circuit and General Sessions Courts Clerk
Shelly Jones, Clerk and Master
Mary Holder, Register
Ray Russell, Sheriff

Hartsville/Trousdale County Government Commissioners

Jakie West, County Executive, Chairman
Freddie Banks
Mark Beeler
Wayne Brown
Steve Burrow
James Chambers
Don Coker
William Fergusson
Terry Gregory
Tammy Jackson
Richard Johnson

Mike Keisling
Clyde Mansfield
James McDonald
David Nollner
John Oliver
Mark Presley
Carol Pruitt
Phillip Taylor
Robert Thurman
Marshall White Jr.

Water and Sewerage Board

Hattie McDonald, Chairman
Phyllis Shoulders
Dennis Oldham
Darrell Gross
Thomas Harper

Board of Education

James Crabtree, Chairman
Regina Waller
Denise Jackson
Randy Linville
Anthony Crook

Highway Commission

Jakie West, County Executive, Chairman
Charles Beasley, Superintendent of Roads
Bobby Joe Lewis

FINANCIAL SECTION



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

INDEPENDENT AUDITOR'S REPORT

February 14, 2012

Hartsville/Trousdale County Government Executive and
Board of County Commissioners
Hartsville/Trousdale County Government, Tennessee

To the County Executive 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 Hartsville/Trousdale County Government, Tennessee, as of and for the year ended June 30, 2011, which collectively comprise Hartsville/Trousdale County Government's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Hartsville/Trousdale County Government's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Hartsville/Trousdale County Government Emergency Communications District, which represent 4.5 percent and three percent, respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Hartsville/Trousdale County Government Emergency Communications District, is based on the report of other auditors.

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

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hartsville/Trousdale County Government, Tennessee, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2012, on our consideration of Hartsville/Trousdale County Government'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.A., Hartsville/Trousdale County Government 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 69 through 75 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 Hartsville/Trousdale County Government'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 Education Debt Service Fund, combining and individual fund financial statements of the Hartsville/Trousdale 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 Education Debt Service Fund, combining and individual fund financial statements of the Hartsville/Trousdale 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 prominent vertical stroke at the beginning.

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

BASIC FINANCIAL STATEMENTS

Exhibit A

Hartsville/Trousdale County Government, Tennessee
Statement of Net Assets
June 30, 2011

| | Primary Government | | | Component Units | |
|--|----------------------------|---------------------------------|----------------------|--|---|
| | Governmental Activities | Business- type Activities | Total | Hartsville/ Trousdale County School Department | Hartsville/ Trousdale County Emergency Communications District |
| | | | | | |
| <u>ASSETS</u> | | | | | |
| Cash | \$ 2,431,314 | \$ 1,721,040 | \$ 4,152,354 | \$ 0 | \$ 707,714 |
| Equity in Pooled Cash and Investments | 4,274,354 | 0 | 4,274,354 | 3,790,645 | 0 |
| Accounts Receivable | 549,007 | 160,535 | 709,542 | 7,074 | 2,009 |
| Allowance for Uncollectibles | (178,870) | 0 | (178,870) | 0 | 0 |
| Due from Other Governments | 489,754 | 0 | 489,754 | 467,353 | 0 |
| Property Taxes Receivable | 3,590,553 | 0 | 3,590,553 | 1,066,062 | 0 |
| Allowance for Uncollectible Property Taxes | (512,367) | 0 | (512,367) | (152,509) | 0 |
| Internal Balances | 11,703 | (11,703) | 0 | 0 | 0 |
| Restricted Assets: | | | | | |
| Revenue Bond Future Debt Service | 0 | 18,612 | 18,612 | 0 | 0 |
| Capital Assets: | | | | | |
| Assets Not Depreciated: | | | | | |
| Land | 959,554 | 322,043 | 1,281,597 | 629,383 | 0 |
| Construction in Progress | 0 | 624,530 | 624,530 | 312,042 | 0 |
| Assets Net of Accumulated Depreciation: | | | | | |
| Buildings and Improvements | 1,339,123 | 15,469 | 1,354,592 | 11,608,424 | 0 |
| Infrastructure | 4,474,592 | 6,618,826 | 11,093,418 | 0 | 0 |
| Other Capital Assets | 788,325 | 21,177 | 809,502 | 474,409 | 156,964 |
| Intangibles | 0 | 0 | 0 | 41,820 | 0 |
| Total Assets | \$ 18,217,042 | \$ 9,490,529 | \$ 27,707,571 | \$ 18,244,703 | \$ 866,687 |
| <u>LIABILITIES</u> | | | | | |
| Accounts Payable | \$ 169,401 | \$ 0 | \$ 169,401 | \$ 156,365 | \$ 2,897 |
| Accrued Payroll | 50,005 | 0 | 50,005 | 11,295 | 0 |
| Payroll Deductions Payable | 616 | 2,814 | 3,430 | 192,730 | 0 |
| Accrued Interest Payable | 13,202 | 0 | 13,202 | 0 | 0 |
| Contracts Payable | 0 | 0 | 0 | 216,372 | 0 |
| Retainage Payable | 0 | 0 | 0 | 11,388 | 0 |
| Due to State of Tennessee | 1,018 | 3,844 | 4,862 | 626 | 0 |
| Deferred Revenue - Current Property Taxes | 2,946,213 | 0 | 2,946,213 | 876,876 | 0 |
| Revenue Bonds Payable | 0 | 4,933 | 4,933 | 0 | 0 |
| Noncurrent Liabilities: | | | | | |
| Due Within One Year | 968,622 | 33,530 | 1,002,152 | 0 | 0 |
| Due in More Than One Year | 9,491,880 | 331,380 | 9,823,260 | 86,563 | 0 |
| Total Liabilities | \$ 13,640,957 | \$ 376,501 | \$ 14,017,458 | \$ 1,552,215 | \$ 2,897 |

(Continued)

Exhibit A

Hartsville/Trousdale County Government, Tennessee
Statement of Net Assets (Cont.)

| | Primary Government | | | Component Units | |
|---|----------------------------|---------------------------------|----------------------|--|---|
| | Governmental Activities | Business- type Activities | Total | Hartsville/ Trousdale County School Department | Hartsville/ Trousdale County Emergency Communications District |
| | | | | | |
| <u>NET ASSETS</u> | | | | | |
| Invested in Capital Assets, Net of Related Debt | \$ 6,893,681 | \$ 7,277,933 | \$ 14,171,614 | \$ 0 | \$ 0 |
| Invested in Capital Assets | 0 | 0 | 0 | 13,066,078 | 156,964 |
| Restricted for: | | | | | |
| General Government | 546,700 | 0 | 546,700 | 0 | 0 |
| Administration of Justice | 121,040 | 0 | 121,040 | 0 | 0 |
| Public Safety | 90,744 | 0 | 90,744 | 0 | 0 |
| Public Health and Welfare | 134,386 | 0 | 134,386 | 0 | 0 |
| Highway/Public Works | 660,117 | 0 | 660,117 | 0 | 0 |
| Debt Service | 1,543,713 | 18,612 | 1,562,325 | 0 | 0 |
| Education Capital Projects | 2,498,620 | 0 | 2,498,620 | 0 | 0 |
| Other Purposes | 89,390 | 0 | 89,390 | 0 | 0 |
| Education | 0 | 0 | 0 | 152,143 | 0 |
| School Federal Projects | 0 | 0 | 0 | 61,750 | 0 |
| Unrestricted | (8,002,306) | 1,817,483 | (6,184,823) | 3,412,517 | 706,826 |
| Total Net Assets | <u>\$ 4,576,085</u> | <u>\$ 9,114,028</u> | <u>\$ 13,690,113</u> | <u>\$ 16,692,488</u> | <u>\$ 863,790</u> |

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

Exhibit B

Hartsville/Trousdale County Government, Tennessee
 Statement of Activities
 For the Year Ended June 30, 2011

| Functions/Programs | Net (Expense) Revenue and Changes in Net Assets | | | | | | | | | |
|---|---|----------------------|------------------------------------|----------------------------------|-------------------------|---|-----------------------|--|--|----------|
| | Program Revenues | | | | | Component Units | | | | |
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Primary Government Business-type Activities | Total | Hartsville/ Trousdale County School Department | Hartsville/ Trousdale County Emergency Communications District | |
| Primary Government: | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| General Government | \$ 1,164,951 | \$ 341,791 | \$ 75,124 | \$ 500,000 | \$ (248,036) | \$ 0 | \$ (248,036) | \$ 0 | \$ 0 | 0 |
| Finance | 306,371 | 143,585 | 0 | 0 | (162,786) | 0 | (162,786) | 0 | 0 | 0 |
| Administration of Justice | 346,836 | 360,421 | 4,500 | 0 | 18,085 | 0 | 18,085 | 0 | 0 | 0 |
| Public Safety | 2,174,918 | 209,487 | 31,002 | 130,201 | (1,804,228) | 0 | (1,804,228) | 0 | 0 | 0 |
| Public Health and Welfare | 1,470,166 | 718,223 | 38,496 | 0 | (713,447) | 0 | (713,447) | 0 | 0 | 0 |
| Social, Cultural, and Recreational Services | 198,669 | 10,025 | 53,375 | 14,034 | (121,235) | 0 | (121,235) | 0 | 0 | 0 |
| Agriculture and Natural Resources | 50,114 | 0 | 0 | 0 | (50,114) | 0 | (50,114) | 0 | 0 | 0 |
| Other Operations | 240,478 | 0 | 0 | 0 | (240,478) | 0 | (240,478) | 0 | 0 | 0 |
| Highways/Public Works | 1,441,477 | 0 | 1,561,385 | 0 | 119,908 | 0 | 119,908 | 0 | 0 | 0 |
| Education | 84,270 | 0 | 0 | 373,187 | 288,917 | 0 | 288,917 | 0 | 0 | 0 |
| Interest on Long-term Debt | 182,654 | 0 | 0 | 0 | (182,654) | 0 | (182,654) | 0 | 0 | 0 |
| Other Debt Service | 77,516 | 0 | 0 | 0 | (77,516) | 0 | (77,516) | 0 | 0 | 0 |
| Total Governmental Activities | \$ 7,738,420 | \$ 1,783,532 | \$ 1,763,882 | \$ 1,017,422 | \$ (3,173,584) | \$ 0 | \$ (3,173,584) | \$ 0 | \$ 0 | 0 |
| Business-type Activities: | | | | | | | | | | |
| Public Utility - Water and Sewer | \$ 2,061,176 | \$ 1,547,459 | \$ 32,301 | \$ 173,693 | \$ 0 | \$ (307,723) | \$ (307,723) | \$ 0 | \$ 0 | 0 |
| Total Business-type Activities | \$ 2,061,176 | \$ 1,547,459 | \$ 32,301 | \$ 173,693 | \$ 0 | \$ (307,723) | \$ (307,723) | \$ 0 | \$ 0 | 0 |
| Total Primary Government | \$ 9,799,596 | \$ 3,330,991 | \$ 1,796,183 | \$ 1,191,115 | \$ (3,173,584) | \$ (307,723) | \$ (3,481,307) | \$ 0 | \$ 0 | 0 |
| Component Units: | | | | | | | | | | |
| School Department | \$ 10,110,000 | \$ 19,843 | \$ 1,505,609 | \$ 93,170 | \$ 0 | \$ 0 | \$ 0 | \$ (8,491,378) | \$ 0 | 0 |
| Emergency Communications District | 83,868 | 166,468 | 154,434 | 0 | 0 | 0 | 0 | 0 | 237,034 | 0 |
| Total Component Units | \$ 10,193,868 | \$ 186,311 | \$ 1,660,043 | \$ 93,170 | \$ 0 | \$ 0 | \$ 0 | \$ (8,491,378) | \$ 237,034 | 0 |

(Continued)

Exhibit B

Hartsville/Trousdale County Government, Tennessee
Statement of Activities (Cont.)

| Functions/Programs | Net (Expense) Revenue and Changes in Net Assets | | | | | |
|---|---|---|----------------------------------|---|---|------------|
| | Program Revenues | | | Component Units | | |
| | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Hartsville/Trousdale County School Department | Hartsville/Trousdale County Emergency Communications District | |
| Expenses | Governmental Activities | Primary Government Business-type Activities | Total | | | |
| General Revenues: | | | | | | |
| Taxes: | | | | | | |
| Property Taxes Levied for General Purposes | | \$ 2,786,846 | \$ 0 | \$ 2,786,846 | \$ 939,185 | \$ 0 |
| Property Taxes Levied for Debt Service | | 405,027 | 0 | 405,027 | 0 | 0 |
| Local Option Sales Tax | | 555,583 | 0 | 555,583 | 439,521 | 0 |
| Wheel Tax | | 312,227 | 0 | 312,227 | 0 | 0 |
| Wholesale Beer Tax | | 139,815 | 0 | 139,815 | 0 | 0 |
| Litigation Tax | | 111,409 | 0 | 111,409 | 0 | 0 |
| Business Tax | | 27,523 | 0 | 27,523 | 8,716 | 0 |
| Interstate Telecommunications Tax | | 560 | 0 | 560 | 475 | 0 |
| Adequate Facilities/Development Tax | | 18,000 | 0 | 18,000 | 0 | 0 |
| Grants and Contributions Not Restricted for Specific Programs | | 232,497 | 0 | 232,497 | 7,544,781 | 0 |
| Unrestricted Investment Income | | 121,124 | 15,417 | 136,541 | 0 | 6,385 |
| Insurance Recovery | | 0 | 170,912 | 170,912 | 0 | 0 |
| Miscellaneous | | 13,442 | 0 | 13,442 | 41,416 | 0 |
| Transfers | | (16,509) | 16,509 | 0 | 0 | 0 |
| Total General Revenues | | \$ 4,707,544 | \$ 202,838 | \$ 4,910,382 | \$ 8,974,094 | \$ 6,385 |
| Change in Net Assets | | \$ 1,533,960 | \$ (104,885) | \$ 1,429,075 | \$ 482,716 | \$ 243,419 |
| Net Assets, July 1, 2010 | | 3,042,125 | 9,218,913 | 12,261,038 | 16,209,772 | 620,371 |
| Net Assets, June 30, 2011 | | \$ 4,576,085 | \$ 9,114,028 | \$ 13,690,113 | \$ 16,692,488 | \$ 863,790 |

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

Hartsville/Trousdale County Government, Tennessee
 Balance Sheet
 Governmental Funds
 June 30, 2011

| | Major Funds | | | | | Nonmajor Funds | | Total Governmental Funds |
|--|--------------|----------------|------------------------|------------------------|--------------------------|--------------------------|--------------------|--------------------------|
| | General | Urban Services | Highway / Public Works | Education Debt Service | General Capital Projects | Other Governmental Funds | Governmental Funds | |
| ASSETS | | | | | | | | |
| Cash | \$ 11,573 | \$ 0 | \$ 0 | \$ 0 | \$ 2,419,741 | \$ 0 | \$ 0 | \$ 2,431,314 |
| Equity in Pooled Cash and Investments | 987,744 | 705,017 | 517,583 | 1,409,888 | 78,879 | 575,243 | 575,243 | 4,274,354 |
| Accounts Receivable | 479,515 | 9,801 | 48,284 | 0 | 0 | 11,407 | 11,407 | 549,007 |
| Allowance for Uncollectibles | (178,870) | 0 | 0 | 0 | 0 | 0 | 0 | (178,870) |
| Due from Other Governments | 266,148 | 0 | 218,805 | 0 | 0 | 4,801 | 4,801 | 489,754 |
| Due from Other Funds | 0 | 11,703 | 0 | 0 | 0 | 0 | 0 | 11,703 |
| Property Taxes Receivable | 2,649,274 | 503,127 | 0 | 29,319 | 0 | 408,833 | 408,833 | 3,590,553 |
| Allowance for Uncollectible Property Taxes | (359,503) | (70,686) | 0 | (19,792) | 0 | (62,386) | (62,386) | (512,367) |
| Total Assets | \$ 3,855,881 | \$ 1,158,962 | \$ 784,672 | \$ 1,419,415 | \$ 2,498,620 | \$ 937,898 | \$ 937,898 | \$ 10,655,448 |

LIABILITIES AND FUND BALANCES

| | | | | | | | | |
|--|--------------|------------|------------|----------|------|------------|------------|--------------|
| Liabilities | | | | | | | | |
| Accounts Payable | \$ 130,863 | \$ 11,918 | \$ 8,178 | \$ 0 | \$ 0 | \$ 18,442 | \$ 18,442 | \$ 169,401 |
| Accrued Payroll | 0 | 0 | 50,005 | 0 | 0 | 0 | 0 | 50,005 |
| Payroll Deductions Payable | 616 | 0 | 0 | 0 | 0 | 0 | 0 | 616 |
| Due to State of Tennessee | 0 | 0 | 1,018 | 0 | 0 | 0 | 0 | 1,018 |
| Deferred Revenue - Current Property Taxes | 2,209,272 | 406,689 | 0 | 0 | 0 | 330,252 | 330,252 | 2,946,213 |
| Deferred Revenue - Delinquent Property Taxes | 75,271 | 25,331 | 0 | 8,908 | 0 | 15,143 | 15,143 | 124,653 |
| Other Deferred Revenues | 270,653 | 0 | 106,505 | 0 | 0 | 0 | 0 | 377,158 |
| Total Liabilities | \$ 2,686,675 | \$ 443,938 | \$ 165,706 | \$ 8,908 | \$ 0 | \$ 363,837 | \$ 363,837 | \$ 3,669,064 |
| Fund Balances | | | | | | | | |
| Restricted: | | | | | | | | |
| Restricted for General Government | \$ 16,696 | \$ 628,325 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 645,021 |
| Restricted for Finance | 860 | 0 | 0 | 0 | 0 | 0 | 0 | 860 |
| Restricted for Administration of Justice | 90,339 | 0 | 0 | 0 | 0 | 30,701 | 30,701 | 121,040 |
| Restricted for Public Safety | 57,477 | 0 | 0 | 0 | 0 | 33,267 | 33,267 | 90,744 |
| Restricted for Public Health and Welfare | 0 | 4,941 | 0 | 0 | 0 | 120,092 | 120,092 | 125,033 |
| Restricted for Social, Cultural, and Recreational Services | 20,497 | 0 | 0 | 0 | 0 | 0 | 0 | 20,497 |

(Continued)

Hartsville/Trousdale County Government, Tennessee
 Balance Sheet
 Governmental Funds (Cont.)

| | Major Funds | | | | Nonmajor Funds | | Total Governmental Funds |
|----|-------------|----------------|------------------------|------------------------|--------------------------|--------------------------|--------------------------|
| | General | Urban Services | Highway / Public Works | Education Debt Service | General Capital Projects | Other Governmental Funds | |
| \$ | 0 | 0 | 564,967 | 0 | 0 | 0 | 564,967 |
| | 14,034 | 0 | 53,999 | 0 | 0 | 15,755 | 83,788 |
| | 0 | 0 | 0 | 1,318,766 | 0 | 221,755 | 1,540,521 |
| | 0 | 0 | 0 | 0 | 2,498,620 | 0 | 2,498,620 |
| | 0 | 81,758 | 0 | 0 | 0 | 0 | 81,758 |
| | 0 | 0 | 0 | 0 | 0 | 125,180 | 125,180 |
| | 52,540 | 0 | 0 | 0 | 0 | 0 | 52,540 |
| | 0 | 0 | 0 | 91,741 | 0 | 27,311 | 119,052 |
| | 916,763 | 0 | 0 | 0 | 0 | 0 | 916,763 |
| \$ | 1,169,206 | 715,024 | 618,966 | 1,410,507 | 2,498,620 | 574,061 | 6,986,384 |
| \$ | 3,855,881 | 1,158,962 | 784,672 | 1,419,415 | 2,498,620 | 937,898 | 10,655,448 |

LIABILITIES AND FUND BALANCES (Cont.)

| Fund Balances (Cont.) | Restricted (Cont.): |
|---|---------------------|
| Restricted for Highways/Public Works | |
| Restricted for Capital Outlay | |
| Restricted for Debt Service | |
| Restricted for Capital Projects | |
| Committed: | |
| Committed for General Government | |
| Committed for Public Health and Welfare | |
| Committed for Social, Cultural, and Recreational Services | |
| Committed for Debt Service | |
| Unassigned | |
| Total Fund Balances | |
| Total Liabilities and Fund Balances | |

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

Exhibit C-2

Hartsville/Trousdale County Government, 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) | | \$ 6,986,384 |
| (1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. | | |
| Add: land | \$ 959,554 | |
| Add: buildings and improvements net of accumulated depreciation | 1,339,123 | |
| Add: infrastructure net of accumulated depreciation | 4,474,592 | |
| Add: other capital assets net of accumulated depreciation | <u>788,325</u> | 7,561,594 |
| (2) Long-term liabilities are not due and payable in the current-period and therefore are not reported in the governmental funds. | | |
| Less: notes payable | \$ (651,851) | |
| Less: other loans payable | (9,127,273) | |
| Less: capital leases payable | (31,817) | |
| Less: landfill closure/postclosure care costs | (383,532) | |
| Less: other postemployment benefits liability | (165,338) | |
| Less: compensated absences payable | (100,691) | |
| Less: accrued interest on notes | (11,506) | |
| Less: accrued interest on capital leases | <u>(1,696)</u> | (10,473,704) |
| (3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds. | | <u>501,811</u> |
| Net assets of governmental activities (Exhibit A) | | <u>\$ 4,576,085</u> |

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

Exhibit C-3

Hartsville/Trousdale County Government, 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 | Urban Services | Highway / Public Works | Education Debt Service | General Capital Projects | Other Govern- mental Funds | |
| Revenues | | | | | | | |
| Local Taxes | \$ 2,995,724 | \$ 546,117 | \$ 0 | \$ 584,713 | \$ 0 | \$ 457,605 | \$ 4,584,159 |
| Licenses and Permits | 268,028 | 13,358 | 0 | 0 | 0 | 0 | 281,386 |
| Fines, Forfeitures, and Penalties | 92,042 | 0 | 0 | 0 | 0 | 33,207 | 125,249 |
| Charges for Current Services | 341,973 | 149,103 | 0 | 0 | 0 | 103,244 | 594,320 |
| Other Local Revenues | 144,909 | 1,725 | 1,842 | 14,273 | 3,477 | 20,232 | 186,458 |
| Fees Received from County Officials | 399,366 | 0 | 0 | 0 | 0 | 0 | 399,366 |
| State of Tennessee | 324,217 | 1,800 | 1,243,005 | 0 | 0 | 6,294 | 1,575,316 |
| Federal Government | 781,390 | 0 | 319,157 | 0 | 0 | 2,966 | 1,103,513 |
| Other Governments and Citizens Groups | 45,019 | 0 | 2,812 | 75,000 | 0 | 244,504 | 367,335 |
| Total Revenues | \$ 5,392,668 | \$ 712,103 | \$ 1,566,816 | \$ 673,986 | \$ 3,477 | \$ 868,052 | \$ 9,217,102 |
| Expenditures | | | | | | | |
| Current: | | | | | | | |
| General Government | \$ 498,833 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 498,833 |
| Finance | 307,274 | 0 | 0 | 0 | 0 | 0 | 307,274 |
| Administration of Justice | 318,608 | 0 | 0 | 0 | 0 | 27,961 | 346,569 |
| Public Safety | 1,755,128 | 290,779 | 0 | 0 | 0 | 323 | 2,046,230 |
| Public Health and Welfare | 887,940 | 152,951 | 0 | 0 | 0 | 371,626 | 1,412,517 |
| Social, Cultural, and Recreational Services | 228,202 | 24,205 | 0 | 0 | 0 | 0 | 252,407 |
| Agriculture and Natural Resources | 50,114 | 0 | 0 | 0 | 0 | 0 | 50,114 |
| Other Operations | 909,345 | 100,320 | 0 | 0 | 100 | 6,572 | 1,016,337 |
| Highways | 0 | 51,800 | 1,078,305 | 0 | 0 | 0 | 1,130,105 |
| Debt Service: | | | | | | | |
| Principal on Debt | 22,966 | 6,938 | 55,469 | 407,000 | 0 | 291,900 | 784,273 |
| Interest on Debt | 3,034 | 916 | 4,531 | 22,653 | 0 | 155,202 | 186,336 |
| Other Debt Service | 0 | 0 | 0 | 44,380 | 22,466 | 10,670 | 77,516 |
| Capital Projects | 0 | 0 | 0 | 0 | 84,570 | 0 | 84,570 |
| Total Expenditures | \$ 4,981,444 | \$ 627,909 | \$ 1,138,305 | \$ 474,033 | \$ 107,136 | \$ 864,254 | \$ 8,193,081 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 411,224 | \$ 84,194 | \$ 428,511 | \$ 199,953 | \$ (103,659) | \$ 3,798 | \$ 1,024,021 |
| Other Financing Sources (Uses) | | | | | | | |
| Other Loans Issued | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 2,523,000 | \$ 0 | \$ 2,523,000 |
| Insurance Recovery | 73,671 | 1,126 | 2,092 | 0 | 0 | 2,626 | 79,515 |
| Transfers In | 0 | 0 | 0 | 0 | 0 | 53,683 | 53,683 |
| Transfers Out | (70,192) | 0 | 0 | 0 | 0 | 0 | (70,192) |
| Total Other Financing Sources (Uses) | \$ 3,479 | \$ 1,126 | \$ 2,092 | \$ 0 | \$ 2,523,000 | \$ 56,309 | \$ 2,586,006 |
| Net Change in Fund Balances | \$ 414,703 | \$ 85,320 | \$ 430,603 | \$ 199,953 | \$ 2,419,341 | \$ 60,107 | \$ 3,610,027 |
| Fund Balance, July 1, 2010 | 754,503 | 629,704 | 188,363 | 1,210,554 | 79,279 | 513,954 | 3,376,357 |
| Fund Balance, June 30, 2011 | \$ 1,169,206 | \$ 715,024 | \$ 618,966 | \$ 1,410,507 | \$ 2,498,620 | \$ 574,061 | \$ 6,986,384 |

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

Exhibit C-4

Hartsville/Trousdale County Government, 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) | | \$ 3,610,027 |
| (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 outlays purchased in the current period | \$ 86,316 | |
| Less: current-year depreciation expense | <u>(443,540)</u> | (357,224) |
| (2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | |
| Less: deferred delinquent property taxes and other deferred June 30, 2010 | \$ (430,024) | |
| Add: deferred delinquent property taxes and other deferred June 30, 2011 | <u>501,811</u> | 71,787 |
| (3) The issuance of long-term debt (e.g., notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. | | |
| Less: other loan proceeds | \$ (2,523,000) | |
| Add: principal payments on notes | 169,469 | |
| Add: principal payments on other loans | 584,900 | |
| Add: principal payments on capital leases | <u>29,904</u> | (1,738,727) |
| (4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. | | |
| Change in accrued interest payable | \$ 3,682 | |
| Change in landfill closure/postclosure care costs | 1,163 | |
| Change in other postemployment benefits liability | (60,532) | |
| Change in compensated absences payable | <u>3,784</u> | (51,903) |
| Change in net assets of governmental activities (Exhibit B) | | <u>\$ 1,533,960</u> |

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

Exhibit D-1

Hartsville/Trousdale County Government, Tennessee
Statement of Net Assets
Proprietary Fund
June 30, 2011

| | Major Fund <u>Enterprise Fund</u> <u>Water and Sewer Fund</u> |
|---|--|
| <u>ASSETS</u> | |
| Current Assets: | |
| Cash | \$ 1,721,040 |
| Accounts Receivable (Net of Allowance for Uncollectibles) | <u>160,535</u> |
| Total Current Assets | <u>\$ 1,881,575</u> |
| Noncurrent Assets: | |
| Restricted Assets: | |
| Revenue Bond Future Debt Service | \$ 18,612 |
| Capital Assets (Net of Accumulated Depreciation): | |
| Land | 322,043 |
| Construction in Progress | 624,530 |
| Buildings and Improvements | 15,469 |
| Infrastructure | 6,618,826 |
| Other Capital Assets | <u>21,177</u> |
| Total Noncurrent Assets | <u>\$ 7,620,657</u> |
| Total Assets | <u>\$ 9,502,232</u> |
| <u>LIABILITIES</u> | |
| Current Liabilities: | |
| Payroll Deductions Payable | \$ 2,814 |
| Compensated Absences Payable | 33,530 |
| Due to Other Funds | 11,703 |
| Due to State of Tennessee | 3,844 |
| Revenue Bonds Payable | <u>4,933</u> |
| Total Current Liabilities | <u>\$ 56,824</u> |
| Noncurrent Liabilities: | |
| Revenue Bonds Payable | \$ 319,179 |
| Compensated Absences Payable | <u>12,201</u> |
| Total Noncurrent Liabilities | <u>\$ 331,380</u> |
| Total Liabilities | <u>\$ 388,204</u> |
| <u>NET ASSETS</u> | |
| Invested in Capital Assets, Net of Related Debt | \$ 7,277,933 |
| Restricted for Debt Service | 18,612 |
| Unrestricted | <u>1,817,483</u> |
| Total Net Assets | <u>\$ 9,114,028</u> |

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

Exhibit D-2

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

| | Major Fund |
|---|----------------------------|
| | Enterprise Fund |
| | Water and Sewer Fund |
| <hr/> | |
| <u>Operating Revenues</u> | |
| Charges for Current Services | \$ 1,547,459 |
| Other Local Revenues | 32,301 |
| Total Operating Revenues | <u>\$ 1,579,760</u> |
| <u>Operating Expenses</u> | |
| Other Public Health and Welfare | \$ 1,730,051 |
| Depreciation | 313,641 |
| Total Operating Expenses | <u>\$ 2,043,692</u> |
| Operating Income (Loss) | <u>\$ (463,932)</u> |
| <u>Nonoperating Revenues (Expenses)</u> | |
| Investment Income | \$ 15,417 |
| Insurance Recovery | 170,912 |
| Grant Income | 173,693 |
| Interest Expense | (13,886) |
| Loss on Disposal of Asset | (3,598) |
| Total Nonoperating Revenues (Expenses) | <u>\$ 342,538</u> |
| Income Before Transfers | \$ (121,394) |
| Transfers | 16,509 |
| Change in Net Assets | <u>\$ (104,885)</u> |
| Net Assets, July 1, 2010 | <u>9,218,913</u> |
| Net Assets, June 30, 2011 | <u><u>\$ 9,114,028</u></u> |

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

Exhibit D-3

Hartsville/Trousdale County Government, Tennessee
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2011

| | Major Fund |
|---|----------------------------|
| | Enterprise Fund |
| | Water and Sewer Fund |
| <u>Cash Flows from Operating Activities</u> | |
| Receipts from Customers and Users | \$ 1,579,536 |
| Payments to Employees | (760,606) |
| Payments to Suppliers | (1,036,936) |
| Other Receipts (Payments) | 32,301 |
| Net Cash Provided By (Used In) Operating Activities | <u>\$ (185,705)</u> |
| <u>Cash Flows from Noncapital Financing Activities</u> | |
| Transfers from Other Funds | \$ 16,509 |
| Grants Received | 173,693 |
| Net Cash Provided By (Used In) Noncapital Financing Activities | <u>\$ 190,202</u> |
| <u>Cash Flows from Capital and Related Financing Activities</u> | |
| Acquisition of Capital Assets | \$ (164,822) |
| Principal Paid on Capital Debt | (4,726) |
| Interest Paid on Capital Debt | (13,886) |
| Insurance Recovery | 170,912 |
| Net Cash Provided By (Used In) Capital Financing Activities | <u>\$ (12,522)</u> |
| <u>Cash Flows from Investing Activities</u> | |
| Interest Earned | \$ 15,417 |
| Net Cash Provided By (Used In) Investing Activities | <u>\$ 15,417</u> |
| Net Increase (Decrease) in Cash | \$ 7,392 |
| Cash, July 1, 2010 | <u>1,732,260</u> |
| Cash, June 30, 2011 | <u><u>\$ 1,739,652</u></u> |

(Continued)

Exhibit D-3

Hartsville/Trousdale County Government, Tennessee
Statement of Cash Flows
Proprietary Fund (Cont.)

| | Major Fund |
|---|---------------------------------|
| | <u>Enterprise Fund</u> |
| | <u>Water and Sewer Fund</u> |
| | |
| <u>Reconciliation of Net Operating Income (Loss) to Net Cash Provided</u> | |
| <u>By (Used In) Operating Activities</u> | |
| Operating Income (Loss) | \$ (463,932) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities: | |
| Depreciation Expense | 313,641 |
| Change in Assets and Liabilities: | |
| (Increase) Decrease in Accounts Receivable | (29,224) |
| (Increase) Decrease in Due from Other Governments | 61,301 |
| Increase (Decrease) in Payroll Deductions Payable | 504 |
| Increase (Decrease) in Contracts Payable | (69,829) |
| Increase (Decrease) in Due to Other Funds | (774) |
| Increase (Decrease) in Due to State of Tennessee | (674) |
| Increase (Decrease) in Compensated Absences Payable | 3,282 |
| | <u> </u> |
| Net Cash Provided By (Used In) Operating Activities | <u>\$ (185,705)</u> |
| | |
| <u>Reconciliation of Cash with Statement of Net Assets</u> | |
| Cash and Cash Equivalents Per Net Assets | \$ 1,721,040 |
| Revenue Bond Future Debt Service Account Per Net Assets | 18,612 |
| | <u> </u> |
| Cash, June 30, 2011 | <u>\$ 1,739,652</u> |

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

Exhibit E

Hartsville/Trousdale County Government, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2011

| | <u>Agency Funds</u> |
|---------------------------------------|----------------------------|
| <u>ASSETS</u> | |
| Cash | \$ 392,301 |
| Equity in Pooled Cash and Investments | 748,546 |
| Due from Other Governments | <u>13,000</u> |
| Total Assets | <u><u>\$ 1,153,847</u></u> |
| <u>LIABILITIES</u> | |
| Due to Litigants, Heirs, and Others | \$ 392,301 |
| Due to Joint Venture | <u>761,546</u> |
| Total Liabilities | <u><u>\$ 1,153,847</u></u> |

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

HARTSVILLE/TROUSDALE COUNTY GOVERNMENT, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Hartsville/Trousdale County Government's (metropolitan government) 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 the metropolitan government:

A. Reporting Entity

The metropolitan government is a public municipal corporation governed by an elected 20-member board. As required by GAAP, these financial statements present the metropolitan government (the primary government) and its component units. The component units discussed below are included in the metropolitan government's reporting entity because of the significance of their operational or financial relationships with the metropolitan government.

Discretely Presented Component Units – The following entities meet the criteria for discretely presented component units of the metropolitan government. They are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the metropolitan government.

The Hartsville/Trousdale County School Department operates the public school system in the county, and the voters of Trousdale County elect its board. The School Department is fiscally dependent on the metropolitan government because it may not issue debt without metropolitan government approval, and its budget and property tax levy are subject to the Metropolitan Commission's approval. The School Department's taxes are levied under the taxing authority of the metropolitan government and are included as part of the metropolitan government's total tax levy.

The Hartsville/Trousdale County Government Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Trousdale County, and the Metropolitan 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 Metropolitan Commission's approval.

The Hartsville/Trousdale County School Department does not issue separate financial statements from those of the metropolitan government. Therefore,

basic financial statements of the School Department are included in this report as listed in the table of contents. Complete financial statements of the Hartsville/Trousdale County Government Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Hartsville/Trousdale County Government
Emergency Communications District
210 Broadway
Hartsville, TN 37074

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 Hartsville/Trousdale 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.

The metropolitan government issues most debt for the discretely presented School Department. Net debt issues totaling \$84,270 were contributed by the metropolitan government to the School Department during the year ended June 30, 2011.

Separate financial statements are provided for governmental funds, the proprietary fund (enterprise), 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 the fiduciary funds financial statements, except for agency funds, which have no measurement focus. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund financial statements of the metropolitan government 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. The metropolitan government reports only one proprietary fund, a major enterprise fund.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds and the major enterprise fund are reported as separate columns in the fund financial statements. All other governmental funds are aggregated into a single column on the fund financial statements. 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 metropolitan government 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. The metropolitan government 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 debt service funds for payments to be made early in the following year.

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

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

The metropolitan government reports the following major governmental funds:

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

Urban Services Fund – This special revenue fund accounts for the financial activity for the Urban Services District. Property taxes are the foundational revenues of this fund.

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

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

General Capital Projects Fund – This fund accounts for the financial resources to be used for the acquisition or construction of major capital resources.

The metropolitan government reports the following major enterprise fund:

Water and Sewer Fund – This fund accounts for transactions of the metropolitan government’s Water and Sewer Department.

Additionally, the metropolitan government reports the following fund type:

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers and state grants and other restricted revenues held for the benefit of the Fifteenth Judicial District Drug Task Force. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

The discretely presented Hartsville/Trousdale County School Department reports the following major governmental fund:

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

Additionally, the School Department reports the following fund type:

Special Revenue Fund – The School Federal Projects Fund accounts for and reports the proceeds of specific revenue sources that are restricted to expenditure for specific federal education programs.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to the same limitations. The metropolitan government 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 metropolitan government has one proprietary fund, an enterprise fund, used to account for the transactions of the Water and Sewer Department. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the enterprise fund are customer fees for water and sewer usage. Operating expenses for the enterprise fund consist entirely of operation and maintenance costs of the department.

It is the county's policy that restricted amounts would be reduced first followed by unrestricted amounts when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available. Also, it is the county's policy that committed amounts would be reduced first,

followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used.

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

For purposes of the Statement of Cash Flows, cash includes cash on hand and demand deposits.

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 metropolitan government's own legally issued bonds or notes.

The metropolitan government trustee maintains a cash and internal investment pool that is used by all funds (excluding the Water and Sewer Fund) and the discretely presented Hartsville/Trousdale 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 Fund. The metropolitan government 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 remitted current collections outstanding at the end of the fiscal year is referred to as due to/from other funds.

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

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

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

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

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

Most payables are disaggregated on the face of the financial statements. Current liabilities payable from restricted assets reflected in the proprietary fund represent deposits placed with the Water and Sewer Department by customers when service is initiated.

Retainage payable in the discretely presented Hartsville/Trousdale County School Department's General Purpose School Fund represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held by the metropolitan trustee as Equity in Pooled Cash and Investments in the General Purpose School Fund.

3. Restricted Assets

Certain resources set aside for the repayment of enterprise fund revenue bonds are classified as restricted assets on the Statement of Net Assets because their use is limited by applicable bond covenants. The Revenue Bond Future Debt Service account is used to report resources set aside to comply with those covenants.

4. Capital Assets

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

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, and similar items), and intangibles (e.g., computer software and similar items) and 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 \$5,000 (School Department \$10,000) or more and an estimated useful life of more than five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

Property, plant, equipment, infrastructure, and intangibles of the metropolitan government and the discretely presented Hartsville/Trousdale County School Department are depreciated using the straight-line method over the following estimated useful lives:

| <u>Assets</u> | <u>Years</u> |
|----------------------------|--------------|
| Buildings and Improvements | 7 - 40 |
| Other Capital Assets | 5 - 30 |
| Infrastructure: | |
| Roads | 20 - 40 |
| Bridges | 75 |
| Water and Sewerage Lines | 25 |
| Intangibles | 12 |

5. Compensated Absences

Primary Government

It is the metropolitan government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the metropolitan government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide financial statements for the metropolitan government. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

Discretely Presented School Department

The School Department does not allow for the accumulation of unused vacation and sick days beyond year-end, except for professional personnel of the School Department. The School Department allows professional personnel (teachers) to accumulate an unlimited amount of unused sick leave. The granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded.

6. Long-term Obligations

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

In the fund financial statements, governmental 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, other postemployment benefits, and landfill closure/postclosure care costs, are recognized to the extent that the liabilities have matured (come due for payment) each period.

7. Net Assets and Fund Equity

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

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

As of June 30, 2011, the metropolitan government had \$9,127,273 in outstanding debt for capital purposes for the discretely presented Hartsville/Trousdale County School Department. This debt is a liability of the metropolitan government, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, the metropolitan government has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the metropolitan government's capital assets.

In the fund financial statements, governmental funds report fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on

the specific purposes for which amounts in these funds can be spent. These classifications may consist of the following:

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

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

Committed Fund Balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the Metropolitan Commission, the metropolitan government’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 metropolitan government’s intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The county’s Finance/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 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 School Department

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

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

Primary Government

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

Discretely Presented School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

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

The metropolitan government 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 Metropolitan 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 Metropolitan Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The metropolitan government (except for the Water and Sewer Fund) and the discretely presented Hartsville/Trousdale County School Department participate in an internal cash and investment pool through the Office of Trustee. The county trustee is the treasurer of the metropolitan government 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 metropolitan government.

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

Investment Balances. As of June 30, 2011, the metropolitan government had the following investments carried at cost. All investments are in the trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for the metropolitan government and the discretely presented Hartsville/Trousdale County School Department since both pool their deposits and investments through the metropolitan trustee.

| Investment | Maturities | Cost |
|-----------------------------------|------------|------------|
| State Treasurer's Investment Pool | Daily | \$ 278,269 |

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

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. The metropolitan government has no investment policy that would further limit its investment choices. As of June 30, 2011, the metropolitan government's investment in the State Treasurer's Investment Pool was unrated.

B. Capital Assets

Primary Government

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

Governmental Activities:

| | Restated* | | |
|---|---------------|--------------|---------------|
| | Balance | | Balance |
| | 7-1-10 | Increases | 6-30-11 |
| Capital Assets Not Depreciated: | | | |
| Land | \$ 959,554 | \$ 0 | \$ 959,554 |
| Total Capital Assets Not Depreciated | \$ 959,554 | \$ 0 | \$ 959,554 |
| Capital Assets Depreciated: | | | |
| Buildings and Improvements | \$ 2,009,548 | \$ 63,198 | \$ 2,072,746 |
| Roads and Bridges | 13,811,223 | 0 | 13,811,223 |
| Other Capital Assets | 3,174,683 | 23,118 | 3,197,801 |
| Total Capital Assets Depreciated | \$ 18,995,454 | \$ 86,316 | \$ 19,081,770 |
| Less Accumulated Depreciation for: | | | |
| Buildings and Improvements | \$ 698,713 | \$ 34,910 | \$ 733,623 |
| Roads and Bridges | 9,083,188 | 253,443 | 9,336,631 |
| Other Capital Assets | 2,254,289 | 155,187 | 2,409,476 |
| Total Accumulated Depreciation | \$ 12,036,190 | \$ 443,540 | \$ 12,479,730 |
| Total Capital Assets Depreciated, Net | \$ 6,959,264 | \$ (357,224) | \$ 6,602,040 |
| Governmental Activities Capital Assets, Net | \$ 7,918,818 | \$ (357,224) | \$ 7,561,594 |

*Note: Restated balance due to fully depreciated asset being added to capital assets. Because the asset was fully depreciated, the net effect was zero. Thus, no prior-period adjustment was presented.

There were no capital asset decreases during the year ended June 30, 2011.

Business-type Activities:

| | Balance | | | Balance |
|--------------------------------------|--------------|------------|--------------|------------|
| | 7-1-10 | Increases | Decreases | 6-30-11 |
| Capital Assets Not Depreciated: | | | | |
| Land | \$ 322,043 | \$ 0 | \$ 0 | \$ 322,043 |
| Construction in Progress | 1,031,743 | 164,822 | (572,035) | 624,530 |
| Total Capital Assets Not Depreciated | \$ 1,353,786 | \$ 164,822 | \$ (572,035) | \$ 946,573 |

Business-type Activities (Cont.):

| | Balance 7-1-10 | Increases | Decreases | Balance 6-30-11 |
|-----------------------------|----------------------|-------------------|---------------------|----------------------|
| Capital Assets Depreciated: | | | | |
| Buildings and | | | | |
| Improvements | \$ 18,000 | \$ 0 | \$ 0 | \$ 18,000 |
| Roads and Bridges | 13,514,017 | 572,035 | (9,701) | 14,076,351 |
| Other Capital Assets | 517,505 | 0 | 0 | 517,505 |
| Total Capital Assets | | | | |
| Depreciated | <u>\$ 14,049,522</u> | <u>\$ 572,035</u> | <u>\$ (9,701)</u> | <u>\$ 14,611,856</u> |
| Less Accumulated | | | | |
| Depreciation for: | | | | |
| Buildings and | | | | |
| Improvements | \$ 2,081 | \$ 450 | \$ 0 | \$ 2,531 |
| Roads and Bridges | 7,178,937 | 284,691 | (6,103) | 7,457,525 |
| Other Capital Assets | 467,828 | 28,500 | 0 | 496,328 |
| Total Accumulated | | | | |
| Depreciation | <u>\$ 7,648,846</u> | <u>\$ 313,641</u> | <u>\$ (6,103)</u> | <u>\$ 7,956,384</u> |
| Total Capital Assets | | | | |
| Depreciated, Net | <u>\$ 6,400,676</u> | <u>\$ 258,394</u> | <u>\$ (3,598)</u> | <u>\$ 6,655,472</u> |
| Business-type Activities | | | | |
| Capital Assets, Net | <u>\$ 7,754,462</u> | <u>\$ 423,216</u> | <u>\$ (575,633)</u> | <u>\$ 7,602,045</u> |

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

Governmental Activities:

| | |
|---|-------------------|
| General Government | \$ 9,935 |
| Public Safety | 50,374 |
| Public Health and Welfare | 57,613 |
| Social, Cultural, and Recreational Services | 10,865 |
| Highways/Public Works | <u>314,753</u> |
| Total Depreciation Expense - | |
| Governmental Activities | <u>\$ 443,540</u> |

Business-type Activities:

| | |
|-----------------|-------------------|
| Water and Sewer | <u>\$ 313,641</u> |
|-----------------|-------------------|

Discretely Presented School Department

Governmental Activities:

| | Balance 7-1-10 | Increases | Decreases | Balance 6-30-11 |
|--|----------------------|---------------------|---------------------|----------------------|
| Capital Assets Not Depreciated: | | | | |
| Land | \$ 629,383 | \$ 0 | \$ 0 | \$ 629,383 |
| Construction in Progress | 0 | 312,042 | 0 | 312,042 |
| Total Capital Assets Not Depreciated | \$ 629,383 | \$ 312,042 | \$ 0 | \$ 941,425 |
| Capital Assets Depreciated: | | | | |
| Buildings and Improvements | \$ 18,508,693 | \$ 0 | \$ 0 | \$ 18,508,693 |
| Other Capital Assets | 1,219,137 | 76,139 | (139,600) | 1,155,676 |
| Intangibles | 49,770 | 0 | 0 | 49,770 |
| Total Capital Assets Depreciated | \$ 19,777,600 | \$ 76,139 | \$ (139,600) | \$ 19,714,139 |
| Less Accumulated Depreciation for: | | | | |
| Buildings and Improvements | \$ 6,540,749 | \$ 359,520 | \$ 0 | \$ 6,900,269 |
| Other Capital Assets | 749,214 | 65,232 | (133,179) | 681,267 |
| Intangibles | 3,802 | 4,148 | 0 | 7,950 |
| Total Accumulated Depreciation | \$ 7,293,765 | \$ 428,900 | \$ (133,179) | \$ 7,589,486 |
| Total Capital Assets Depreciated, Net | \$ 12,483,835 | \$ (352,761) | \$ (6,421) | \$ 12,124,653 |
| Governmental Activities Capital Assets, Net | \$ 13,113,218 | \$ (40,719) | \$ (6,421) | \$ 13,066,078 |

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

Governmental Activities:

| | |
|---|--------------------------|
| Instruction | \$ 363,668 |
| Support Services | <u>65,232</u> |
| Total Depreciation Expense - Governmental Activities | <u>\$ 428,900</u> |

C. Interfund Receivables and Payables

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

Due to/from Other Funds:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|------------------------|-----------------------------------|---------------|
| Primary Government: | | |
| Urban Services | Water and Sewer (enterprise fund) | \$ 11,703 |

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

Interfund Transfers:

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

Primary Government

| <u>Transfers Out</u> | <u>Transfers In</u> | |
|----------------------|--|---|
| | <u>Water and Sewer (enterprise fund)</u> | <u>Nonmajor Governmental Fund</u> |
| General Fund | \$ 16,509 | \$ 53,683 |

**Discretely Presented
School Department**

| <u>Transfer Out</u> | <u>Transfer In Nonmajor Governmental Fund</u> |
|-----------------------------|---|
| General Purpose School Fund | \$ 50,000 |

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

D. Capital Lease

On September 4, 2009, metropolitan government entered into a three-year lease-purchase agreement for patrol cars for the Sheriff's Department. The terms of the agreement require total lease payments of \$95,575 plus interest of 6.4 percent. Title to the equipment transfers to the metropolitan government at the end of the lease period. The lease payments will be split between the General and the Urban Services funds.

The assets acquired through capital leases are as follows:

| <u>Asset</u> | <u>Governmental Activities</u> |
|--------------------------------|------------------------------------|
| Machinery and Equipment | \$ 95,575 |
| Less: Accumulated Depreciation | <u>(17,013)</u> |
| Total Book Value | <u><u>\$ 78,562</u></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 | \$ 33,853 |
| Total Minimum Lease Payments | \$ 33,853 |
| Amount Representing Interest | <u>(2,036)</u> |
| Present Value of Minimum Lease Payments | <u><u>\$ 31,817</u></u> |

E. Long-term Debt

Primary Government

General Obligation Notes and Other Loans

The metropolitan government issues other loans to provide funds for the acquisition and construction of major capital facilities. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

Capital outlay notes and other loans are direct obligations and pledge the full faith and credit of the government. Capital outlay notes and other loans outstanding were issued for original terms of up to ten years for notes and up to 21 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. As of June 30, 2011, all capital outlay notes outstanding will be retired from the General Debt Service and Highway/Public Works funds, and other loans outstanding will be retired from the General Debt Service and Education Debt Service funds.

Capital outlay notes, other loans, and capital leases outstanding as of June 30, 2011, for governmental activities are as follows:

| Type | Interest Rate | Original Amount of Issue | Balance 6-30-11 |
|----------------------|----------------|--------------------------|-----------------|
| Capital Outlay Notes | 3.95 to 4.68 % | \$ 1,387,000 | \$ 651,851 |
| Other Loans | Variable | 13,978,359 | 9,127,273 |
| Capital Leases | 6.4 | 95,575 | 31,817 |

In prior years, the metropolitan government entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority loaned the metropolitan government \$3,000,000 for the construction of a new middle school. This loan is repayable at a variable interest rate based on the daily London Interbank Offer Rate (LIBOR). In addition, the government pays various other fees (trustee, debt remarketing, etc.) in connection with this loan. At June 30, 2011, the variable interest rate was .5 percent, and other fees totaled approximately .35 percent (letter of credit) and .08 percent (remarketing) of the outstanding loan principal. Fees on this loan also include a trustee fee of \$85 per month.

Also, in prior years, the metropolitan government entered into another loan agreement with the Montgomery County Public Building Authority. Under this agreement, the authority loaned the metropolitan government \$8,455,359 for the construction of a new high school. This loan is repayable at a variable interest rate based on the daily LIBOR. In addition, the government pays various other fees (trustee, debt remarketing, etc.) in connection with this loan. At June 30, 2011, the variable interest rate was .27 percent, and other fees totaled approximately .5 percent (letter of credit) and .08 percent (remarketing) of the outstanding loan principal. A trustee fee of \$85 per month is also included on this loan.

During the year, Hartsville/Trousdale County Government entered into a loan agreement with the Tennessee State School Board Authority. Under this loan agreement, the authority loaned the metropolitan government \$2,523,000 for rehabilitation and repairs of county school buildings. This loan earns interest monthly based upon the local government investment pool rate, which is netted against the annual principal payment. The metropolitan government pays an annual administrative fee of \$2,018 under this agreement. The loan retirement schedule also includes equal monthly payments of interest; however, the county will semi-annually receive a federal interest subsidy, which will offset these payments resulting in a zero percent interest rate.

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

| Year Ending June 30 | Notes | | |
|------------------------|------------|-----------|------------|
| | Principal | Interest | Total |
| 2012 | \$ 175,727 | \$ 27,059 | \$ 202,786 |
| 2013 | 326,124 | 19,860 | 345,984 |
| 2014 | 86,000 | 6,902 | 92,902 |
| 2015 | 64,000 | 2,994 | 66,994 |
| Total | \$ 651,851 | \$ 56,815 | \$ 708,666 |

| Year Ending June 30 | Other Loans | | | |
|------------------------|--------------|--------------|----------------|---------------|
| | Principal | Interest | (1) Other Fees | Total |
| 2012 | \$ 739,406 | \$ 126,448 | \$ 40,371 | \$ 906,225 |
| 2013 | 790,321 | 140,246 | 37,281 | 967,848 |
| 2014 | 816,403 | 138,082 | 33,892 | 988,377 |
| 2015 | 842,908 | 135,826 | 30,367 | 1,009,101 |
| 2016 | 870,793 | 133,476 | 36,111 | 1,040,380 |
| 2017-2021 | 3,526,155 | 641,338 | 146,996 | 4,314,489 |
| 2022-2026 | 1,353,517 | 612,977 | 33,702 | 2,000,196 |
| 2027-2028 | 187,770 | 134,362 | 2,525 | 324,657 |
| Total | \$ 9,127,273 | \$ 2,062,755 | \$ 361,245 | \$ 11,551,273 |

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

There is \$249,066 available in the General Debt Service Fund and \$1,410,507 available in the Education Debt Service Fund to service long-term debt. Debt per capita, including notes, other loans, and capital leases totaled \$1,247, 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:

| | Notes | Other Loans | Capital Leases |
|-----------------------------|------------|----------------|-------------------|
| Balance, July 1, 2010 | \$ 821,320 | \$ 7,189,173 | \$ 61,721 |
| Additions | 0 | 2,523,000 | 0 |
| Deductions | (169,469) | (584,900) | (29,904) |
| Balance, June 30, 2011 | \$ 651,851 | \$ 9,127,273 | \$ 31,817 |
| Balance Due Within One Year | \$ 175,727 | \$ 739,406 | \$ 31,817 |

| | Compensated Absences | Landfill Postclosure Care Cost | Other Postemployment Benefits |
|-----------------------------|-------------------------|--------------------------------------|-------------------------------------|
| Balance, July 1, 2010 | \$ 104,475 | \$ 384,695 | \$ 104,806 |
| Additions | 110,776 | 3,797 | 70,249 |
| Deductions | (114,560) | (4,960) | (9,717) |
| Balance, June 30, 2011 | <u>\$ 100,691</u> | <u>\$ 383,532</u> | <u>\$ 165,338</u> |
| Balance Due Within One Year | <u>\$ 15,672</u> | <u>\$ 6,000</u> | <u>\$ 0</u> |

Analysis of Noncurrent Liabilities Presented on Exhibit A:

| | |
|---|---------------------|
| Total Noncurrent Liabilities, June 30, 2011 | \$ 10,460,502 |
| Less: Balance Due Within One Year | <u>(968,622)</u> |
| Noncurrent Liabilities - Due in More Than One Year - Exhibit A | <u>\$ 9,491,880</u> |

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

Hartsville/Trousdale County Government Water and Sewer Fund (enterprise fund)

The metropolitan government issues revenue bonds to provide funds for the acquisition and construction of major capital facilities and other capital outlay purchases, such as equipment.

Revenue bonds outstanding were issued for original terms of up to 38 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. As of June 30, 2011, all revenue bonds outstanding will be retired from the enterprise fund.

Revenue bonds outstanding as of June 30, 2011, for business-type activities are as follows:

| Type | Interest Rate | Original Amount of Issue | Balance 6-30-11 |
|---------------|------------------|--------------------------------|--------------------|
| Revenue Bonds | 4.25 % | \$ 350,000 | \$ 324,112 |

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

| Year Ending June 30 | Bonds | | |
|------------------------|-------------------|-------------------|-------------------|
| | Principal | Interest | Total |
| 2012 | \$ 4,933 | \$ 13,679 | \$ 18,612 |
| 2013 | 5,146 | 13,466 | 18,612 |
| 2014 | 5,369 | 13,243 | 18,612 |
| 2015 | 5,602 | 13,010 | 18,612 |
| 2016 | 5,845 | 12,767 | 18,612 |
| 2017-2021 | 33,251 | 59,809 | 93,060 |
| 2022-2026 | 41,109 | 51,951 | 93,060 |
| 2027-2031 | 50,823 | 42,237 | 93,060 |
| 2032-2036 | 62,832 | 30,228 | 93,060 |
| 2037-2041 | 77,679 | 15,381 | 93,060 |
| 2042-2043 | 31,523 | 1,249 | 32,772 |
| Total | <u>\$ 324,112</u> | <u>\$ 267,020</u> | <u>\$ 591,132</u> |

Changes in Long-term Liabilities

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

Business-type Activities:

| | Bonds | Compensated Absences |
|-----------------------------|-------------------|-------------------------|
| Balance, July 1, 2010 | \$ 328,838 | \$ 42,449 |
| Additions | 0 | 43,212 |
| Deductions | (4,726) | (39,930) |
| Balance, June 30, 2011 | <u>\$ 324,112</u> | <u>\$ 45,731</u> |
| Balance Due Within One Year | <u>\$ 4,933</u> | <u>\$ 33,530</u> |

Analysis of Noncurrent Liabilities Presented on Exhibit A:

| | |
|---|-------------------|
| Total Noncurrent Liabilities, June 30, 2011 | \$ 369,843 |
| Less: Revenue Bonds Payable | (4,933) |
| Less: Balance Due Within One Year | <u>(33,530)</u> |
| Noncurrent Liabilities - Due in More Than One Year - Exhibit A | <u>\$ 331,380</u> |

Discretely Presented School Department

Changes in Long-term Liabilities

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

Governmental Activities:

| | <u>Other Postemployment Benefits</u> |
|-----------------------------|--|
| Balance, July 1, 2010 | \$ 70,215 |
| Additions | 89,167 |
| Deductions | <u>(72,819)</u> |
| Balance, June 30, 2011 | <u>\$ 86,563</u> |
| Balance Due Within One Year | <u>\$ 0</u> |

Analysis of Noncurrent Liabilities Presented on Exhibit A:

| | |
|---|------------------|
| Total Noncurrent Liabilities, June 30, 2011 | <u>\$ 86,563</u> |
| Noncurrent Liabilities - Due in More Than One Year - Exhibit A | <u>\$ 86,563</u> |

Other postemployment benefits will be paid from the General Purpose School and School Federal Projects funds.

F. On-Behalf Payments – Discretely Presented School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Hartsville/Trousdale 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 \$32,827 and \$2,977, respectively. The School

Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

G. Short-term Debt

The metropolitan government issued a revenue anticipation note in advance of revenue collections and deposited the proceeds in the General Fund. This note was necessary because funds were not available for operations. Short-term debt activity for the year ended June 30, 2011, was as follows:

| | <u>7-1-10</u> | <u>Issued</u> | <u>Paid</u> | <u>6-30-11</u> |
|---------------------------|---------------|---------------|--------------|----------------|
| Revenue Anticipation Note | \$ 0 | \$ 200,000 | \$ (200,000) | \$ 0 |

V. OTHER INFORMATION

A. Risk Management

Primary Government

The metropolitan government is exposed to various risks related to general liability, property, and casualty losses. The metropolitan government decided it was more economically feasible to join a public entity risk pool instead of purchasing commercial insurance for general liability, property, and casualty coverage. The metropolitan government 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 metropolitan government pays an annual premium to the TN-RMT for its general liability, property, casualty, and workers' compensation insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

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

Discretely Presented School Department

The discretely presented Hartsville/Trousdale County School Department participates in the Tennessee Risk Management Trust (TN-RMT), which is a

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

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

B. Accounting Change

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

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

C. Subsequent Event

On July 25, 2011, the Metropolitan Commission authorized the Education Debt Service Fund to issue a \$400,000 tax anticipation interfund loan to the General Fund for temporary operating funds.

D. Contingent Liabilities

The county attorney advised us that there were no pending lawsuits in which the government is involved as of the date of this report.

E. Change in Administration

On August 31, 2010, Tim Roberson left the Office of County Executive and was succeeded by Jackie West.

F. Landfill Postclosure Care Costs

The metropolitan government has an active permit on file with the state Department of Environment and Conservation for a sanitary 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 metropolitan government 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 metropolitan government reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The metropolitan government closed its sanitary landfill in 1996. The \$383,532 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 Venture

The Fifteenth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Fifteenth Judicial District, Jackson, Macon, Smith, Trousdale, and Wilson counties, and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. The metropolitan government made no contributions to the DTF for the year ended June 30, 2011.

The metropolitan government does not have any equity interest in this joint venture. Complete financial statements for the DTF can be obtained from its administrative office at the following address:

Administrative Office:

Office of District Attorney General
Fifteenth Judicial District
210 Broadway
Hartsville, TN 37074

H. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Employees

Plan Description

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

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

Funding Policy

Primary Government

The metropolitan government requires employees to contribute five percent of their earnable compensation. The metropolitan government is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2011, was 8.05 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the metropolitan government is established and may be amended by the TCRS Board of Trustees.

Former City of Hartsville Employees

The metropolitan government has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll. The metropolitan government is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2011, was 20.09 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the metropolitan government is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

Primary Government

For the year ended June 30, 2011, the metropolitan government's annual pension cost of \$312,695 to TCRS was equal to the metropolitan government'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 postretirement 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 metropolitan government'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 12 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 | \$312,695 | 100% | \$0 |
| 6-30-10 | 318,831 | 100 | 0 |
| 6-30-09 | 316,188 | 100 | 0 |

Former City of Hartsville Employees

For the year ended June 30, 2011, the metropolitan government’s annual pension cost of \$157,984 to TCRS was equal to the metropolitan government’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 postretirement 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 metropolitan government’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 20 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 | \$157,984 | 100% | \$0 |
| 6-30-10 | 181,842 | 100 | 0 |
| 6-30-09 | 177,484 | 100 | 0 |

Funded Status and Funding Progress

Primary Government

As of July 1, 2009, the most recent actuarial valuation date, the plan was 81.55 percent funded. The actuarial accrued liability for benefits was

\$9 million, and the actuarial value of assets was \$7 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$2 million. The covered payroll (annual payroll of active employees covered by the plan) was \$4 million, and the ratio of the UAAL to the covered payroll was 41.33 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.

Former City of Hartsville Employees

As of July 1, 2009, the most recent actuarial valuation date, the plan was 81.26 percent funded. The actuarial accrued liability for benefits was \$5 million, and the actuarial value of assets was \$4 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$1 million. The covered payroll (annual payroll of active employees covered by the plan) was \$1 million, and the ratio of the UAAL to the covered payroll was 113.58 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 School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979, are vested after five years of service. Members joining prior to July 1, 1979, are vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. A cost of living adjustment (COLA) is provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

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

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the 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 \$435,065, \$309,529, and \$312,504, respectively, equal to the required contributions for each year.

2. Deferred Compensation

The discretely presented Hartsville/Trousdale County School Department offers its employees two deferred compensation plans, one established pursuant to IRC Section 457 and the other pursuant to IRC Section 403(b). All costs of administering and funding these programs are the responsibility of plan participants. The Section 403(b) and Section 457 plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Sections 403(b) and 457 establish participation, contribution, and withdrawal provisions for the plans.

I. Other Postemployment Benefits (OPEB)

Plan Description

The metropolitan government and School Department participate in the state-administered Local Education Group Insurance Plan, Local Government Group Insurance Plan, and Medicare Supplement Plan for healthcare benefits. For accounting purposes, the plans are agent multiple-employer defined benefit OPEB plans. Benefits are established and amended by an insurance committee created by Section 8-27-302, *Tennessee Code Annotated (TCA)*, for local education employees, Section 8-27-207, *TCA*, for local governments, and Section 8-27-701, *TCA*, for Medicare Supplement. In previous fiscal years, prior to reaching the age of 65, all members had the option of choosing a preferred provider organization (PPO), point of service (POS), or health maintenance organization (HMO) plan for healthcare benefits. However, as of January 1, 2010, the insurance plan structure was changed, and as a result all members now have the option of choosing between the standard or partnership preferred provider organization (PPO) plan for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://tn.gov/finance/act/cafr.html>.

Funding Policy

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

Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan.

Annual OPEB Cost and Net OPEB Obligation

| | Local Education Group Plan | Local Government Group Plan | Medicare Supplement Plan |
|------------------------------|-------------------------------------|--------------------------------------|--------------------------------|
| ARC | \$ 89,000 | \$ 54,000 | \$ 16,000 |
| Interest on the NPO | 3,160 | 2,012 | 2,704 |
| Adjustment to the ARC | (2,993) | (1,906) | (2,561) |
| Annual OPEB cost | \$ 89,167 | \$ 54,106 | \$ 16,143 |
| Amount of contribution | (72,819) | (8,292) | (1,425) |
| Increase/decrease in NPO | \$ 16,348 | \$ 45,814 | \$ 14,718 |
| Net OPEB obligation, 7-1-10 | 70,215 | 44,721 | 60,085 |
| Net OPEB obligation, 6-30-11 | \$ 86,563 | \$ 90,535 | \$ 74,803 |

| Fiscal Year Ended | Plans | Annual OPEB Cost | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation at Year End |
|-------------------------|-------------------------|------------------------|---|---------------------------------------|
| 6-30-10 | Local Education Group* | \$ 85,130 | 82 % | \$ 70,215 |
| 6-30-11 | " | 89,167 | 81.67 | 86,563 |
| 6-30-10 | Local Government Group* | 52,000 | 14 | 44,721 |
| 6-30-11 | " | 54,106 | 15.33 | 90,535 |
| 6-30-09 | Medicare Supplement | 24,027 | 5.625 | 45,327 |
| 6-30-10 | " | 16,108 | 8.38 | 60,085 |
| 6-30-11 | " | 16,143 | 8.36 | 74,803 |

* Data will be presented for three years when available.

Funded Status and Funding Progress

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

| | Local Education Group Plan | Local Government Group Plan | Medicare Supplement Plan |
|---|-------------------------------------|--------------------------------------|--------------------------------|
| Actuarial valuation date | 7-1-10 | 7-1-10 | 7-1-10 |
| Actuarial accrued liability (AAL) | \$ 939,000 | \$ 406,000 | \$ 156,000 |
| Actuarial value of plan assets | \$ 0 | \$ 0 | \$ 0 |
| Unfunded actuarial accrued liability (UAAL) | \$ 939,000 | \$ 406,000 | \$ 156,000 |
| Actuarial value of assets as a % of the AAL | 0% | 0% | 0% |
| Covered payroll (active plan members) | \$ 5,993,000 | \$ 3,596,068 | \$ N/A |
| UAAL as a % of covered payroll | 16% | 11% | N/A |

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 multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

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

In the July 1, 2010, actuarial valuation for the Local Education Plan, the projected unit credit actuarial cost method was used and the actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of ten percent for fiscal year 2011. The trend will decrease to 9.5 percent in fiscal year 2012 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. The annual healthcare cost trend rate for the Local Government Plan was ten percent for fiscal year 2011. The trend will decrease to 9.5 percent in fiscal year 2012 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. The annual healthcare cost trend rate for the Medicare Supplement Plan was ten percent for fiscal year 2011. The trend will decrease to 9.5 percent in fiscal year 2012 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. Rates include a three percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with June 30, 2008.

J. Termination Benefits

In August 2005, the Board of Education initiated a voluntary retirement incentive program for certified employees who retire from the system with at least 15 years of service with the School Department. This incentive consists of a cash payment of \$10 per day for each sick and professional day held by the employee at their retirement date. During the year, no employees retired who were eligible for the program. The director of schools stated that this program is intended to be an on-going incentive, and there is no limit to the number of accumulated days that employees can be paid under the program.

The employees are entitled to this benefit when they formally notify the School Department of their retirement date.

K. Purchasing Laws

Office of County Executive

Purchasing procedures for the Office of County Executive are governed by the County Purchasing Law of 1983, Section 5-14-201, *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 Superintendent of Roads

Purchasing procedures for the Highway Department are governed by provisions of the Uniform Road Law, Section 54-7-113, *TCA*, which requires 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 School Department are governed by purchasing laws applicable to the schools as set forth in Section 49-2-203, *TCA*, which provides for the county Board of Education, through its executive committee (director of schools and chairman of the Board of Education), to make all purchases. This statute also requires competitive bids to be solicited through newspaper advertisement on all purchases exceeding \$10,000.

VI. OTHER NOTES – DISCRETELY PRESENTED HARTSVILLE/TROUSDALE COUNTY GOVERNMENT EMERGENCY COMMUNICATIONS DISTRICT

A. Summary of Significant Accounting Policies

1. Reporting Entity

The Hartsville/Trousdale County Government Emergency Communications District was created as a public corporation on November 8, 1998, under authority of the provisions of Chapter 867 of the Tennessee Public Acts of 1984, as approved by the voters of Trousdale County, Tennessee. The powers of the district are vested in and exercised by a majority of the members of the board of directors, who are appointed by the Trousdale Metropolitan Commission. The board consists of nine members. The district is considered a political subdivision and is exempt from federal and state income taxes. The district is considered a component unit of Trousdale County. The Metropolitan Commission appoints the board of directors, adjusts service fees, and approves

bonded debt. As a result, the Metropolitan Commission indirectly imposes its will on the district.

2. Basis of Accounting

The accompanying financial statements of the district have been prepared on the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when incurred. Expenditures are recognized in the accounting period in which the liability is incurred and is measurable.

The district applies all applicable Governmental Accounting Standards Board (GASB) pronouncements as well as Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board Opinions; issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The district has elected not to apply FASB statements and interpretations issued after November 30, 1989.

3. Cash and Cash Equivalents

The district considers all highly liquid debt instruments purchased with maturities of 60 days or less to be cash equivalents.

4. Supply Inventory

Supply inventory is valued at the lower of cost (first-in, first-out) or market. Inventory items are considered expenditures when used (consumption method).

5. Capital Assets

Capital assets of the district are recorded at cost. Depreciation is computed over the estimated life of the assets using the straight-line method. The estimated life for property, plant, and equipment in service is from five to ten years. The district does capitalize interest incurred on construction projects.

6. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

The district's annual budget is required by state law. The district's board of directors formally approves the budget. The budget is adopted on a basis consistent with generally accepted accounting principles.

B. Cash and Certificates of Deposit

The district is authorized to invest funds in financial institutions and direct obligations of the federal government. During the year, the district invested funds that were not immediately needed in certificates of deposit and savings accounts. The district has deposit policies to minimize custodial credit risks. Deposits in financial institutions are required by state statute to be secured and collateralized by the institutions. The collateral must meet certain requirements and be deposited in an escrow account in a second bank for the benefit of the district and must total a minimum of 105 percent of the value of the deposits placed in the institutions less the amount protected by federal depository insurance. The district's deposits with financial institutions are fully insured or collateralized by securities held in the district's name.

C. Capital Assets

A summary of changes in capital assets in service was as follows:

| | Balance | | Balance | |
|-------------------------------|------------|-----------|-----------|------------|
| | 7-1-10 | Additions | Disposals | 6-30-11 |
| Equipment | \$ 286,286 | \$ 0 | \$ 0 | \$ 286,286 |
| | \$ 286,286 | \$ 0 | \$ 0 | \$ 286,286 |
| Less Accumulated Depreciation | (100,463) | | | (129,322) |
| Utility Plant - Net | \$ 185,823 | | | \$ 156,964 |

D. Risk Management

The district is exposed to various risks of loss related to torts (theft of, damage to, and destruction of assets), errors and omissions, and natural disasters. The district purchases commercial financial bonded insurance for its officials. For all other risks, the district purchases commercial insurance. There have been no claims during the last three years.

E. Service Arrangement Contract and Economic Dependence

The district negotiated a service application with Bell South for the installation and service of an Enhanced 911 Emergency Service System. Bell South furnished equipment and service sufficient to operate the system for an initial installation fee and a monthly fee based upon the number of telephone stations and access lines served by the system.

F. Related-party Transactions

The district contracted with the Trowsdale County Building Inspector to do the current addressing. The contract is with the inspector personally; however, he received the contract based on his employment with Trowsdale County. The contract was for \$5,100 a year. The payments are made to the inspector directly and are not transactions with the county.

G. Donated Services

The Hartsville/Trowsdale County Sheriff's Department provides dispatch services for the district. Amounts have not been assigned for these services because it is impractical to allocate the hours of each employee.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

Hartsville/Trousdale County Government, 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 | \$ 2,995,724 | \$ 2,983,451 | \$ 2,983,451 | \$ 12,273 |
| Licenses and Permits | 268,028 | 16,500 | 266,500 | 1,528 |
| Fines, Forfeitures, and Penalties | 92,042 | 100,950 | 100,950 | (8,908) |
| Charges for Current Services | 341,973 | 426,450 | 426,450 | (84,477) |
| Other Local Revenues | 144,909 | 437,750 | 216,902 | (71,993) |
| Fees Received from County Officials | 399,366 | 434,500 | 434,500 | (35,134) |
| State of Tennessee | 324,217 | 306,544 | 317,621 | 6,596 |
| Federal Government | 781,390 | 1,086,480 | 891,132 | (109,742) |
| Other Governments and Citizens Groups | 45,019 | 8,500 | 20,517 | 24,502 |
| Total Revenues | \$ 5,392,668 | \$ 5,801,125 | \$ 5,658,023 | \$ (265,355) |
| <u>Expenditures</u> | | | | |
| <u>General Government</u> | | | | |
| County Commission | \$ 12,185 | \$ 18,355 | \$ 18,355 | \$ 6,170 |
| Beer Board | 150 | 195 | 195 | 45 |
| County Mayor/Executive | 168,172 | 182,017 | 179,906 | 11,734 |
| County Attorney | 11,778 | 17,400 | 17,400 | 5,622 |
| Election Commission | 86,554 | 88,099 | 88,099 | 1,545 |
| Register of Deeds | 77,820 | 80,244 | 80,244 | 2,424 |
| Planning | 27,964 | 34,353 | 34,353 | 6,389 |
| County Buildings | 114,210 | 123,767 | 124,057 | 9,847 |
| Preservation of Records | 0 | 500 | 500 | 500 |
| <u>Finance</u> | | | | |
| Property Assessor's Office | 106,074 | 108,512 | 108,512 | 2,438 |
| County Trustee's Office | 104,492 | 106,138 | 106,138 | 1,646 |
| County Clerk's Office | 96,708 | 101,052 | 101,052 | 4,344 |
| <u>Administration of Justice</u> | | | | |
| Circuit Court | 145,516 | 149,038 | 149,038 | 3,522 |
| General Sessions Court | 83,105 | 76,837 | 84,940 | 1,835 |
| Chancery Court | 71,706 | 73,691 | 73,691 | 1,985 |
| Judicial Commissioners | 18,281 | 19,483 | 19,483 | 1,202 |
| <u>Public Safety</u> | | | | |
| Sheriff's Department | 829,861 | 977,400 | 951,400 | 121,539 |
| Drug Enforcement | 50,272 | 50,970 | 50,970 | 698 |
| Administration of the Sexual Offender Registry | 100 | 3,200 | 3,200 | 3,100 |
| Jail | 696,177 | 896,518 | 799,900 | 103,723 |
| Workhouse | 73,877 | 77,910 | 79,004 | 5,127 |
| Juvenile Services | 15,215 | 25,663 | 25,663 | 10,448 |
| Fire Prevention and Control | 27,858 | 38,750 | 40,753 | 12,895 |
| Civil Defense | 20,137 | 20,050 | 24,822 | 4,685 |
| Other Emergency Management | 30,583 | 448,517 | 148,072 | 117,489 |
| Inspection and Regulation | 48 | 6,685 | 523 | 475 |
| County Coroner/Medical Examiner | 11,000 | 15,310 | 15,310 | 4,310 |

(Continued)

Exhibit F-1

Hartsville/Trousdale County Government, 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 | \$ 30,480 | \$ 31,549 | \$ 31,549 | \$ 1,069 |
| Ambulance/Emergency Medical Services | 819,592 | 799,393 | 826,111 | 6,519 |
| Alcohol and Drug Programs | 2,633 | 2,471 | 3,470 | 837 |
| Sanitation Education/Information | 29,235 | 29,237 | 29,237 | 2 |
| Other Public Health and Welfare | 6,000 | 6,000 | 6,000 | 0 |
| <u>Social, Cultural, and Recreational Services</u> | | | | |
| Senior Citizens Assistance | 42,679 | 35,596 | 42,841 | 162 |
| Libraries | 73,727 | 79,558 | 95,634 | 21,907 |
| Parks and Fair Boards | 111,796 | 130,599 | 189,978 | 78,182 |
| <u>Agriculture and Natural Resources</u> | | | | |
| Agriculture Extension Service | 38,302 | 39,715 | 39,715 | 1,413 |
| Soil Conservation | 11,812 | 11,812 | 11,812 | 0 |
| <u>Other Operations</u> | | | | |
| Other Economic and Community Development | 500,000 | 500,000 | 500,000 | 0 |
| Other Charges | 273,542 | 487,747 | 273,903 | 361 |
| Employee Benefits | 25,404 | 10,500 | 33,700 | 8,296 |
| ARRA Grant # 1 | 99,617 | 0 | 99,618 | 1 |
| Miscellaneous | 10,782 | 11,545 | 11,545 | 763 |
| <u>Principal on Debt</u> | | | | |
| General Government | 22,966 | 0 | 22,966 | 0 |
| <u>Interest on Debt</u> | | | | |
| General Government | 3,034 | 0 | 3,034 | 0 |
| Total Expenditures | \$ 4,981,444 | \$ 5,916,376 | \$ 5,546,693 | \$ 565,249 |
| Excess (Deficiency) of Revenues | | | | |
| Over Expenditures | \$ 411,224 | \$ (115,251) | \$ 111,330 | \$ 299,894 |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Insurance Recovery | \$ 73,671 | \$ 0 | \$ 40,235 | \$ 33,436 |
| Transfers Out | (70,192) | 0 | (70,192) | 0 |
| Total Other Financing Sources (Uses) | \$ 3,479 | \$ 0 | \$ (29,957) | \$ 33,436 |
| Net Change in Fund Balance | \$ 414,703 | \$ (115,251) | \$ 81,373 | \$ 333,330 |
| Fund Balance, July 1, 2010 | 754,503 | 541,940 | 541,940 | 212,563 |
| Fund Balance, June 30, 2011 | \$ 1,169,206 | \$ 426,689 | \$ 623,313 | \$ 545,893 |

Exhibit F-2

Hartsville/Trousdale County Government, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Urban Services Fund
For the Year Ended June 30, 2011

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|-------------------|-------------------|-------------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 546,117 | \$ 530,689 | \$ 535,689 | \$ 10,428 |
| Licenses and Permits | 13,358 | 12,000 | 12,000 | 1,358 |
| Charges for Current Services | 149,103 | 142,000 | 142,000 | 7,103 |
| Other Local Revenues | 1,725 | 0 | 1,725 | 0 |
| State of Tennessee | 1,800 | 2,400 | 2,400 | (600) |
| Other Governments and Citizens Groups | 0 | 500 | 500 | (500) |
| Total Revenues | <u>\$ 712,103</u> | <u>\$ 687,589</u> | <u>\$ 694,314</u> | <u>\$ 17,789</u> |
| <u>Expenditures</u> | | | | |
| <u>Public Safety</u> | | | | |
| Sheriff's Department | \$ 287,942 | \$ 337,000 | \$ 329,000 | \$ 41,058 |
| Fire Prevention and Control | 2,837 | 3,500 | 3,500 | 663 |
| <u>Public Health and Welfare</u> | | | | |
| Rabies and Animal Control | 8,789 | 16,850 | 16,850 | 8,061 |
| Waste Pickup | 144,162 | 161,990 | 161,990 | 17,828 |
| <u>Social, Cultural, and Recreational Services</u> | | | | |
| Parks and Fair Boards | 23,105 | 0 | 23,126 | 21 |
| Other Social, Cultural, and Recreational | 1,100 | 2,500 | 2,500 | 1,400 |
| <u>Other Operations</u> | | | | |
| Other Charges | 98,895 | 107,330 | 101,775 | 2,880 |
| Employee Benefits | 1,425 | 3,123 | 3,123 | 1,698 |
| <u>Highways</u> | | | | |
| Highway and Bridge Maintenance | 51,800 | 51,800 | 51,800 | 0 |
| <u>Principal on Debt</u> | | | | |
| General Government | 6,938 | 0 | 7,000 | 62 |
| <u>Interest on Debt</u> | | | | |
| General Government | 916 | 0 | 1,000 | 84 |
| Total Expenditures | <u>\$ 627,909</u> | <u>\$ 684,093</u> | <u>\$ 701,664</u> | <u>\$ 73,755</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 84,194</u> | <u>\$ 3,496</u> | <u>\$ (7,350)</u> | <u>\$ 91,544</u> |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Insurance Recovery | \$ 1,126 | \$ 0 | \$ 1,126 | \$ 0 |
| Total Other Financing Sources (Uses) | <u>\$ 1,126</u> | <u>\$ 0</u> | <u>\$ 1,126</u> | <u>\$ 0</u> |
| Net Change in Fund Balance | \$ 85,320 | \$ 3,496 | \$ (6,224) | \$ 91,544 |
| Fund Balance, July 1, 2010 | <u>629,704</u> | <u>627,947</u> | <u>627,947</u> | <u>1,757</u> |
| Fund Balance, June 30, 2011 | <u>\$ 715,024</u> | <u>\$ 631,443</u> | <u>\$ 621,723</u> | <u>\$ 93,301</u> |

Exhibit F-3

Hartsville/Trousdale County Government, 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> | | | | |
| Other Local Revenues | \$ 1,842 | \$ 5,047 | \$ 5,047 | \$ (3,205) |
| State of Tennessee | 1,243,005 | 1,579,388 | 1,579,388 | (336,383) |
| Federal Government | 319,157 | 0 | 319,158 | (1) |
| Other Governments and Citizens Groups | 2,812 | 0 | 2,812 | 0 |
| Total Revenues | <u>\$ 1,566,816</u> | <u>\$ 1,584,435</u> | <u>\$ 1,906,405</u> | <u>\$ (339,589)</u> |
| <u>Expenditures</u> | | | | |
| <u>Highways</u> | | | | |
| Administration | \$ 126,390 | \$ 132,898 | \$ 135,058 | \$ 8,668 |
| Highway and Bridge Maintenance | 613,577 | 807,105 | 1,137,268 | 523,691 |
| Operation and Maintenance of Equipment | 176,274 | 194,177 | 201,792 | 25,518 |
| Other Charges | 64,378 | 195,026 | 66,467 | 2,089 |
| Employee Benefits | 55,673 | 61,064 | 61,064 | 5,391 |
| Capital Outlay | 42,013 | 195,498 | 193,627 | 151,614 |
| <u>Principal on Debt</u> | | | | |
| Highways and Streets | 55,469 | 0 | 55,470 | 1 |
| <u>Interest on Debt</u> | | | | |
| Highways and Streets | 4,531 | 0 | 4,531 | 0 |
| Total Expenditures | <u>\$ 1,138,305</u> | <u>\$ 1,585,768</u> | <u>\$ 1,855,277</u> | <u>\$ 716,972</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 428,511</u> | <u>\$ (1,333)</u> | <u>\$ 51,128</u> | <u>\$ 377,383</u> |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Insurance Recovery | \$ 2,092 | \$ 0 | \$ 0 | \$ 2,092 |
| Total Other Financing Sources (Uses) | <u>\$ 2,092</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 2,092</u> |
| Net Change in Fund Balance | \$ 430,603 | \$ (1,333) | \$ 51,128 | \$ 379,475 |
| Fund Balance, July 1, 2010 | <u>188,363</u> | <u>82,385</u> | <u>82,385</u> | <u>105,978</u> |
| Fund Balance, June 30, 2011 | <u><u>\$ 618,966</u></u> | <u><u>\$ 81,052</u></u> | <u><u>\$ 133,513</u></u> | <u><u>\$ 485,453</u></u> |

Exhibit F-4

Hartsville/Trousdale County Government, Tennessee
Schedule of Funding Progress – Pension Plans
Primary Government and Discretely Presented Hartsville/Trousdale
County School Department
June 30, 2011

(Dollar amounts in thousands)

| Plans | Actuarial Valuation Date | Actuarial Value of Plan Assets (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded AAL (UAAAL) (b)-(a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAAL as a Percentage of Covered Payroll ((b-a)/c) |
|---------------------------|--------------------------|------------------------------------|---------------------------------------|------------------------------|--------------------|---------------------|--|
| Primary Government | 7-1-09 | \$ 7,464 | \$ 9,153 | \$ 1,689 | 81.55 % | \$ 4,086 | 41.33 % |
| " | 7-1-07 | 6,880 | 7,889 | 1,009 | 87.21 | 3,171 | 31.82 |
| Former City of Hartsville | 7-1-09 | 3,909 | 4,811 | 902 | 81.26 | 794 | 113.58 |
| " | 7-1-07 | 3,794 | 4,433 | 639 | 85.59 | 805 | 79.38 |

The Governmental Accounting Standards Board requires the plans 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-5

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

(Dollar amounts in thousands)

| Plans | Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Liability (AAL) (b) | Unfunded AAL (UAAL) (b)-(a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|---|--------------------------|-------------------------------|-------------------------------|-----------------------------|--------------------|---------------------|---|
| <u>PRIMARY GOVERNMENT</u> | | | | | | | |
| Local Government Group * | 7-1-09 | \$ 0 | \$ 380 | \$ 380 | 0 % | \$ 3,079 | 12 % |
| " | 7-1-10 | 0 | 406 | 406 | 0 | 3,596 | 11 |
| Medicare Supplement | 7-1-07 | 0 | 229 | 229 | 0 | N/A | N/A |
| " | 7-1-09 | 0 | 156 | 156 | 0 | N/A | N/A |
| " | 7-1-10 | 0 | 156 | 156 | 0 | N/A | N/A |
| <u>DISCRETELY PRESENTED HARTSVILLE/TROUSDALE COUNTY SCHOOL DEPARTMENT</u> | | | | | | | |
| Local Education Group * | 7-1-09 | 0 | 909 | 909 | 0 | 5,993 | 15 |
| " | 7-1-10 | 0 | 939 | 939 | 0 | 5,993 | 16 |

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

HARTSVILLE/TROUSDALE COUNTY GOVERNMENT, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2011

BUDGETARY INFORMATION

The metropolitan government 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 Metropolitan 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 Metropolitan Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

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

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for 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 transactions relating to the disposal of solid waste.

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

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

Debt Service Fund

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

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

Exhibit G-1

Hartsville/Trousdale County Government, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2011

| | Special Revenue Funds | | | | Total | Debt Service Fund | | Total Nonmajor Governmental Funds |
|----------------------|--------------------------|------------------|---------------------------|-------------------|-------------------|----------------------|----------------|-----------------------------------|
| | Solid Waste / Sanitation | Drug Control | District Attorney General | | | General Debt Service | | |
| \$ 262,611 \$ | 33,267 \$ | 30,701 \$ | | 326,579 \$ | 248,664 \$ | | 575,243 | |
| 11,407 | 0 | 0 | | 11,407 | 0 | | 11,407 | |
| 4,801 | 0 | 0 | | 4,801 | 0 | | 4,801 | |
| 290,744 | 0 | 0 | | 290,744 | 118,089 | | 408,833 | |
| (41,593) | 0 | 0 | | (41,593) | (20,793) | | (62,386) | |
| \$ 527,970 \$ | 33,267 \$ | 30,701 \$ | | 591,938 \$ | 345,960 \$ | | 937,898 | |

ASSETS

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

Total Assets

LIABILITIES AND FUND BALANCES

Liabilities

Accounts Payable
 Deferred Revenue - Current Property Taxes
 Deferred Revenue - Delinquent Property Taxes
 Total Liabilities

Fund Balances

Restricted:
 Restricted for Administration of Justice
 Restricted for Public Safety
 Restricted for Public Health and Welfare
 Restricted for Capital Outlay
 Restricted for Debt Service
 Committed:
 Committed for Public Health and Welfare
 Committed for Debt Service
 Total Fund Balances

Total Liabilities and Fund Balances

| | | | | | | | |
|----------------------|------------------|------------------|------|-------------------|-------------------|--|----------------|
| \$ 18,442 \$ | 0 \$ | 0 \$ | 0 \$ | 18,442 \$ | 0 \$ | | 18,442 |
| 239,148 | 0 | 0 | | 239,148 | 91,104 | | 330,252 |
| 9,353 | 0 | 0 | | 9,353 | 5,790 | | 15,143 |
| \$ 266,943 \$ | 0 \$ | 0 \$ | | 266,943 \$ | 96,894 \$ | | 363,837 |
| \$ 0 \$ | 0 \$ | 30,701 \$ | | 30,701 \$ | 0 \$ | | 30,701 |
| 0 | 33,267 | 0 | | 33,267 | 0 | | 33,267 |
| 120,092 | 0 | 0 | | 120,092 | 0 | | 120,092 |
| 15,755 | 0 | 0 | | 15,755 | 0 | | 15,755 |
| 0 | 0 | 0 | | 0 | 221,755 | | 221,755 |
| 125,180 | 0 | 0 | | 125,180 | 0 | | 125,180 |
| 0 | 0 | 0 | | 0 | 27,311 | | 27,311 |
| \$ 261,027 \$ | 33,267 \$ | 30,701 \$ | | 324,995 \$ | 249,066 \$ | | 574,061 |
| \$ 527,970 \$ | 33,267 \$ | 30,701 \$ | | 591,938 \$ | 345,960 \$ | | 937,898 |

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

| | Special Revenue Funds | | | Total | Debt Service Fund | | Total Nonmajor Governmental Funds |
|---|--------------------------|--------------|---------------------------|------------|----------------------|-----------------------------|-----------------------------------|
| | Solid Waste / Sanitation | Drug Control | District Attorney General | | General Debt Service | Nonmajor Governmental Funds | |
| <u>Revenues</u> | | | | | | | |
| Local Taxes | \$ 267,031 | \$ 0 | \$ 0 | \$ 267,031 | \$ 190,574 | \$ 457,605 | |
| Fines, Forfeitures, and Penalties | 0 | 4,030 | 29,177 | 33,207 | 0 | 33,207 | |
| Charges for Current Services | 103,244 | 0 | 0 | 103,244 | 0 | 103,244 | |
| Other Local Revenues | 16,719 | 0 | 3,460 | 20,179 | 53 | 20,232 | |
| State of Tennessee | 6,294 | 0 | 0 | 6,294 | 0 | 6,294 | |
| Federal Government | 2,966 | 0 | 0 | 2,966 | 0 | 2,966 | |
| Other Governments and Citizens Groups | 0 | 0 | 0 | 0 | 244,504 | 244,504 | |
| Total Revenues | \$ 396,254 | \$ 4,030 | \$ 32,637 | \$ 432,921 | \$ 435,131 | \$ 868,052 | |
| <u>Expenditures</u> | | | | | | | |
| Current: | | | | | | | |
| Administration of Justice | \$ 0 | \$ 0 | \$ 27,961 | \$ 27,961 | \$ 0 | \$ 27,961 | |
| Public Safety | 0 | 323 | 0 | 323 | 0 | 323 | |
| Public Health and Welfare | 371,626 | 0 | 0 | 371,626 | 0 | 371,626 | |
| Other Operations | 6,572 | 0 | 0 | 6,572 | 0 | 6,572 | |
| Debt Service: | | | | | | | |
| Principal on Debt | 0 | 0 | 0 | 0 | 291,900 | 291,900 | |
| Interest on Debt | 0 | 0 | 0 | 0 | 155,202 | 155,202 | |
| Other Debt Service | 0 | 0 | 0 | 0 | 10,670 | 10,670 | |
| Total Expenditures | \$ 378,198 | \$ 323 | \$ 27,961 | \$ 406,482 | \$ 457,772 | \$ 864,254 | |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 18,056 | \$ 3,707 | \$ 4,676 | \$ 26,439 | \$ (22,641) | \$ 3,798 | |
| <u>Other Financing Sources (Uses)</u> | | | | | | | |
| Insurance Recovery | \$ 2,626 | \$ 0 | \$ 0 | \$ 2,626 | \$ 0 | \$ 2,626 | |
| Transfers In | 0 | 0 | 0 | 0 | 53,683 | 53,683 | |
| Total Other Financing Sources (Uses) | \$ 2,626 | \$ 0 | \$ 0 | \$ 2,626 | \$ 53,683 | \$ 56,309 | |
| Net Change in Fund Balances | \$ 20,682 | \$ 3,707 | \$ 4,676 | \$ 29,065 | \$ 31,042 | \$ 60,107 | |
| Fund Balance, July 1, 2010 | 240,345 | 29,560 | 26,025 | 295,930 | 218,024 | 513,954 | |
| Fund Balance, June 30, 2011 | \$ 261,027 | \$ 33,267 | \$ 30,701 | \$ 324,995 | \$ 249,066 | \$ 574,061 | |

Exhibit G-3

Hartsville/Trousdale County Government, 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> | | | | |
| Local Taxes | \$ 267,031 | \$ 266,382 | \$ 266,382 | \$ 649 |
| Charges for Current Services | 103,244 | 108,000 | 108,000 | (4,756) |
| Other Local Revenues | 16,719 | 12,000 | 12,000 | 4,719 |
| State of Tennessee | 6,294 | 3,500 | 3,500 | 2,794 |
| Federal Government | 2,966 | 0 | 0 | 2,966 |
| Total Revenues | <u>\$ 396,254</u> | <u>\$ 389,882</u> | <u>\$ 389,882</u> | <u>\$ 6,372</u> |
| <u>Expenditures</u> | | | | |
| <u>Public Health and Welfare</u> | | | | |
| Convenience Centers | \$ 209,402 | \$ 240,339 | \$ 235,965 | \$ 26,563 |
| Other Waste Disposal | 157,264 | 147,200 | 162,200 | 4,936 |
| Postclosure Care Costs | 4,960 | 7,500 | 7,500 | 2,540 |
| <u>Other Operations</u> | | | | |
| Other Charges | 6,572 | 6,706 | 6,706 | 134 |
| Total Expenditures | <u>\$ 378,198</u> | <u>\$ 401,745</u> | <u>\$ 412,371</u> | <u>\$ 34,173</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 18,056</u> | <u>\$ (11,863)</u> | <u>\$ (22,489)</u> | <u>\$ 40,545</u> |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Insurance Recovery | \$ 2,626 | \$ 0 | \$ 2,626 | \$ 0 |
| Total Other Financing Sources (Uses) | <u>\$ 2,626</u> | <u>\$ 0</u> | <u>\$ 2,626</u> | <u>\$ 0</u> |
| Net Change in Fund Balance | \$ 20,682 | \$ (11,863) | \$ (19,863) | \$ 40,545 |
| Fund Balance, July 1, 2010 | 240,345 | 251,322 | 251,322 | (10,977) |
| Fund Balance, June 30, 2011 | <u>\$ 261,027</u> | <u>\$ 239,459</u> | <u>\$ 231,459</u> | <u>\$ 29,568</u> |

Exhibit G-4

Hartsville/Trousdale County Government, 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 | \$ 4,030 | \$ 8,800 | \$ 8,800 | \$ (4,770) |
| Total Revenues | <u>\$ 4,030</u> | <u>\$ 8,800</u> | <u>\$ 8,800</u> | <u>\$ (4,770)</u> |
| <u>Expenditures</u> | | | | |
| <u>Public Safety</u> | | | | |
| Drug Enforcement | \$ 323 | \$ 29,425 | \$ 29,425 | \$ 29,102 |
| Total Expenditures | <u>\$ 323</u> | <u>\$ 29,425</u> | <u>\$ 29,425</u> | <u>\$ 29,102</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 3,707</u> | <u>\$ (20,625)</u> | <u>\$ (20,625)</u> | <u>\$ 24,332</u> |
| Net Change in Fund Balance | \$ 3,707 | \$ (20,625) | \$ (20,625) | \$ 24,332 |
| Fund Balance, July 1, 2010 | <u>29,560</u> | <u>28,206</u> | <u>28,206</u> | <u>1,354</u> |
| Fund Balance, June 30, 2011 | <u><u>\$ 33,267</u></u> | <u><u>\$ 7,581</u></u> | <u><u>\$ 7,581</u></u> | <u><u>\$ 25,686</u></u> |

Exhibit G-5

Hartsville/Trousdale County Government, 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 | \$ 190,574 | \$ 268,846 | \$ 187,846 | \$ 2,728 |
| Other Local Revenues | 53 | 0 | 51 | 2 |
| Other Governments and Citizens Groups | 244,504 | 170,000 | 244,200 | 304 |
| Total Revenues | <u>\$ 435,131</u> | <u>\$ 438,846</u> | <u>\$ 432,097</u> | <u>\$ 3,034</u> |
| <u>Expenditures</u> | | | | |
| <u>Principal on Debt</u> | | | | |
| General Government | \$ 114,000 | \$ 114,000 | \$ 114,000 | \$ 0 |
| Education | 177,900 | 177,922 | 177,922 | 22 |
| <u>Interest on Debt</u> | | | | |
| General Government | 29,822 | 31,046 | 39,300 | 9,478 |
| Education | 125,380 | 55,915 | 168,412 | 43,032 |
| <u>Other Debt Service</u> | | | | |
| General Government | 3,487 | 4,000 | 4,000 | 513 |
| Education | 7,183 | 0 | 7,183 | 0 |
| Total Expenditures | <u>\$ 457,772</u> | <u>\$ 382,883</u> | <u>\$ 510,817</u> | <u>\$ 53,045</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ (22,641)</u> | <u>\$ 55,963</u> | <u>\$ (78,720)</u> | <u>\$ 56,079</u> |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Transfers In | \$ 53,683 | 0 | 53,683 | 0 |
| Total Other Financing Sources (Uses) | <u>\$ 53,683</u> | <u>\$ 0</u> | <u>\$ 53,683</u> | <u>\$ 0</u> |
| Net Change in Fund Balance | \$ 31,042 | \$ 55,963 | \$ (25,037) | \$ 56,079 |
| Fund Balance, July 1, 2010 | <u>218,024</u> | <u>153,908</u> | <u>153,908</u> | <u>64,116</u> |
| Fund Balance, June 30, 2011 | <u>\$ 249,066</u> | <u>\$ 209,871</u> | <u>\$ 128,871</u> | <u>\$ 120,195</u> |

Major Governmental Fund

Education Debt Service Fund

The Education 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

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

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------|---------------------|---------------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 584,713 | \$ 602,840 | \$ 602,840 | \$ (18,127) |
| Other Local Revenues | 14,273 | 15,000 | 15,000 | (727) |
| Other Governments and Citizens Groups | 75,000 | 75,000 | 75,000 | 0 |
| Total Revenues | <u>\$ 673,986</u> | <u>\$ 692,840</u> | <u>\$ 692,840</u> | <u>\$ (18,854)</u> |
| <u>Expenditures</u> | | | | |
| <u>Principal on Debt</u> | | | | |
| Education | \$ 407,000 | \$ 407,000 | \$ 407,000 | \$ 0 |
| <u>Interest on Debt</u> | | | | |
| Education | 22,653 | 301,700 | 265,743 | 243,090 |
| <u>Other Debt Service</u> | | | | |
| Education | 44,380 | 10,000 | 45,957 | 1,577 |
| Total Expenditures | <u>\$ 474,033</u> | <u>\$ 718,700</u> | <u>\$ 718,700</u> | <u>\$ 244,667</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 199,953</u> | <u>\$ (25,860)</u> | <u>\$ (25,860)</u> | <u>\$ 225,813</u> |
| Net Change in Fund Balance | \$ 199,953 | \$ (25,860) | \$ (25,860) | \$ 225,813 |
| Fund Balance, July 1, 2010 | <u>1,210,554</u> | <u>1,222,401</u> | <u>1,222,401</u> | <u>(11,847)</u> |
| Fund Balance, June 30, 2011 | <u>\$ 1,410,507</u> | <u>\$ 1,196,541</u> | <u>\$ 1,196,541</u> | <u>\$ 213,966</u> |

Fiduciary Funds

Agency Funds are used to account for assets held by the government 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.

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

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

Exhibit I-1

Hartsville/Trousdale County Government, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2011

| | <u>Agency Funds</u> | | |
|---------------------------------------|---|------------------------------|---------------------|
| | Constitu- tional Officers - Agency | Judicial District Drug | Total |
| <u>ASSETS</u> | | | |
| Cash | \$ 392,301 | \$ 0 | \$ 392,301 |
| Equity in Pooled Cash and Investments | 0 | 748,546 | 748,546 |
| Due from Other Governments | 0 | 13,000 | 13,000 |
| Total Assets | <u>\$ 392,301</u> | <u>\$ 761,546</u> | <u>\$ 1,153,847</u> |
| <u>LIABILITIES</u> | | | |
| Due to Litigants, Heirs, and Others | \$ 392,301 | \$ 0 | \$ 392,301 |
| Due to Joint Venture | 0 | 761,546 | 761,546 |
| Total Liabilities | <u>\$ 392,301</u> | <u>\$ 761,546</u> | <u>\$ 1,153,847</u> |

Exhibit I-2

Hartsville/Trousdale County Government, 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>Constitutional Officers - Agency Fund</u> | | | | |
| <u>Assets</u> | | | | |
| Cash | \$ 410,803 | \$ 2,506,293 | \$ 2,524,795 | \$ 392,301 |
| Total Assets | \$ 410,803 | \$ 2,506,293 | \$ 2,524,795 | \$ 392,301 |
| <u>Liabilities</u> | | | | |
| Due to Litigants, Heirs, and Others | \$ 410,803 | \$ 2,506,293 | \$ 2,524,795 | \$ 392,301 |
| Total Liabilities | \$ 410,803 | \$ 2,506,293 | \$ 2,524,795 | \$ 392,301 |
| <u>Judicial District Drug Fund</u> | | | | |
| <u>Assets</u> | | | | |
| Equity in Pooled Cash and Investments | \$ 822,209 | \$ 139,917 | \$ 213,580 | \$ 748,546 |
| Due from Other Governments | 13,000 | 0 | 0 | 13,000 |
| Total Assets | \$ 835,209 | \$ 139,917 | \$ 213,580 | \$ 761,546 |
| <u>Liabilities</u> | | | | |
| Due to Joint Venture | \$ 835,209 | \$ 139,917 | \$ 213,580 | \$ 761,546 |
| Total Liabilities | \$ 835,209 | \$ 139,917 | \$ 213,580 | \$ 761,546 |
| <u>Totals - All Agency Funds</u> | | | | |
| <u>Assets</u> | | | | |
| Cash | \$ 410,803 | \$ 2,506,293 | \$ 2,524,795 | \$ 392,301 |
| Equity in Pooled Cash and Investments | 822,209 | 139,917 | 213,580 | 748,546 |
| Due from Other Governments | 13,000 | 0 | 0 | 13,000 |
| Total Assets | \$ 1,246,012 | \$ 2,646,210 | \$ 2,738,375 | \$ 1,153,847 |
| <u>Liabilities</u> | | | | |
| Due to Litigants, Heirs, and Others | \$ 410,803 | \$ 2,506,293 | \$ 2,524,795 | \$ 392,301 |
| Due to Joint Venture | 835,209 | 139,917 | 213,580 | 761,546 |
| Total Liabilities | \$ 1,246,012 | \$ 2,646,210 | \$ 2,738,375 | \$ 1,153,847 |

Hartsville/Trousdale County School Department

This section presents fund financial statements for the Hartsville/Trousdale County School Department, a discretely presented component unit. The School Department uses a General Fund and one Special Revenue 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.

Exhibit J-1

Hartsville/Trousdale County Government, Tennessee
Statement of Activities
Discretely Presented Hartsville/Trousdale County School Department
For the Year Ended June 30, 2011

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Assets Total Governmental Activities |
|--|----------------------|----------------------|------------------------------------|----------------------------------|---|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| Governmental Activities: | | | | | |
| Instruction | \$ 5,888,778 | \$ 11,181 | \$ 853,438 | \$ 93,170 | \$ (4,930,989) |
| Support Services | 3,226,427 | 8,662 | 255,534 | 0 | (2,962,231) |
| Operation of Non-Instructional Services | 675,291 | 0 | 396,637 | 0 | (278,654) |
| Other Debt Service | 319,504 | 0 | 0 | 0 | (319,504) |
| Total Governmental Activities | \$ 10,110,000 | \$ 19,843 | \$ 1,505,609 | \$ 93,170 | \$ (8,491,378) |
| General Revenues: | | | | | |
| Taxes: | | | | | |
| Property Taxes Levied for General Purposes | | | | \$ | 939,185 |
| Local Option Sales Tax | | | | | 439,521 |
| Business Tax | | | | | 8,716 |
| Interstate Telecommunications Tax | | | | | 475 |
| Grants and Contributions Not Restricted to Specific Programs | | | | | 7,544,781 |
| Miscellaneous | | | | | 41,416 |
| Total General Revenues | | | | \$ | \$ 8,974,094 |
| Change in Net Assets | | | | \$ | 482,716 |
| Net Assets, July 1, 2010 | | | | | 16,209,772 |
| Net Assets, June 30, 2011 | | | | \$ | \$ 16,692,488 |

Exhibit J-2

Hartsville/Trousdale County Government, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Hartsville/ Trousdale County School Department
June 30, 2011

| | <u>Major Fund</u> | <u>Nonmajor</u> | <u>Total</u> |
|--|---------------------|-------------------|---------------------|
| | <u>General</u> | <u>Fund</u> | <u>Govern-</u> |
| | <u>Purpose</u> | <u>School</u> | <u>mental</u> |
| | <u>School</u> | <u>Federal</u> | <u>Funds</u> |
| | <u>School</u> | <u>Projects</u> | <u>Funds</u> |
| <u>ASSETS</u> | | | |
| Equity in Pooled Cash and Investments | \$ 3,727,842 | \$ 62,803 | \$ 3,790,645 |
| Accounts Receivable | 6,636 | 438 | 7,074 |
| Due from Other Governments | 430,199 | 37,154 | 467,353 |
| Property Taxes Receivable | 1,066,062 | 0 | 1,066,062 |
| Allowance for Uncollectible Property Taxes | (152,509) | 0 | (152,509) |
| Total Assets | <u>\$ 5,078,230</u> | <u>\$ 100,395</u> | <u>\$ 5,178,625</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| <u>Liabilities</u> | | | |
| Accounts Payable | \$ 138,940 | \$ 17,425 | \$ 156,365 |
| Accrued Payroll | 10,016 | 1,279 | 11,295 |
| Payroll Deductions Payable | 172,789 | 19,941 | 192,730 |
| Contracts Payable | 216,372 | 0 | 216,372 |
| Retainage Payable | 11,388 | 0 | 11,388 |
| Due to State of Tennessee | 626 | 0 | 626 |
| Deferred Revenue - Current Property Taxes | 876,876 | 0 | 876,876 |
| Deferred Revenue - Delinquent Property Taxes | 34,295 | 0 | 34,295 |
| Other Deferred Revenues | 36,081 | 0 | 36,081 |
| Total Liabilities | <u>\$ 1,497,383</u> | <u>\$ 38,645</u> | <u>\$ 1,536,028</u> |
| <u>Fund Balances</u> | | | |
| Restricted: | | | |
| Restricted for Education | \$ 152,143 | \$ 61,750 | \$ 213,893 |
| Committed: | | | |
| Committed for Education | 1,973,128 | 0 | 1,973,128 |
| Unassigned | 1,455,576 | 0 | 1,455,576 |
| Total Fund Balances | <u>\$ 3,580,847</u> | <u>\$ 61,750</u> | <u>\$ 3,642,597</u> |
| Total Liabilities and Fund Balances | <u>\$ 5,078,230</u> | <u>\$ 100,395</u> | <u>\$ 5,178,625</u> |

Exhibit J-3

Hartsville/Trousdale County Government, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
Discretely Presented Hartsville/Trousdale 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) | | \$ 3,642,597 |
| (1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. | | |
| Add: land | \$ 629,383 | |
| Add: construction in progress | 312,042 | |
| Add: buildings and improvements net of accumulated depreciation | 11,608,424 | |
| Add: other capital assets net of accumulated depreciation | 474,409 | |
| Add: intangibles net of accumulated depreciation | <u>41,820</u> | 13,066,078 |
| (2) Certain earned amounts are not available to pay for current-period expenditures and therefore are deferred in the governmental funds. | | 70,376 |
| (3) 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 | | <u>(86,563)</u> |
| Net assets of governmental activities (Exhibit A) | | <u>\$ 16,692,488</u> |

Exhibit J-4

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

| | <u>Major Fund</u> | <u>Nonmajor</u> <u>Fund</u> | <u>Total</u> |
|--|------------------------------|--------------------------------|-----------------------|
| | General Purpose School | School Federal Projects | Governmental Funds |
| <u>Revenues</u> | | | |
| Local Taxes | \$ 1,615,881 | \$ 0 | \$ 1,615,881 |
| Licenses and Permits | 722 | 0 | 722 |
| Charges for Current Services | 18,377 | 0 | 18,377 |
| Other Local Revenues | 53,238 | 0 | 53,238 |
| State of Tennessee | 7,598,136 | 0 | 7,598,136 |
| Federal Government | 492,709 | 750,208 | 1,242,917 |
| Other Governments and Citizens Groups | 84,270 | 0 | 84,270 |
| Total Revenues | \$ 9,863,333 | \$ 750,208 | \$ 10,613,541 |
| <u>Expenditures</u> | | | |
| Current: | | | |
| Instruction | \$ 4,873,479 | \$ 608,786 | \$ 5,482,265 |
| Support Services | 3,062,039 | 173,675 | 3,235,714 |
| Operation of Non-Instructional Services | 675,291 | 0 | 675,291 |
| Capital Outlay | 338,539 | 0 | 338,539 |
| Debt Service: | | | |
| Other Debt Service | 319,504 | 0 | 319,504 |
| Total Expenditures | \$ 9,268,852 | \$ 782,461 | \$ 10,051,313 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 594,481 | \$ (32,253) | \$ 562,228 |
| <u>Other Financing Sources (Uses)</u> | | | |
| Insurance Recovery | \$ 11,455 | \$ 0 | \$ 11,455 |
| Transfers In | 0 | 50,000 | 50,000 |
| Transfers Out | (50,000) | 0 | (50,000) |
| Total Other Financing Sources (Uses) | \$ (38,545) | \$ 50,000 | \$ 11,455 |
| Net Change in Fund Balances | \$ 555,936 | \$ 17,747 | \$ 573,683 |
| Fund Balance, July 1, 2010 | 3,024,911 | 44,003 | 3,068,914 |
| Fund Balance, June 30, 2011 | \$ 3,580,847 | \$ 61,750 | \$ 3,642,597 |

Exhibit J-5

Hartsville/Trousdale County Government, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Hartsville/Trousdale 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) | | \$ 573,683 |
| <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 | \$ 388,181 | |
| Less: current-year depreciation expense | <u>(428,900)</u> | (40,719) |
| <p>(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.</p> | | |
| Less: capital assets disposals | | (6,421) |
| <p>(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p> | | |
| Less: deferred delinquent property taxes and other deferred June 30, 2010 | \$ (97,855) | |
| Add: deferred delinquent property taxes and other deferred June 30, 2011 | <u>70,376</u> | (27,479) |
| <p>(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.</p> | | |
| Change in other postemployment benefits liability | | <u>(16,348)</u> |
| Change in net assets of governmental activities (Exhibit B) | | <u>\$ 482,716</u> |

Exhibit J-6

Hartsville/Trousdale County Government, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Hartsville/ Trousdale County School Department
General Purpose School Fund
For the Year Ended June 30, 2011

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------|---------------------|----------------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 1,615,881 | \$ 1,585,325 | \$ 1,585,325 | \$ 30,556 |
| Licenses and Permits | 722 | 600 | 600 | 122 |
| Charges for Current Services | 18,377 | 32,900 | 32,900 | (14,523) |
| Other Local Revenues | 53,238 | 24,000 | 28,000 | 25,238 |
| State of Tennessee | 7,598,136 | 7,349,900 | 7,396,404 | 201,732 |
| Federal Government | 492,709 | 383,778 | 533,672 | (40,963) |
| Other Governments and Citizens Groups | 84,270 | 0 | 2,500,000 | (2,415,730) |
| Total Revenues | <u>\$ 9,863,333</u> | <u>\$ 9,376,503</u> | <u>\$ 12,076,901</u> | <u>\$ (2,213,568)</u> |
| <u>Expenditures</u> | | | | |
| <u>Instruction</u> | | | | |
| Regular Instruction Program | \$ 3,747,858 | \$ 4,032,800 | \$ 4,042,097 | \$ 294,239 |
| Alternative Instruction Program | 84,560 | 87,750 | 87,750 | 3,190 |
| Special Education Program | 694,689 | 715,485 | 710,765 | 16,076 |
| Vocational Education Program | 307,546 | 324,090 | 324,090 | 16,544 |
| Adult Education Program | 38,826 | 44,433 | 57,031 | 18,205 |
| <u>Support Services</u> | | | | |
| Attendance | 21,154 | 20,250 | 21,485 | 331 |
| Health Services | 151,297 | 164,800 | 164,800 | 13,503 |
| Other Student Support | 179,891 | 193,050 | 193,050 | 13,159 |
| Regular Instruction Program | 391,109 | 407,200 | 407,200 | 16,091 |
| Special Education Program | 120,051 | 118,450 | 123,170 | 3,119 |
| Vocational Education Program | 26,198 | 27,000 | 27,000 | 802 |
| Adult Programs | 35,398 | 39,345 | 39,345 | 3,947 |
| Other Programs | 35,804 | 0 | 35,804 | 0 |
| Board of Education | 96,176 | 111,040 | 111,040 | 14,864 |
| Director of Schools | 170,471 | 195,800 | 195,800 | 25,329 |
| Office of the Principal | 557,330 | 571,700 | 571,700 | 14,370 |
| Fiscal Services | 100,000 | 107,600 | 107,600 | 7,600 |
| Operation of Plant | 596,111 | 709,800 | 709,800 | 113,689 |
| Maintenance of Plant | 165,363 | 221,550 | 216,050 | 50,687 |
| Transportation | 415,686 | 445,200 | 501,200 | 85,514 |
| <u>Operation of Non-Instructional Services</u> | | | | |
| Food Service | 441,185 | 327,500 | 454,264 | 13,079 |
| Community Services | 141,139 | 141,900 | 152,600 | 11,461 |
| Early Childhood Education | 92,967 | 109,760 | 109,760 | 16,793 |
| <u>Capital Outlay</u> | | | | |
| Regular Capital Outlay | 338,539 | 19,000 | 2,531,938 | 2,193,399 |
| <u>Principal on Debt</u> | | | | |
| Education | 0 | 245,000 | 0 | 0 |
| <u>Other Debt Service</u> | | | | |
| Education | 319,504 | 0 | 319,504 | 0 |
| Total Expenditures | <u>\$ 9,268,852</u> | <u>\$ 9,380,503</u> | <u>\$ 12,214,843</u> | <u>\$ 2,945,991</u> |

(Continued)

Exhibit J-6

Hartsville/Trousdale County Government, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Hartsville/ Trousdale County School Department
General Purpose School Fund (Cont.)

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|---|--------------|------------------|--------------|--|
| | | Original | Final | |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 594,481 | \$ (4,000) | \$ (137,942) | \$ 732,423 |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Insurance Recovery | \$ 11,455 | \$ 0 | \$ 7,438 | \$ 4,017 |
| Transfers In | 0 | 4,000 | 0 | 0 |
| Transfers Out | (50,000) | 0 | (50,000) | 0 |
| Total Other Financing Sources (Uses) | \$ (38,545) | \$ 4,000 | \$ (42,562) | \$ 4,017 |
| Net Change in Fund Balance | \$ 555,936 | \$ 0 | \$ (180,504) | \$ 736,440 |
| Fund Balance, July 1, 2010 | 3,024,911 | 2,052,382 | 2,052,382 | 972,529 |
| Fund Balance, June 30, 2011 | \$ 3,580,847 | \$ 2,052,382 | \$ 1,871,878 | \$ 1,708,969 |

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Hartsville/ Trousdale County School Department
School Federal Projects Fund
For the Year Ended June 30, 2011

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|-------------|------------------|--------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Federal Government | \$ 750,208 | \$ 941,640 | \$ 953,747 | \$ (203,539) |
| Total Revenues | \$ 750,208 | \$ 941,640 | \$ 953,747 | \$ (203,539) |
| <u>Expenditures</u> | | | | |
| <u>Instruction</u> | | | | |
| Regular Instruction Program | \$ 285,644 | \$ 316,963 | \$ 320,031 | \$ 34,387 |
| Special Education Program | 307,547 | 479,686 | 479,686 | 172,139 |
| Vocational Education Program | 15,595 | 12,356 | 15,595 | 0 |
| <u>Support Services</u> | | | | |
| Other Student Support | 5,351 | 5,590 | 5,351 | 0 |
| Regular Instruction Program | 117,254 | 165,215 | 162,417 | 45,163 |
| Special Education Program | 32,026 | 40,797 | 41,483 | 9,457 |
| Vocational Education Program | 944 | 944 | 944 | 0 |
| Office of the Principal | 10,502 | 7,060 | 10,580 | 78 |
| Transportation | 7,598 | 51,172 | 51,172 | 43,574 |
| Total Expenditures | \$ 782,461 | \$ 1,079,783 | \$ 1,087,259 | \$ 304,798 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (32,253) | \$ (138,143) | \$ (133,512) | \$ 101,259 |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Transfers In | \$ 50,000 | \$ 44,842 | \$ 49,960 | \$ 40 |
| Transfers Out | 0 | (44,842) | 0 | 0 |
| Total Other Financing Sources (Uses) | \$ 50,000 | \$ 0 | \$ 49,960 | \$ 40 |
| Net Change in Fund Balance | \$ 17,747 | \$ (138,143) | \$ (83,552) | \$ 101,299 |
| Fund Balance, July 1, 2010 | 44,003 | 138,143 | 138,143 | (94,140) |
| Fund Balance, June 30, 2011 | \$ 61,750 | \$ 0 | \$ 54,591 | \$ 7,159 |

MISCELLANEOUS SCHEDULES

Exhibit K-1

Hartsville/Trousdale County Government, Tennessee
 Schedule of Changes in Long-term Bonds, Notes, Capital Leases,
 and Other Loans
 For the Year Ended June 30, 2011

| | Original Amount of Issue | Interest Rate | Date of Issue | Last Maturity Date | Outstanding 7-1-10 | Issued During Period | Matured During Period | Outstanding 6-30-11 |
|--|--------------------------------|------------------|---------------------|--------------------------|-----------------------|----------------------------|-----------------------------|------------------------|
| GOVERNMENTAL ACTIVITIES | | | | | | | | |
| NOTES PAYABLE | | | | | | | | |
| Payable through General Debt Service Fund | \$ | | | | \$ | 0 \$ | 9,000 \$ | 18,000 |
| Leachate Collection Trench | 72,000 | 4.65 % | 4-1-04 | 3-1-13 | 27,000 | 0 | 0 | 18,000 |
| Highway Equipment/Solid Waste Truck | 525,000 | 4.68 | 3-1-05 | 3-1-15 | 292,000 | 0 | 53,000 | 239,000 |
| Fire Truck | 190,000 | 4.21 | 3-7-05 | 3-1-14 | 94,000 | 0 | 22,000 | 72,000 |
| Ambulance Vehicles | 300,000 | 4 | Various | 10-15-12 | 270,000 | 0 | 30,000 | 240,000 |
| Total Payable through General Debt Service Fund | | | | | \$ 683,000 | 0 \$ | 114,000 \$ | 569,000 |
| Payable through Highway/Public Works Fund | 300,000 | 3.95 | 4-9-07 | 12-9-12 | 138,320 | 0 | 55,469 | 82,851 |
| Highway Equipment | | | | | \$ 821,320 | 0 \$ | 169,469 \$ | 651,851 |
| Total Notes Payable | | | | | | | | |
| CAPITAL LEASES PAYABLE | | | | | | | | |
| Payable through General Fund | 73,402 | 6.4 | 9-4-09 | 9-4-11 | 47,402 | 0 | 22,966 | 24,436 |
| Sheriff's Department Vehicles | | | | | | | | |
| Payable through Urban Services Fund | 22,173 | 6.4 | 9-4-09 | 9-4-11 | 14,319 | 0 | 6,938 | 7,381 |
| Sheriff's Department Vehicles | | | | | | | | |
| Total Capital Leases Payable | | | | | \$ 61,721 | 0 \$ | 29,904 \$ | 31,817 |
| OTHER LOANS PAYABLE | | | | | | | | |
| Payable through General Debt Service Fund | 3,000,000 | Variable | 10-11-1995 | 5-25-16 | 1,199,814 | 0 | 177,900 | 1,021,914 |
| School Construction | | | | | 0 | 2,523,000 | 0 | 2,523,000 |
| Qualified School Construction Bonds, Series 2010 | 2,523,000 | (1) | 10-1-10 | 9-15-27 | | | | |
| Payable through Education Debt Service Fund | 8,455,359 | Variable | 8-30-02 | 5-25-22 | 5,989,359 | 0 | 407,000 | 5,582,359 |
| School Construction | | | | | | | | |
| Total Other Loans Payable | | | | | \$ 7,189,173 | 2,523,000 \$ | 584,900 \$ | 9,127,273 |

(Continued)

Exhibit K-1

Hartsville/Trousdale County Government, Tennessee
 Schedule of Changes in Long-term Bonds, Notes, Capital Leases,
 and Other Loans (Cont.)

| | Original Amount of Issue | Interest Rate | Date of Issue | Last Maturity Date | Outstanding 7-1-10 | Issued During Period | Matured During Period | Outstanding 6-30-11 |
|--------------------------------------|--------------------------------|------------------|---------------------|--------------------------|-----------------------|----------------------------|-----------------------------|------------------------|
| <u>BUSINESS-TYPE ACTIVITIES</u> | | | | | | | | |
| <u>BONDS PAYABLE</u> | | | | | | | | |
| Payable through Water and Sewer Fund | | | | | | | | |
| Water and Sewer Bonds - Series 2004 | \$ 350,000 | 4.25 % | 5-24-05 | 4-24-43 | \$ 328,838 | \$ 0 | \$ 4,726 | \$ 324,112 |
| Total Bonds Payable | | | | | \$ 328,838 | \$ 0 | \$ 4,726 | \$ 324,112 |

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

Exhibit K-2

Hartsville/Trousdale County Government, Tennessee
Schedule of Long-term Debt Requirements by Year

GOVERNMENTAL ACTIVITIES

| Year Ending June 30 | Notes | | |
|---------------------------|------------|-----------|------------|
| | Principal | Interest | Total |
| 2012 | \$ 175,727 | \$ 27,059 | \$ 202,786 |
| 2013 | 326,124 | 19,860 | 345,984 |
| 2014 | 86,000 | 6,902 | 92,902 |
| 2015 | 64,000 | 2,994 | 66,994 |
| Total | \$ 651,851 | \$ 56,815 | \$ 708,666 |

| Year Ending June 30 | Capital Leases | | |
|---------------------------|----------------|----------|-----------|
| | Principal | Interest | Total |
| 2012 | \$ 31,817 | \$ 2,036 | \$ 33,853 |

| Year Ending June 30 | Other Loans | | | | |
|---------------------------|--------------|--------------|-----|------------|---------------|
| | Principal | Interest | (1) | Other Fees | Total |
| 2012 | \$ 739,406 | \$ 126,448 | \$ | 40,371 | \$ 906,225 |
| 2013 | 790,321 | 140,246 | | 37,281 | 967,848 |
| 2014 | 816,403 | 138,082 | | 33,892 | 988,377 |
| 2015 | 842,908 | 135,826 | | 30,367 | 1,009,101 |
| 2016 | 870,793 | 133,476 | | 36,111 | 1,040,380 |
| 2017 | 665,431 | 131,125 | | 31,808 | 828,364 |
| 2018 | 684,431 | 129,749 | | 29,226 | 843,406 |
| 2019 | 704,431 | 128,322 | | 26,544 | 859,297 |
| 2020 | 725,431 | 126,840 | | 31,015 | 883,286 |
| 2021 | 746,431 | 125,302 | | 28,403 | 900,136 |
| 2022 | 723,790 | 123,717 | | 25,626 | 873,133 |
| 2023 | 157,431 | 122,315 | | 2,019 | 281,765 |
| 2024 | 157,432 | 122,315 | | 2,019 | 281,766 |
| 2025 | 157,432 | 122,315 | | 2,019 | 281,766 |
| 2026 | 157,432 | 122,315 | | 2,019 | 281,766 |
| 2027 | 172,929 | 122,315 | | 2,019 | 297,263 |
| 2028 | 14,841 | 12,047 | | 506 | 27,394 |
| Total | \$ 9,127,273 | \$ 2,062,755 | \$ | 361,245 | \$ 11,551,273 |

(Continued)

Exhibit K-2

Hartsville/Trousdale County Government, Tennessee
Schedule of Long-term Debt Requirements by Year (Cont.)

BUSINESS-TYPE ACTIVITIES

| Year Ending June 30 | Bonds | | |
|---------------------------|------------|------------|------------|
| | Principal | Interest | Total |
| 2012 | \$ 4,933 | \$ 13,679 | \$ 18,612 |
| 2013 | 5,146 | 13,466 | 18,612 |
| 2014 | 5,369 | 13,243 | 18,612 |
| 2015 | 5,602 | 13,010 | 18,612 |
| 2016 | 5,845 | 12,767 | 18,612 |
| 2017 | 6,098 | 12,514 | 18,612 |
| 2018 | 6,363 | 12,249 | 18,612 |
| 2019 | 6,638 | 11,974 | 18,612 |
| 2020 | 6,926 | 11,686 | 18,612 |
| 2021 | 7,226 | 11,386 | 18,612 |
| 2022 | 7,539 | 11,073 | 18,612 |
| 2023 | 7,866 | 10,746 | 18,612 |
| 2024 | 8,207 | 10,405 | 18,612 |
| 2025 | 8,563 | 10,049 | 18,612 |
| 2026 | 8,934 | 9,678 | 18,612 |
| 2027 | 9,321 | 9,291 | 18,612 |
| 2028 | 9,725 | 8,887 | 18,612 |
| 2029 | 10,146 | 9,466 | 19,612 |
| 2030 | 10,586 | 8,026 | 18,612 |
| 2031 | 11,045 | 7,567 | 18,612 |
| 2032 | 11,523 | 7,089 | 18,612 |
| 2033 | 12,023 | 6,589 | 18,612 |
| 2034 | 12,544 | 6,068 | 18,612 |
| 2035 | 13,087 | 5,525 | 18,612 |
| 2036 | 13,655 | 4,957 | 18,612 |
| 2037 | 14,246 | 4,366 | 18,612 |
| 2038 | 14,864 | 3,748 | 18,612 |
| 2039 | 15,508 | 3,104 | 18,612 |
| 2040 | 16,180 | 2,432 | 18,612 |
| 2041 | 16,881 | 1,731 | 18,612 |
| 2042 | 17,613 | 999 | 18,612 |
| 2043 | 13,910 | 250 | 14,160 |
| Total | \$ 324,112 | \$ 268,020 | \$ 592,132 |

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

Exhibit K-3

Hartsville/Trousdale County Government, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Hartsville/Trousdale 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> | | | |
| General | Water and Sewer | Operations | \$ 16,509 |
| " | General Debt Service | QSCB Subsidy Payment | 53,683 |
| Total Transfers Primary Government | | | <u>\$ 70,192</u> |
| <u>DISCRETELY PRESENTED HARTSVILLE/TROUSDALE</u> <u>COUNTY SCHOOL DEPARTMENT</u> | | | |
| General Purpose School | School Federal Projects | Operations | \$ 50,000 |
| Total Transfers Discretely Presented Hartsville/Trousdale County School Department | | | <u>\$ 50,000</u> |

Exhibit K-4

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

| Official | Authorization for Salary | Salary Paid During Period | Bond | Surety |
|---|---|---------------------------|-----------|---|
| County Executive: | | | | |
| Tim Roberson (7-1-10 through 8-31-10) | Section 8-24-102, TCA | \$ 12,170 (1) | \$ 25,000 | State Automobile Mutual Insurance Company |
| Jakie West (9-1-10 through 6-30-11) | Section 8-24-102, TCA | 48,166 (2) | 25,000 | " |
| Superintendent of Roads | Section 8-24-102, TCA | 57,477 | 100,000 | " |
| Director of Schools | State Board of Education and Hartsville/Trousdale County Government | | | |
| Trustee | Board of Education | 86,780 (3) | (6) | |
| Assessor of Property | Section 8-24-102, TCA | 52,251 | 497,000 | " |
| County Clerk | Section 8-24-102, TCA | 52,251 | 10,000 | " |
| Circuit and General Sessions Courts Clerk | Section 8-24-102, TCA | 52,251 | 35,000 | " |
| Clerk and Master | Section 8-24-102, TCA | 52,251 | 35,000 | " |
| Register | Section 8-24-102, TCA, and Chancery Court Judge | 52,251 (4) | 35,000 | " |
| Sheriff | Section 8-24-102, TCA | 52,251 | 25,000 | " |
| | Section 8-24-102, TCA | 57,477 (5) | 25,000 | " |
| Employee Blanket Bond Coverage: | | | | |
| General County, Water Department, and Highway Employees | | | 150,000 | Tennessee Risk Management Trust |
| School Employees | | | 150,000 | " |

- (1) Includes \$100 for serving as chairman of the Highway Commission.
- (2) Includes \$350 for serving as chairman of the Highway Commission.
- (3) Includes \$1,000 chief executive officer training supplement, \$1,740 as secretary of the board of education, and \$4,040 for a performance bonus.
- (4) Does not include special commissioner fees of \$1,112.
- (5) Does not include a law enforcement training supplement of \$600.
- (6) The director of schools is covered under the blanket bond.

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2011

| | Special Revenue Funds | | | | | | |
|--|-----------------------|----------------|--------------------------|--------------|---------------------------|------------------------|---|
| | General | Urban Services | Solid Waste / Sanitation | Drug Control | District Attorney General | Highway / Public Works | |
| <u>Local Taxes</u> | | | | | | | |
| <u>County Property Taxes</u> | | | | | | | |
| Current Property Tax | \$ 1,940,250 | \$ 381,322 | \$ 241,105 | \$ 0 | \$ 0 | \$ 0 | 0 |
| Trustee's Collections - Prior Year | 82,758 | 56,136 | 11,960 | 0 | 0 | 0 | 0 |
| Circuit/Clerk & Master Collections - Prior Years | 59,449 | 31,123 | 8,591 | 0 | 0 | 0 | 0 |
| Interest and Penalty | 19,739 | 5,671 | 2,784 | 0 | 0 | 0 | 0 |
| Payments in-Lieu-of Taxes - T.V.A. | 26,953 | 0 | 0 | 0 | 0 | 0 | 0 |
| Payments in-Lieu-of Taxes - Other | 7,361 | 6,316 | 0 | 0 | 0 | 0 | 0 |
| <u>County Local Option Taxes</u> | | | | | | | |
| Local Option Sales Tax | 395,106 | 0 | 0 | 0 | 0 | 0 | 0 |
| Wheel Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Litigation Tax - General | 22,830 | 0 | 0 | 0 | 0 | 0 | 0 |
| Litigation Tax - Special Purpose | 62,874 | 0 | 0 | 0 | 0 | 0 | 0 |
| Litigation Tax - Jail, Workhouse, or Courthouse | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Business Tax | 20,860 | 0 | 2,591 | 0 | 0 | 0 | 0 |
| Adequate Facilities/Development Tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other County Local Option Taxes | 0 | 30,833 | 0 | 0 | 0 | 0 | 0 |
| <u>Statutory Local Taxes</u> | | | | | | | |
| Bank Excise Tax | 57,692 | 0 | 0 | 0 | 0 | 0 | 0 |
| Wholesale Beer Tax | 139,815 | 0 | 0 | 0 | 0 | 0 | 0 |
| Interstate Telecommunications Tax | 560 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Statutory Local Taxes | 0 | 34,716 | 0 | 0 | 0 | 0 | 0 |
| <u>City Local Option Taxes</u> | | | | | | | |
| Local Option Sales Tax | 159,477 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Local Taxes | \$ 2,995,724 | \$ 546,117 | \$ 267,031 | \$ 0 | \$ 0 | \$ 0 | 0 |
| <u>Licenses and Permits</u> | | | | | | | |
| <u>Licenses</u> | | | | | | | |
| Cable TV Franchise | \$ 0 | \$ 13,358 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| <u>Permits</u> | | | | | | | |
| Building Permits | 267,173 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Permits | 855 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Licenses and Permits | \$ 268,028 | \$ 13,358 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |

(Continued)

Hartsville/Trousdale County Government, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types (Cont.)

| | Special Revenue Funds | | | | | | |
|---|-----------------------|----------------|--------------------------|--------------|---------------------------|------------------------|------|
| | General | Urban Services | Solid Waste / Sanitation | Drug Control | District Attorney General | Highway / Public Works | |
| <u>Fines, Forfeitures, and Penalties</u> | | | | | | | |
| <u>Circuit Court</u> | | | | | | | |
| Fines | \$ 2,260 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Officers Costs | 2,751 | 0 | 0 | 0 | 0 | 0 | 0 |
| Drug Control Fines | 0 | 0 | 0 | 1,671 | 0 | 0 | 0 |
| Data Entry Fee - Circuit Court | 1,011 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>General Sessions Court</u> | | | | | | | |
| Fines | 15,326 | 0 | 0 | 0 | 0 | 0 | 0 |
| Officers Costs | 28,502 | 0 | 0 | 0 | 0 | 0 | 0 |
| Game and Fish Fines | 153 | 0 | 0 | 0 | 0 | 0 | 0 |
| Drug Control Fines | 0 | 0 | 0 | 2,235 | 0 | 0 | 0 |
| Jail Fees | 1,898 | 0 | 0 | 0 | 0 | 0 | 0 |
| DUI Treatment Fines | 3,291 | 0 | 0 | 0 | 0 | 0 | 0 |
| Data Entry Fee - General Sessions Court | 4,176 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Juvenile Court</u> | | | | | | | |
| Officers Costs | 711 | 0 | 0 | 0 | 0 | 0 | 0 |
| DUI Treatment Fines | 3,800 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Chancery Court</u> | | | | | | | |
| Officers Costs | 975 | 0 | 0 | 0 | 0 | 0 | 0 |
| Data Entry Fee - Chancery Court | 346 | 0 | 0 | 0 | 0 | 0 | 0 |
| Courts in Other District Counties | | | | | | | |
| District Attorney General Fees | 0 | 0 | 0 | 0 | 29,177 | 0 | 0 |
| <u>Judicial District Drug Program</u> | | | | | | | |
| Drug Task Force Forfeitures and Seizures | | | | | | | |
| Courtroom Security Fee | 0 | 0 | 0 | 124 | 0 | 0 | 0 |
| Other Fines, Forfeitures, and Penalties | 23,852 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Fines, Forfeitures, and Penalties | | | | | | | |
| Total Fines, Forfeitures, and Penalties | \$ 2,990 | \$ 0 | \$ 0 | \$ 0 | \$ 29,177 | \$ 0 | \$ 0 |
| | \$ 92,042 | \$ 0 | \$ 0 | \$ 4,030 | \$ 29,177 | \$ 0 | \$ 0 |
| <u>Charges for Current Services</u> | | | | | | | |
| <u>General Service Charges</u> | | | | | | | |
| Commercial and Industrial Waste Collection Charge | \$ 0 | \$ 0 | \$ 103,244 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |

(Continued)

Hartsville/Trousdale County Government, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types (Cont.)

| | Special Revenue Funds | | | | | | |
|---|-----------------------|----------------|--------------------------|--------------|---------------------------|------------------------|-------|
| | General | Urban Services | Solid Waste / Sanitation | Drug Control | District Attorney General | Highway / Public Works | |
| <u>Charges for Current Services (Cont.)</u> | | | | | | | |
| <u>General Service Charges (Cont.)</u> | | | | | | | |
| Residential Waste Collection Charge | 0 \$ | 149,103 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 |
| Patient Charges | 315,268 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other General Service Charges | 10,025 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Fees</u> | | | | | | | |
| Copy Fees | 6,040 | 0 | 0 | 0 | 0 | 0 | 0 |
| Telephone Commissions | 6,154 | 0 | 0 | 0 | 0 | 0 | 0 |
| Data Processing Fee - Register | 2,550 | 0 | 0 | 0 | 0 | 0 | 0 |
| Data Processing Fee - Sheriff | 144 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sexual Offender Registration Fees - Sheriff | 1,350 | 0 | 0 | 0 | 0 | 0 | 0 |
| Data Processing Fee - County Clerk | 442 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Charges for Current Services | \$ 341,973 \$ | 149,103 \$ | 103,244 \$ | 0 \$ | 0 \$ | 0 \$ | 0 |
| <u>Other Local Revenues</u> | | | | | | | |
| <u>Recurring Items</u> | | | | | | | |
| Investment Income | 102,125 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 1,196 |
| Lease/Rentals | 21,937 | 0 | 0 | 0 | 0 | 0 | 0 |
| Commissary Sales | 4,999 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sale of Gasoline | 8,332 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sale of Recycled Materials | 852 | 0 | 13,894 | 0 | 0 | 0 | 0 |
| Miscellaneous Refunds | 2,922 | 0 | 0 | 0 | 3,460 | 157 | 0 |
| <u>Nonrecurring Items</u> | | | | | | | |
| Sale of Equipment | 1,400 | 1,725 | 2,825 | 0 | 0 | 0 | 0 |
| Damages Recovered from Individuals | 464 | 0 | 0 | 0 | 0 | 0 | 489 |
| Contributions and Gifts | 1,072 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Other Local Revenues</u> | | | | | | | |
| Other Local Revenues | 806 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Other Local Revenues | \$ 144,909 \$ | 1,725 \$ | 16,719 \$ | 0 \$ | 3,460 \$ | 1,842 | 0 |

(Continued)

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

| | Special Revenue Funds | | | | | | |
|--|-----------------------|----------------|--------------------------|--------------|---------------------------|------------------------|--------------|
| | General | Urban Services | Solid Waste / Sanitation | Drug Control | District Attorney General | Highway / Public Works | |
| <u>Fees Received from County Officials</u> | | | | | | | |
| <u>Fees in-Lieu-of Salary</u> | | | | | | | |
| County Clerk | \$ 82,615 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Circuit Court Clerk | 32,178 | 0 | 0 | 0 | 0 | 0 | 0 |
| General Sessions Court Clerk | 83,810 | 0 | 0 | 0 | 0 | 0 | 0 |
| Clerk and Master | 31,454 | 0 | 0 | 0 | 0 | 0 | 0 |
| Register | 22,401 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sheriff | 3,765 | 0 | 0 | 0 | 0 | 0 | 0 |
| Trustee | 143,143 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Fees Received from County Officials | \$ 399,366 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| <u>State of Tennessee</u> | | | | | | | |
| <u>General Government Grants</u> | | | | | | | |
| Juvenile Services Program | \$ 4,500 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Aging Programs | 26,650 | 0 | 0 | 0 | 0 | 0 | 0 |
| Solid Waste Grants | 0 | 0 | 6,294 | 0 | 0 | 0 | 0 |
| <u>Public Safety Grants</u> | | | | | | | |
| Law Enforcement Training Programs | 7,200 | 1,800 | 0 | 0 | 0 | 0 | 0 |
| <u>Public Works Grants</u> | | | | | | | |
| Litter Program | 29,236 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Other State Revenues</u> | | | | | | | |
| Income Tax | 15,883 | 0 | 0 | 0 | 0 | 0 | 0 |
| Beer Tax | 19,973 | 0 | 0 | 0 | 0 | 0 | 0 |
| Alcoholic Beverage Tax | 13,042 | 0 | 0 | 0 | 0 | 0 | 0 |
| Contracted Prisoner Boarding | 178,535 | 0 | 0 | 0 | 0 | 0 | 0 |
| Gasoline and Motor Fuel Tax | 0 | 0 | 0 | 0 | 0 | 0 | 1,232,035 |
| Petroleum Special Tax | 0 | 0 | 0 | 0 | 0 | 0 | 10,970 |
| Registrar's Salary Supplement | 15,164 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other State Grants | 14,034 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total State of Tennessee | \$ 324,217 | \$ 1,800 | \$ 6,294 | \$ 0 | \$ 0 | \$ 0 | \$ 1,243,005 |

(Continued)

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

| | Special Revenue Funds | | | | | | |
|--|-----------------------|----------------|--------------------------|--------------|---------------------------|------------------------|------------|
| | General | Urban Services | Solid Waste / Sanitation | Drug Control | District Attorney General | Highway / Public Works | |
| <u>Federal Government</u> | | | | | | | |
| <u>Federal Through State</u> | | | | | | | |
| Community Development | \$ 500,000 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Disaster Relief | 62,490 | 0 | 2,966 | 0 | 0 | 0 | 319,157 |
| Homeland Security Grants | 30,583 | 0 | 0 | 0 | 0 | 0 | 0 |
| Law Enforcement Grants | 19,999 | 0 | 0 | 0 | 0 | 0 | 0 |
| ARRA Grant # 1 | 99,618 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Federal through State | 2,003 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Direct Federal Revenue</u> | | | | | | | |
| Police Service (Lake Area) | 13,014 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tax Credit Bond Rebate | 53,883 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Federal Government | \$ 781,390 | \$ 0 | \$ 2,966 | \$ 0 | \$ 0 | \$ 0 | \$ 319,157 |
| <u>Other Governments and Citizens Groups</u> | | | | | | | |
| <u>Other Governments</u> | | | | | | | |
| Contributions | \$ 24,195 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Contracted Services | 4,980 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Citizens Groups</u> | | | | | | | |
| Donations | 15,844 | 0 | 0 | 0 | 0 | 0 | 2,812 |
| Total Other Governments and Citizens Groups | \$ 45,019 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 2,812 |
| Total | \$ 5,392,668 | \$ 712,103 | \$ 396,254 | \$ 4,030 | \$ 32,637 | \$ 1,566,816 | |

(Continued)

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

| | Debt Service Funds | | | Capital Projects Fund | | | Total |
|--|--------------------|------------|--------------|-----------------------|------------------|--------------|-------|
| | General | Education | Debt Service | General | Capital Projects | | |
| | | | | | | | |
| <u>Local Taxes</u> | | | | | | | |
| <u>County Property Taxes</u> | | | | | | | |
| Current Property Tax | \$ 149,256 | \$ 229,621 | \$ 0 | \$ 0 | \$ 0 | \$ 2,941,554 | |
| Trustee's Collections - Prior Year | 6,977 | 11,481 | 0 | 0 | 0 | 169,312 | |
| Circuit/Clerk & Master Collections - Prior Years | 5,354 | 8,247 | 0 | 0 | 0 | 112,764 | |
| Interest and Penalty | 1,678 | 2,669 | 0 | 0 | 0 | 32,541 | |
| Payments in-Lieu-of Taxes - T.V.A. | 0 | 0 | 0 | 0 | 0 | 26,953 | |
| Payments in-Lieu-of Taxes - Other | 0 | 0 | 0 | 0 | 0 | 13,677 | |
| <u>County Local Option Taxes</u> | | | | | | | |
| Local Option Sales Tax | 0 | 0 | 0 | 0 | 0 | 395,106 | |
| Wheel Tax | 0 | 312,227 | 0 | 0 | 0 | 312,227 | |
| Litigation Tax - General | 0 | 0 | 0 | 0 | 0 | 22,830 | |
| Litigation Tax - Special Purpose | 0 | 0 | 0 | 0 | 0 | 62,874 | |
| Litigation Tax - Jail, Workhouse, or Courthouse | 25,705 | 0 | 0 | 0 | 0 | 25,705 | |
| Business Tax | 1,604 | 2,468 | 0 | 0 | 0 | 27,523 | |
| Adequate Facilities/Development Tax | 0 | 18,000 | 0 | 0 | 0 | 18,000 | |
| Other County Local Option Taxes | 0 | 0 | 0 | 0 | 0 | 30,833 | |
| <u>Statutory Local Taxes</u> | | | | | | | |
| Bank Excise Tax | 0 | 0 | 0 | 0 | 0 | 57,692 | |
| Wholesale Beer Tax | 0 | 0 | 0 | 0 | 0 | 139,815 | |
| Interstate Telecommunications Tax | 0 | 0 | 0 | 0 | 0 | 560 | |
| Other Statutory Local Taxes | 0 | 0 | 0 | 0 | 0 | 34,716 | |
| <u>City Local Option Taxes</u> | | | | | | | |
| Local Option Sales Tax | 0 | 0 | 0 | 0 | 0 | 159,477 | |
| Total Local Taxes | \$ 190,574 | \$ 584,713 | \$ 0 | \$ 0 | \$ 0 | 4,584,159 | |
| <u>Licenses and Permits</u> | | | | | | | |
| <u>Licenses</u> | | | | | | | |
| Cable TV Franchise | 0 | 0 | 0 | 0 | 0 | 13,358 | |
| <u>Permits</u> | | | | | | | |
| Building Permits | 0 | 0 | 0 | 0 | 0 | 267,173 | |
| Other Permits | 0 | 0 | 0 | 0 | 0 | 855 | |
| Total Licenses and Permits | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 281,386 | |

(Continued)

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

| | Debt Service Funds | | | Capital Projects Fund | | | Total |
|---|--------------------|------------------------|------|-----------------------|--------------------------|------|---------|
| | General Service | Education Debt Service | 0 \$ | 0 \$ | General Capital Projects | 0 \$ | |
| | | | | | | | |
| <u>Fines, Forfeitures, and Penalties</u> | | | | | | | |
| <u>Circuit Court</u> | | | | | | | |
| Fines | \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 2,260 |
| Officers Costs | | 0 | 0 | 0 | 0 | 0 | 2,751 |
| Drug Control Fines | | 0 | 0 | 0 | 0 | 0 | 1,671 |
| Data Entry Fee - Circuit Court | | 0 | 0 | 0 | 0 | 0 | 1,011 |
| <u>General Sessions Court</u> | | | | | | | |
| Fines | | 0 | 0 | 0 | 0 | 0 | 15,326 |
| Officers Costs | | 0 | 0 | 0 | 0 | 0 | 28,502 |
| Game and Fish Fines | | 0 | 0 | 0 | 0 | 0 | 153 |
| Drug Control Fines | | 0 | 0 | 0 | 0 | 0 | 2,235 |
| Jail Fees | | 0 | 0 | 0 | 0 | 0 | 1,898 |
| DUI Treatment Fines | | 0 | 0 | 0 | 0 | 0 | 3,291 |
| Data Entry Fee - General Sessions Court | | 0 | 0 | 0 | 0 | 0 | 4,176 |
| <u>Juvenile Court</u> | | | | | | | |
| Officers Costs | | 0 | 0 | 0 | 0 | 0 | 711 |
| DUI Treatment Fines | | 0 | 0 | 0 | 0 | 0 | 3,800 |
| <u>Chancery Court</u> | | | | | | | |
| Officers Costs | | 0 | 0 | 0 | 0 | 0 | 975 |
| Data Entry Fee - Chancery Court | | 0 | 0 | 0 | 0 | 0 | 346 |
| <u>Courts in Other District Counties</u> | | | | | | | |
| District Attorney General Fees | | 0 | 0 | 0 | 0 | 0 | 29,177 |
| <u>Judicial District Drug Program</u> | | | | | | | |
| Drug Task Force Forfeitures and Seizures | | 0 | 0 | 0 | 0 | 0 | 124 |
| Courtroom Security Fee | | 0 | 0 | 0 | 0 | 0 | 23,852 |
| <u>Other Fines, Forfeitures, and Penalties</u> | | | | | | | |
| Other Fines, Forfeitures, and Penalties | | 0 | 0 | 0 | 0 | 0 | 2,990 |
| Total Fines, Forfeitures, and Penalties | \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 125,249 |
| <u>Charges for Current Services</u> | | | | | | | |
| <u>General Service Charges</u> | | | | | | | |
| Commercial and Industrial Waste Collection Charge | \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 0 \$ | 103,244 |

(Continued)

Hartsville/Trousdale County Government, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types (Cont.)

| | Debt Service Funds | | | Capital Projects Fund | | | Total |
|---|--------------------|-----------|----------|-----------------------|----------|----------|------------|
| | General | Education | Debt | General | Capital | Projects | |
| | Service | Service | Service | Service | Projects | Projects | |
| <u>Charges for Current Services (Cont.)</u> | | | | | | | |
| <u>General Service Charges (Cont.)</u> | | | | | | | |
| Residential Waste Collection Charge | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 149,103 |
| Patient Charges | 0 | 0 | 0 | 0 | 0 | 0 | 315,268 |
| Other General Service Charges | 0 | 0 | 0 | 0 | 0 | 0 | 10,025 |
| <u>Fees</u> | | | | | | | |
| Copy Fees | 0 | 0 | 0 | 0 | 0 | 0 | 6,040 |
| Telephone Commissions | 0 | 0 | 0 | 0 | 0 | 0 | 6,154 |
| Data Processing Fee - Register | 0 | 0 | 0 | 0 | 0 | 0 | 2,550 |
| Data Processing Fee - Sheriff | 0 | 0 | 0 | 0 | 0 | 0 | 144 |
| Sexual Offender Registration Fees - Sheriff | 0 | 0 | 0 | 0 | 0 | 0 | 1,350 |
| Data Processing Fee - County Clerk | 0 | 0 | 0 | 0 | 0 | 0 | 442 |
| Total Charges for Current Services | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 594,320 |
| <u>Other Local Revenues</u> | | | | | | | |
| <u>Recurring Items</u> | | | | | | | |
| Investment Income | \$ 53 | \$ 14,273 | \$ 3,477 | \$ 0 | \$ 0 | \$ 0 | 121,124 |
| Lease/Rentals | 0 | 0 | 0 | 0 | 0 | 0 | 21,937 |
| Commissary Sales | 0 | 0 | 0 | 0 | 0 | 0 | 4,999 |
| Sale of Gasoline | 0 | 0 | 0 | 0 | 0 | 0 | 8,332 |
| Sale of Recycled Materials | 0 | 0 | 0 | 0 | 0 | 0 | 14,746 |
| Miscellaneous Refunds | 0 | 0 | 0 | 0 | 0 | 0 | 6,539 |
| <u>Nonrecurring Items</u> | | | | | | | |
| Sale of Equipment | 0 | 0 | 0 | 0 | 0 | 0 | 5,950 |
| Damages Recovered from Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 953 |
| Contributions and Gifts | 0 | 0 | 0 | 0 | 0 | 0 | 1,072 |
| <u>Other Local Revenues</u> | | | | | | | |
| Other Local Revenues | 0 | 0 | 0 | 0 | 0 | 0 | 806 |
| Total Other Local Revenues | \$ 53 | \$ 14,273 | \$ 3,477 | \$ 0 | \$ 0 | \$ 0 | \$ 186,458 |

(Continued)

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

| | Debt Service Funds | | | Capital Projects Fund | | | Total |
|--|--------------------|-----------|--------------|-----------------------|----------|----------|------------------|
| | General | Education | Debt Service | General | Capital | Projects | |
| <u>Fees Received from County Officials</u> | | | | | | | |
| <u>Fees in-Lieu-of Salary</u> | | | | | | | |
| County Clerk | 0 | 0 | 0 | 0 | 0 | 0 | 82,615 |
| Circuit Court Clerk | 0 | 0 | 0 | 0 | 0 | 0 | 32,178 |
| General Sessions Court Clerk | 0 | 0 | 0 | 0 | 0 | 0 | 83,810 |
| Clerk and Master | 0 | 0 | 0 | 0 | 0 | 0 | 31,454 |
| Register | 0 | 0 | 0 | 0 | 0 | 0 | 22,401 |
| Sheriff | 0 | 0 | 0 | 0 | 0 | 0 | 3,765 |
| Trustee | 0 | 0 | 0 | 0 | 0 | 0 | 143,143 |
| Total Fees Received from County Officials | 0 | 0 | 0 | 0 | 0 | 0 | 399,366 |
| <u>State of Tennessee</u> | | | | | | | |
| <u>General Government Grants</u> | | | | | | | |
| Juvenile Services Program | 0 | 0 | 0 | 0 | 0 | 0 | 4,500 |
| Aging Programs | 0 | 0 | 0 | 0 | 0 | 0 | 26,650 |
| Solid Waste Grants | 0 | 0 | 0 | 0 | 0 | 0 | 6,294 |
| Public Safety Grants | | | | | | | |
| Law Enforcement Training Programs | 0 | 0 | 0 | 0 | 0 | 0 | 9,000 |
| Public Works Grants | | | | | | | |
| Litter Program | 0 | 0 | 0 | 0 | 0 | 0 | 29,236 |
| <u>Other State Revenues</u> | | | | | | | |
| Income Tax | 0 | 0 | 0 | 0 | 0 | 0 | 15,883 |
| Beer Tax | 0 | 0 | 0 | 0 | 0 | 0 | 19,973 |
| Alcoholic Beverage Tax | 0 | 0 | 0 | 0 | 0 | 0 | 13,042 |
| Contracted Prisoner Boarding | 0 | 0 | 0 | 0 | 0 | 0 | 178,535 |
| Gasoline and Motor Fuel Tax | 0 | 0 | 0 | 0 | 0 | 0 | 1,232,035 |
| Petroleum Special Tax | 0 | 0 | 0 | 0 | 0 | 0 | 10,970 |
| Registrar's Salary Supplement | 0 | 0 | 0 | 0 | 0 | 0 | 15,164 |
| Other State Grants | 0 | 0 | 0 | 0 | 0 | 0 | 14,034 |
| Total State of Tennessee | 0 | 0 | 0 | 0 | 0 | 0 | 1,575,316 |

(Continued)

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

| | Debt Service Funds | | Capital Projects Fund | | Total |
|--|----------------------|------------------------|--------------------------|------------------|-----------|
| | General Debt Service | Education Debt Service | General Capital Projects | Capital Projects | |
| <u>Federal Government</u> | | | | | |
| <u>Federal Through State</u> | | | | | |
| Community Development | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 500,000 |
| Disaster Relief | 0 | 0 | 0 | 0 | 384,613 |
| Homeland Security Grants | 0 | 0 | 0 | 0 | 30,583 |
| Law Enforcement Grants | 0 | 0 | 0 | 0 | 19,999 |
| ARRA Grant # 1 | 0 | 0 | 0 | 0 | 99,618 |
| Other Federal through State | 0 | 0 | 0 | 0 | 2,003 |
| <u>Direct Federal Revenue</u> | | | | | |
| Police Service (Lake Area) | 0 | 0 | 0 | 0 | 13,014 |
| Tax Credit Bond Rebate | 0 | 0 | 0 | 0 | 53,683 |
| Total Federal Government | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 1,103,513 |
| <u>Other Governments and Citizens Groups</u> | | | | | |
| <u>Other Governments</u> | | | | | |
| Contributions | \$ 244,504 | \$ 75,000 | \$ 0 | \$ 0 | 343,699 |
| Contracted Services | 0 | 0 | 0 | 0 | 4,980 |
| <u>Citizens Groups</u> | | | | | |
| Donations | 0 | 0 | 0 | 0 | 18,656 |
| Total Other Governments and Citizens Groups | \$ 244,504 | \$ 75,000 | \$ 0 | \$ 0 | 367,335 |
| Total | \$ 435,131 | \$ 673,986 | \$ 3,477 | \$ 3,477 | 9,217,102 |

Exhibit K-6

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

| | General Purpose School | School Federal Projects | Total |
|--|------------------------------|-------------------------------|--------------|
| <u>Local Taxes</u> | | | |
| <u>County Property Taxes</u> | | | |
| Current Property Tax | \$ 884,044 | \$ 0 | \$ 884,044 |
| Trustee's Collections - Prior Year | 43,532 | 0 | 43,532 |
| Circuit/Clerk & Master Collections - Prior Years | 25,393 | 0 | 25,393 |
| Interest and Penalty | 10,144 | 0 | 10,144 |
| Payments in-Lieu-of Taxes - T.V.A. | 200,505 | 0 | 200,505 |
| <u>County Local Option Taxes</u> | | | |
| Local Option Sales Tax | 443,072 | 0 | 443,072 |
| Business Tax | 8,716 | 0 | 8,716 |
| <u>Statutory Local Taxes</u> | | | |
| Interstate Telecommunications Tax | 475 | 0 | 475 |
| Total Local Taxes | \$ 1,615,881 | \$ 0 | \$ 1,615,881 |
| <u>Licenses and Permits</u> | | | |
| <u>Licenses</u> | | | |
| Marriage Licenses | \$ 722 | \$ 0 | \$ 722 |
| Total Licenses and Permits | \$ 722 | \$ 0 | \$ 722 |
| <u>Charges for Current Services</u> | | | |
| <u>Education Charges</u> | | | |
| Tuition - Other | \$ 10,681 | \$ 0 | \$ 10,681 |
| Receipts from Individual Schools | 7,696 | 0 | 7,696 |
| Total Charges for Current Services | \$ 18,377 | \$ 0 | \$ 18,377 |
| <u>Other Local Revenues</u> | | | |
| <u>Recurring Items</u> | | | |
| Lease/Rentals | \$ 415 | \$ 0 | \$ 415 |
| Sale of Recycled Materials | 551 | 0 | 551 |
| Refund of Telecommunication & Internet Fees (E-Rate) | 16,665 | 0 | 16,665 |
| Miscellaneous Refunds | 29,961 | 0 | 29,961 |
| <u>Nonrecurring Items</u> | | | |
| Sale of Equipment | 4,801 | 0 | 4,801 |
| Contributions and Gifts | 345 | 0 | 345 |
| <u>Other Local Revenues</u> | | | |
| Other Local Revenues | 500 | 0 | 500 |
| Total Other Local Revenues | \$ 53,238 | \$ 0 | \$ 53,238 |
| <u>State of Tennessee</u> | | | |
| <u>General Government Grants</u> | | | |
| On-Behalf Contributions for OPEB | \$ 35,804 | \$ 0 | \$ 35,804 |
| <u>State Education Funds</u> | | | |
| Basic Education Program | 6,326,646 | 0 | 6,326,646 |
| Basic Education Program - ARRA | 780,251 | 0 | 780,251 |
| Early Childhood Education | 92,269 | 0 | 92,269 |
| School Food Service | 7,124 | 0 | 7,124 |
| Driver Education | 2,828 | 0 | 2,828 |
| Coordinated School Health - ARRA | 90,000 | 0 | 90,000 |
| Statewide Student Management System (SSMS) - ARRA | 3,258 | 0 | 3,258 |
| Career Ladder Program | 59,255 | 0 | 59,255 |

(Continued)

Exhibit K-6

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

| | General Purpose School | School Federal Projects | Total |
|--|------------------------------|-------------------------------|----------------------|
| <u>State of Tennessee (Cont.)</u> | | | |
| <u>State Education Funds (Cont.)</u> | | | |
| Career Ladder - Extended Contract - ARRA | \$ 30,967 | \$ 0 | \$ 30,967 |
| <u>Other State Revenues</u> | | | |
| Other State Grants | 160,834 | 0 | 160,834 |
| Safe Schools - ARRA | 8,900 | 0 | 8,900 |
| Total State of Tennessee | <u>\$ 7,598,136</u> | <u>\$ 0</u> | <u>\$ 7,598,136</u> |
| <u>Federal Government</u> | | | |
| <u>Federal Through State</u> | | | |
| USDA School Lunch Program | \$ 275,851 | \$ 0 | \$ 275,851 |
| USDA - Commodities | 31,764 | 0 | 31,764 |
| Breakfast | 74,665 | 0 | 74,665 |
| USDA - Other | 7,233 | 0 | 7,233 |
| Adult Education State Grant Program | 55,766 | 0 | 55,766 |
| Vocational Education - Basic Grants to States | 0 | 18,891 | 18,891 |
| Title I Grants to Local Education Agencies | 0 | 236,312 | 236,312 |
| Special Education - Grants to States | 17,843 | 327,794 | 345,637 |
| Special Education Preschool Grants | 0 | 8,345 | 8,345 |
| Safe and Drug-free Schools - State Grants | 0 | 4,000 | 4,000 |
| Eisenhower Professional Development State Grants | 0 | 45,697 | 45,697 |
| Race-to-the-Top - ARRA | 0 | 83,956 | 83,956 |
| Other Federal through State | 29,587 | 25,213 | 54,800 |
| Total Federal Government | <u>\$ 492,709</u> | <u>\$ 750,208</u> | <u>\$ 1,242,917</u> |
| <u>Other Governments and Citizens Groups</u> | | | |
| <u>Other Governments</u> | | | |
| Contributions | \$ 84,270 | \$ 0 | \$ 84,270 |
| Total Other Governments and Citizens Groups | <u>\$ 84,270</u> | <u>\$ 0</u> | <u>\$ 84,270</u> |
| Total | <u>\$ 9,863,333</u> | <u>\$ 750,208</u> | <u>\$ 10,613,541</u> |

Exhibit K-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2011

General Fund

General Government

County Commission

| | | |
|---|----------|-----------|
| Board and Committee Members Fees | \$ 4,790 | |
| Other Per Diem and Fees | 1,650 | |
| Social Security | 398 | |
| Employer Medicare | 93 | |
| Audit Services | 2,178 | |
| Legal Notices, Recording, and Court Costs | 905 | |
| Other Contracted Services | 2,171 | |
| Total County Commission | | \$ 12,185 |

Beer Board

| | | |
|---|--------|-----|
| Board and Committee Members Fees | \$ 130 | |
| Legal Notices, Recording, and Court Costs | 20 | |
| Total Beer Board | | 150 |

County Mayor/Executive

| | | |
|--|-----------|---------|
| County Official/Administrative Officer | \$ 59,886 | |
| Secretary(ies) | 70,521 | |
| In-Service Training | 390 | |
| Social Security | 7,941 | |
| State Retirement | 8,969 | |
| Medical Insurance | 5,700 | |
| Employer Medicare | 1,857 | |
| Data Processing Services | 5,949 | |
| Maintenance and Repair Services - Office Equipment | 100 | |
| Printing, Stationery, and Forms | 1,389 | |
| Travel | 1,047 | |
| Office Supplies | 1,937 | |
| Premiums on Corporate Surety Bonds | 125 | |
| Other Charges | 576 | |
| Office Equipment | 1,785 | |
| Total County Mayor/Executive | | 168,172 |

County Attorney

| | | |
|--|-----------|--------|
| County Official/Administrative Officer | \$ 11,778 | |
| Total County Attorney | | 11,778 |

Election Commission

| | |
|--|-----------|
| County Official/Administrative Officer | \$ 41,800 |
| Deputy(ies) | 3,476 |
| Election Commission | 2,855 |

(Continued)

Exhibit K-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

| | | | |
|---|----|--------|-----------|
| Election Workers | \$ | 8,375 | |
| In-Service Training | | 340 | |
| Social Security | | 2,984 | |
| State Retirement | | 3,365 | |
| Employer Medicare | | 698 | |
| Data Processing Services | | 2,900 | |
| Dues and Memberships | | 150 | |
| Legal Notices, Recording, and Court Costs | | 2,552 | |
| Maintenance and Repair Services - Equipment | | 14,250 | |
| Printing, Stationery, and Forms | | 614 | |
| Travel | | 1,400 | |
| Office Supplies | | 376 | |
| Other Charges | | 419 | |
| Total Election Commission | | | \$ 86,554 |

Register of Deeds

| | | | |
|--|----|--------|--------|
| County Official/Administrative Officer | \$ | 52,251 | |
| Deputy(ies) | | 8,559 | |
| Social Security | | 3,614 | |
| State Retirement | | 4,206 | |
| Medical Insurance | | 4,560 | |
| Employer Medicare | | 845 | |
| Data Processing Services | | 2,246 | |
| Dues and Memberships | | 95 | |
| Maintenance and Repair Services - Office Equipment | | 17 | |
| Printing, Stationery, and Forms | | 777 | |
| Office Supplies | | 550 | |
| Premiums on Corporate Surety Bonds | | 100 | |
| Total Register of Deeds | | | 77,820 |

Planning

| | | | |
|---|----|--------|--|
| County Official/Administrative Officer | \$ | 13,528 | |
| Other Salaries and Wages | | 3,585 | |
| Social Security | | 839 | |
| State Retirement | | 847 | |
| Medical Insurance | | 760 | |
| Employer Medicare | | 196 | |
| Dues and Memberships | | 7,750 | |
| Legal Notices, Recording, and Court Costs | | 72 | |
| Gasoline | | 287 | |

(Continued)

Exhibit K-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

General Government (Cont.)

Planning (Cont.)

| | | |
|----------------|--------|-----------|
| Other Charges | \$ 100 | |
| Total Planning | | \$ 27,964 |

County Buildings

| | | |
|---|-----------|---------|
| Attendants | \$ 11,028 | |
| Custodial Personnel | 7,595 | |
| Social Security | 912 | |
| State Retirement | 1,088 | |
| Medical Insurance | 5,700 | |
| Employer Medicare | 213 | |
| Maintenance and Repair Services - Buildings | 21,159 | |
| Pest Control | 720 | |
| Custodial Supplies | 5,751 | |
| Electricity | 39,217 | |
| Natural Gas | 16,415 | |
| Water and Sewer | 2,438 | |
| Other Charges | 1,974 | |
| Total County Buildings | | 114,210 |

Finance

Property Assessor's Office

| | | |
|--|-----------|---------|
| County Official/Administrative Officer | \$ 52,251 | |
| Deputy(ies) | 22,942 | |
| Board and Committee Members Fees | 800 | |
| Social Security | 4,384 | |
| State Retirement | 6,053 | |
| Medical Insurance | 9,120 | |
| Employer Medicare | 1,025 | |
| Dues and Memberships | 722 | |
| Legal Notices, Recording, and Court Costs | 64 | |
| Maintenance and Repair Services - Vehicles | 1,657 | |
| Printing, Stationery, and Forms | 2,820 | |
| Other Contracted Services | 2,910 | |
| Gasoline | 951 | |
| Office Supplies | 175 | |
| Premiums on Corporate Surety Bonds | 200 | |
| Total Property Assessor's Office | | 106,074 |

County Trustee's Office

| | |
|--|-----------|
| County Official/Administrative Officer | \$ 52,251 |
|--|-----------|

(Continued)

Exhibit K-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

| | | |
|------------------------------------|-----------|------------|
| Deputy(ies) | \$ 22,942 | |
| Social Security | 3,988 | |
| State Retirement | 6,053 | |
| Medical Insurance | 8,680 | |
| Employer Medicare | 933 | |
| Data Processing Services | 5,464 | |
| Dues and Memberships | 100 | |
| Printing, Stationery, and Forms | 2,183 | |
| Office Supplies | 604 | |
| Premiums on Corporate Surety Bonds | 1,294 | |
| Total County Trustee's Office | | \$ 104,492 |

County Clerk's Office

| | | |
|---|-----------|--------|
| County Official/Administrative Officer | \$ 52,251 | |
| Deputy(ies) | 22,942 | |
| Social Security | 4,510 | |
| State Retirement | 6,053 | |
| Medical Insurance | 8,680 | |
| Employer Medicare | 1,055 | |
| Dues and Memberships | 100 | |
| Legal Notices, Recording, and Court Costs | 35 | |
| Printing, Stationery, and Forms | 435 | |
| Office Supplies | 310 | |
| Premiums on Corporate Surety Bonds | 225 | |
| Other Charges | 112 | |
| Total County Clerk's Office | | 96,708 |

Administration of Justice

Circuit Court

| | |
|---|-----------|
| County Official/Administrative Officer | \$ 52,251 |
| Deputy(ies) | 52,936 |
| Jury and Witness Expense | 5,926 |
| Social Security | 6,334 |
| State Retirement | 8,492 |
| Medical Insurance | 12,800 |
| Employer Medicare | 1,481 |
| Dues and Memberships | 60 |
| Legal Notices, Recording, and Court Costs | 113 |
| Printing, Stationery, and Forms | 4,109 |
| Office Supplies | 600 |

(Continued)

Exhibit K-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

| | | | |
|------------------------------------|----|-----|------------|
| Periodicals | \$ | 189 | |
| Premiums on Corporate Surety Bonds | | 225 | |
| Total Circuit Court | | | \$ 145,516 |

General Sessions Court

| | | | |
|------------------------------|----|--------|--------|
| Judge(s) | \$ | 64,762 | |
| Social Security | | 3,347 | |
| State Retirement | | 5,213 | |
| Medical Insurance | | 4,560 | |
| Employer Medicare | | 783 | |
| Legal Services | | 4,340 | |
| Other Contracted Services | | 80 | |
| Office Supplies | | 20 | |
| Total General Sessions Court | | | 83,105 |

Chancery Court

| | | | |
|---|----|--------|--------|
| County Official/Administrative Officer | \$ | 52,251 | |
| Deputy(ies) | | 4,862 | |
| Social Security | | 3,433 | |
| State Retirement | | 4,206 | |
| Medical Insurance | | 4,560 | |
| Employer Medicare | | 803 | |
| Dues and Memberships | | 60 | |
| Legal Notices, Recording, and Court Costs | | 720 | |
| Printing, Stationery, and Forms | | 346 | |
| Office Supplies | | 204 | |
| Periodicals | | 36 | |
| Premiums on Corporate Surety Bonds | | 225 | |
| Total Chancery Court | | | 71,706 |

Judicial Commissioners

| | | | |
|------------------------------|----|--------|--------|
| In-Service Training | \$ | 631 | |
| Social Security | | 909 | |
| Employer Medicare | | 213 | |
| Other Contracted Services | | 14,660 | |
| Gasoline | | 1,719 | |
| Office Supplies | | 122 | |
| Periodicals | | 27 | |
| Total Judicial Commissioners | | | 18,281 |

(Continued)

Exhibit K-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety

Sheriff's Department

| | | | |
|--|----|---------|------------|
| County Official/Administrative Officer | \$ | 57,477 | |
| Deputy(ies) | | 360,437 | |
| Salary Supplements | | 9,000 | |
| Dispatchers/Radio Operators | | 91,489 | |
| Overtime Pay | | 24,352 | |
| In-Service Training | | 5,985 | |
| Social Security | | 31,222 | |
| State Retirement | | 42,161 | |
| Medical Insurance | | 59,918 | |
| Employer Medicare | | 7,302 | |
| Communication | | 439 | |
| Data Processing Services | | 71 | |
| Dues and Memberships | | 1,350 | |
| Licenses | | 52 | |
| Maintenance and Repair Services - Equipment | | 5,650 | |
| Maintenance and Repair Services - Office Equipment | | 2,985 | |
| Maintenance and Repair Services - Vehicles | | 16,217 | |
| Medical and Dental Services | | 580 | |
| Printing, Stationery, and Forms | | 556 | |
| Rentals | | 4,934 | |
| Tow-in Services | | 460 | |
| Travel | | 3,066 | |
| Electricity | | 1,352 | |
| Gasoline | | 34,623 | |
| Law Enforcement Supplies | | 5,595 | |
| Office Supplies | | 3,012 | |
| Uniforms | | 9,868 | |
| Other Supplies and Materials | | 399 | |
| Premiums on Corporate Surety Bonds | | 125 | |
| Other Charges | | 1,535 | |
| Law Enforcement Equipment | | 8,391 | |
| Motor Vehicles | | 32,118 | |
| Office Equipment | | 2,141 | |
| Other Equipment | | 4,999 | |
| Total Sheriff's Department | | | \$ 829,861 |

Drug Enforcement

| | | |
|-----------------|----|--------|
| Deputy(ies) | \$ | 36,092 |
| Overtime Pay | | 1,674 |
| Social Security | | 2,422 |

(Continued)

Exhibit K-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Drug Enforcement (Cont.)

| | | |
|------------------------|----------|-----------|
| State Retirement | \$ 4,186 | |
| Medical Insurance | 4,560 | |
| Employer Medicare | 567 | |
| Gasoline | 771 | |
| Total Drug Enforcement | | \$ 50,272 |

Administration of the Sexual Offender Registry

| | | |
|--|--------|-----|
| Other Supplies and Materials | \$ 100 | |
| Total Administration of the Sexual Offender Registry | | 100 |

Jail

| | | |
|---|------------|---------|
| Guards | \$ 387,056 | |
| Cafeteria Personnel | 7,485 | |
| Overtime Pay | 1,346 | |
| In-Service Training | 876 | |
| Social Security | 23,067 | |
| State Retirement | 31,918 | |
| Medical Insurance | 56,866 | |
| Employer Medicare | 5,395 | |
| Communication | 987 | |
| Data Processing Services | 3,150 | |
| Legal Notices, Recording, and Court Costs | 123 | |
| Maintenance and Repair Services - Buildings | 5,730 | |
| Maintenance and Repair Services - Equipment | 1,573 | |
| Medical and Dental Services | 95,071 | |
| Pest Control | 240 | |
| Printing, Stationery, and Forms | 1,374 | |
| Custodial Supplies | 7,596 | |
| Electricity | 21,229 | |
| Food Supplies | 29,570 | |
| Law Enforcement Supplies | 209 | |
| Natural Gas | 4,488 | |
| Office Supplies | 699 | |
| Prisoners Clothing | 1,121 | |
| Uniforms | 60 | |
| Water and Sewer | 8,192 | |
| Other Supplies and Materials | 547 | |
| Other Charges | 209 | |
| Total Jail | | 696,177 |

(Continued)

Exhibit K-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Workhouse

| | | | |
|---|----|--------|-----------|
| Guards | \$ | 50,233 | |
| Social Security | | 2,771 | |
| State Retirement | | 4,044 | |
| Medical Insurance | | 9,200 | |
| Employer Medicare | | 648 | |
| Maintenance and Repair Services - Equipment | | 689 | |
| Maintenance and Repair Services - Vehicles | | 1,264 | |
| Gasoline | | 4,690 | |
| Other Supplies and Materials | | 59 | |
| Other Equipment | | 279 | |
| Total Workhouse | | | \$ 73,877 |

Juvenile Services

| | | | |
|------------------------------|----|--------|--------|
| Other Salaries and Wages | \$ | 11,986 | |
| Social Security | | 743 | |
| Employer Medicare | | 174 | |
| Travel | | 198 | |
| Other Supplies and Materials | | 189 | |
| Other Charges | | 1,925 | |
| Total Juvenile Services | | | 15,215 |

Fire Prevention and Control

| | | | |
|---|----|--------|--------|
| In-Service Training | \$ | 3,168 | |
| Contributions | | 15,275 | |
| Dues and Memberships | | 100 | |
| Maintenance and Repair Services - Equipment | | 1,478 | |
| Maintenance and Repair Services - Vehicles | | 1,502 | |
| Medical and Dental Services | | 1,024 | |
| Electricity | | 258 | |
| Gasoline | | 240 | |
| Office Supplies | | 12 | |
| Other Supplies and Materials | | 60 | |
| Other Charges | | 680 | |
| Other Equipment | | 4,061 | |
| Total Fire Prevention and Control | | | 27,858 |

Civil Defense

| | | | |
|---|----|-------|--|
| In-Service Training | \$ | 244 | |
| Communication | | 1,005 | |
| Maintenance and Repair Services - Equipment | | 1,794 | |

(Continued)

Exhibit K-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense (Cont.)

| | | |
|--|----------|-----------|
| Maintenance and Repair Services - Vehicles | \$ 2,394 | |
| Tow-in Services | 650 | |
| Electricity | 2,098 | |
| Gasoline | 1,768 | |
| Natural Gas | 1,110 | |
| Office Supplies | 12 | |
| Water and Sewer | 325 | |
| Other Supplies and Materials | 441 | |
| Refunds | 2,721 | |
| Other Charges | 45 | |
| Other Equipment | 5,530 | |
| Total Civil Defense | | \$ 20,137 |

Other Emergency Management

| | | |
|----------------------------------|-----------|--------|
| Other Equipment | \$ 30,583 | |
| Total Other Emergency Management | | 30,583 |

Inspection and Regulation

| | | |
|---------------------------------|-------|----|
| Drugs and Medical Supplies | \$ 48 | |
| Total Inspection and Regulation | | 48 |

County Coroner/Medical Examiner

| | | |
|---------------------------------------|-----------|--------|
| Other Contracted Services | \$ 11,000 | |
| Total County Coroner/Medical Examiner | | 11,000 |

Public Health and Welfare

Local Health Center

| | | |
|---|----------|--|
| Communication | \$ 1,424 | |
| Contributions | 13,500 | |
| Dues and Memberships | 200 | |
| Maintenance and Repair Services - Buildings | 4,850 | |
| Maintenance and Repair Services - Equipment | 2,501 | |
| Pest Control | 120 | |
| Postal Charges | 176 | |
| Printing, Stationery, and Forms | 38 | |
| Electricity | 5,055 | |
| Natural Gas | 1,999 | |
| Office Supplies | 100 | |
| Periodicals | 50 | |
| Water and Sewer | 325 | |

(Continued)

Exhibit K-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

| | | |
|---------------------------|--------|-----------|
| Other Charges | \$ 142 | |
| Total Local Health Center | | \$ 30,480 |

Ambulance/Emergency Medical Services

| | | |
|--|-----------|---------|
| Supervisor/Director | \$ 13,734 | |
| Medical Personnel | 372,348 | |
| Overtime Pay | 168,422 | |
| In-Service Training | 250 | |
| Social Security | 33,720 | |
| State Retirement | 38,879 | |
| Medical Insurance | 43,789 | |
| Employer Medicare | 7,886 | |
| Communication | 10,890 | |
| Contracts with Private Agencies | 30,249 | |
| Evaluation and Testing | 46 | |
| Laundry Service | 374 | |
| Legal Notices, Recording, and Court Costs | 344 | |
| Licenses | 1,400 | |
| Maintenance and Repair Services - Buildings | 612 | |
| Maintenance and Repair Services - Equipment | 1,642 | |
| Maintenance and Repair Services - Office Equipment | 80 | |
| Maintenance and Repair Services - Vehicles | 7,122 | |
| Pest Control | 120 | |
| Printing, Stationery, and Forms | 1,847 | |
| Rentals | 2,826 | |
| Tow-in Services | 175 | |
| Custodial Supplies | 422 | |
| Drugs and Medical Supplies | 13,546 | |
| Electricity | 5,034 | |
| Gasoline | 11,865 | |
| Natural Gas | 3,656 | |
| Office Supplies | 493 | |
| Uniforms | 2,937 | |
| Water and Sewer | 875 | |
| Other Supplies and Materials | 340 | |
| Refunds | 5,419 | |
| Workers' Compensation Insurance | 36,972 | |
| Other Charges | 46 | |
| Furniture and Fixtures | 1,232 | |
| Total Ambulance/Emergency Medical Services | | 819,592 |

(Continued)

Exhibit K-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Health and Welfare (Cont.)

Alcohol and Drug Programs

| | | | |
|---------------------------------|----|-------|----------|
| Social Security | \$ | 91 | |
| State Retirement | | 121 | |
| Employer Medicare | | 21 | |
| Other Contracted Services | | 2,400 | |
| Total Alcohol and Drug Programs | | | \$ 2,633 |

Sanitation Education/Information

| | | | |
|--|----|-------|--------|
| Education Media Personnel | \$ | 5,554 | |
| Guards | | 7,994 | |
| Clerical Personnel | | 2,288 | |
| Social Security | | 890 | |
| State Retirement | | 957 | |
| Employer Medicare | | 208 | |
| Advertising | | 245 | |
| Maintenance and Repair Services - Vehicles | | 18 | |
| Travel | | 57 | |
| Custodial Supplies | | 474 | |
| Gasoline | | 1,080 | |
| Instructional Supplies and Materials | | 8,235 | |
| Other Supplies and Materials | | 1,235 | |
| Total Sanitation Education/Information | | | 29,235 |

Other Public Health and Welfare

| | | | |
|---------------------------------------|----|-------|-------|
| Contributions | \$ | 6,000 | |
| Total Other Public Health and Welfare | | | 6,000 |

Social, Cultural, and Recreational Services

Senior Citizens Assistance

| | | | |
|---|----|--------|--|
| Supervisor/Director | \$ | 17,035 | |
| Part-time Personnel | | 8,813 | |
| Social Security | | 1,522 | |
| State Retirement | | 1,563 | |
| Employer Medicare | | 356 | |
| Communication | | 1,283 | |
| Maintenance and Repair Services - Buildings | | 6,299 | |
| Maintenance and Repair Services - Vehicles | | 139 | |
| Travel | | 442 | |
| Food Supplies | | 391 | |
| Gasoline | | 681 | |
| Instructional Supplies and Materials | | 548 | |

(Continued)

Exhibit K-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Senior Citizens Assistance (Cont.)

| | | | |
|----------------------------------|----|-------|-----------|
| Office Supplies | \$ | 750 | |
| Other Supplies and Materials | | 1,116 | |
| Furniture and Fixtures | | 768 | |
| Other Equipment | | 973 | |
| Total Senior Citizens Assistance | | | \$ 42,679 |

Libraries

| | | | |
|---|----|--------|--------|
| Assistant(s) | \$ | 16,599 | |
| Librarians | | 23,691 | |
| Social Security | | 2,313 | |
| State Retirement | | 3,244 | |
| Medical Insurance | | 6,840 | |
| Employer Medicare | | 541 | |
| Communication | | 2,361 | |
| Data Processing Services | | 625 | |
| Legal Notices, Recording, and Court Costs | | 12 | |
| Licenses | | 295 | |
| Maintenance and Repair Services - Buildings | | 604 | |
| Postal Charges | | 116 | |
| Printing, Stationery, and Forms | | 561 | |
| Travel | | 642 | |
| Other Contracted Services | | 672 | |
| Custodial Supplies | | 866 | |
| Electricity | | 6,271 | |
| Library Books/Media | | 2,840 | |
| Natural Gas | | 3,253 | |
| Office Supplies | | 581 | |
| Periodicals | | 25 | |
| Water and Sewer | | 325 | |
| Other Supplies and Materials | | 170 | |
| Other Charges | | 280 | |
| Total Libraries | | | 73,727 |

Parks and Fair Boards

| | | | |
|---------------------|----|-------|--|
| Supervisor/Director | \$ | 7,833 | |
| Laborers | | 6,650 | |
| Temporary Personnel | | 5,697 | |
| In-Service Training | | 1,375 | |
| Social Security | | 1,223 | |
| State Retirement | | 1,574 | |

(Continued)

Exhibit K-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Parks and Fair Boards (Cont.)

| | | | |
|---|----|--------|------------|
| Medical Insurance | \$ | 963 | |
| Employer Medicare | | 286 | |
| Dues and Memberships | | 35 | |
| Legal Notices, Recording, and Court Costs | | 13 | |
| Maintenance and Repair Services - Equipment | | 820 | |
| Maintenance and Repair Services - Vehicles | | 469 | |
| Travel | | 110 | |
| Permits | | 680 | |
| Custodial Supplies | | 557 | |
| Electricity | | 9,079 | |
| Fertilizer, Lime, and Seed | | 562 | |
| Food Supplies | | 1,377 | |
| Gasoline | | 1,468 | |
| Office Supplies | | 17 | |
| Water and Sewer | | 1,378 | |
| Chemicals | | 1,575 | |
| Other Supplies and Materials | | 3,578 | |
| Refunds | | 150 | |
| Other Charges | | 459 | |
| Site Development | | 50,929 | |
| Other Equipment | | 2,989 | |
| Other Capital Outlay | | 9,950 | |
| Total Parks and Fair Boards | | | \$ 111,796 |

Agriculture and Natural Resources

Agriculture Extension Service

| | | | |
|-------------------------------------|----|--------|--------|
| Salary Supplements | \$ | 16,132 | |
| Secretary(ies) | | 7,850 | |
| Social Security | | 1,835 | |
| State Retirement | | 3,123 | |
| Communication | | 2,909 | |
| Contributions | | 3,000 | |
| Dues and Memberships | | 275 | |
| Travel | | 1,349 | |
| Office Supplies | | 1,829 | |
| Total Agriculture Extension Service | | | 38,302 |

Soil Conservation

| | | | |
|-------------------------|----|--------|--------|
| Contributions | \$ | 11,812 | |
| Total Soil Conservation | | | 11,812 |

(Continued)

Exhibit K-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Other Operations

Other Economic and Community Development

| | | |
|--|-----------|------------|
| Consultants | \$ 35,000 | |
| Engineering Services | 12,600 | |
| Legal Notices, Recording, and Court Costs | 102 | |
| Other Contracted Services | 452,298 | |
| Total Other Economic and Community Development | | \$ 500,000 |

Other Charges

| | | |
|--|-----------|---------|
| Mechanic(s) | \$ 24,544 | |
| Overtime Pay | 71 | |
| Social Security | 1,526 | |
| State Retirement | 1,981 | |
| Medical Insurance | 699 | |
| Employer Medicare | 357 | |
| Communication | 24,444 | |
| Evaluation and Testing | 3,907 | |
| Maintenance and Repair Services - Vehicles | 300 | |
| Postal Charges | 8,753 | |
| Rentals | 14,996 | |
| Liability Insurance | 85,079 | |
| Refunds | 5,428 | |
| Trustee's Commission | 59,335 | |
| Workers' Compensation Insurance | 38,048 | |
| Other Charges | 992 | |
| Maintenance Equipment | 1,082 | |
| Other Equipment | 2,000 | |
| Total Other Charges | | 273,542 |

Employee Benefits

| | | |
|---------------------------|-----------|--------|
| Unemployment Compensation | \$ 25,404 | |
| Total Employee Benefits | | 25,404 |

ARRA Grant # 1

| | | |
|-----------------------|----------|--------|
| Consultants | \$ 5,730 | |
| Building Improvements | 93,887 | |
| Total ARRA Grant # 1 | | 99,617 |

Miscellaneous

| | | |
|----------------------|----------|--------|
| Contributions | \$ 7,000 | |
| Dues and Memberships | 3,782 | |
| Total Miscellaneous | | 10,782 |

(Continued)

Exhibit K-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Principal on Debt

General Government

| | | |
|-----------------------------|-----------|-----------|
| Principal on Capital Leases | \$ 22,966 | |
| Total General Government | | \$ 22,966 |

Interest on Debt

General Government

| | | |
|----------------------------|----------|--------------|
| Interest on Capital Leases | \$ 3,034 | |
| Total General Government | | <u>3,034</u> |

| | | |
|--------------------|--|--------------|
| Total General Fund | | \$ 4,981,444 |
|--------------------|--|--------------|

Urban Services Fund

Public Safety

Sheriff's Department

| | | |
|--|--------------|------------|
| Deputy(ies) | \$ 161,725 | |
| Dispatchers/Radio Operators | 38,074 | |
| Overtime Pay | 7,172 | |
| In-Service Training | 1,800 | |
| Social Security | 12,908 | |
| State Retirement | 29,558 | |
| Medical Insurance | 18,274 | |
| Employer Medicare | 3,019 | |
| Maintenance and Repair Services - Vehicles | 7,336 | |
| Gasoline | <u>8,076</u> | |
| Total Sheriff's Department | | \$ 287,942 |

Fire Prevention and Control

| | | |
|-----------------------------------|--------------|-------|
| Gasoline | \$ 955 | |
| Other Charges | <u>1,882</u> | |
| Total Fire Prevention and Control | | 2,837 |

Public Health and Welfare

Rabies and Animal Control

| | | |
|---|--------|--|
| Overtime Pay | \$ 199 | |
| Other Salaries and Wages | 3,114 | |
| Social Security | 170 | |
| State Retirement | 267 | |
| Medical Insurance | 570 | |
| Employer Medicare | 40 | |
| Maintenance and Repair Services - Buildings | 17 | |
| Maintenance and Repair Services - Vehicles | 207 | |

(Continued)

Exhibit K-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Urban Services Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

| | | | |
|---------------------------------|----|--------------|-------|
| Veterinary Services | \$ | 189 | |
| Custodial Supplies | | 224 | |
| Gasoline | | 2,256 | |
| Water and Sewer | | 383 | |
| Other Supplies and Materials | | 124 | |
| Other Charges | | <u>1,029</u> | |
| Total Rabies and Animal Control | \$ | | 8,789 |

Waste Pickup

| | | | |
|---|----|-----------|---------|
| Supervisor/Director | \$ | 16,118 | |
| Truck Drivers | | 20,287 | |
| Laborers | | 45,573 | |
| Overtime Pay | | 118 | |
| Social Security | | 4,033 | |
| State Retirement | | 7,817 | |
| Medical Insurance | | 14,946 | |
| Employer Medicare | | 1,145 | |
| Maintenance and Repair Services - Equipment | | 30 | |
| Maintenance and Repair Services - Vehicles | | 7,468 | |
| Disposal Fees | | 19,410 | |
| Gasoline | | 6,300 | |
| Other Supplies and Materials | | 826 | |
| Other Charges | | <u>91</u> | |
| Total Waste Pickup | | | 144,162 |

Social, Cultural, and Recreational Services

Parks and Fair Boards

| | | | |
|-----------------------------|----|---------------|--------|
| Site Development | \$ | <u>23,105</u> | |
| Total Parks and Fair Boards | | | 23,105 |

Other Social, Cultural, and Recreational

| | | | |
|--|----|--------------|-------|
| Other Charges | \$ | <u>1,100</u> | |
| Total Other Social, Cultural, and Recreational | | | 1,100 |

Other Operations

Other Charges

| | | | |
|---|----|--------|--|
| Maintenance and Repair Services - Equipment | \$ | 195 | |
| Electricity | | 74,661 | |
| Other Supplies and Materials | | 15 | |
| Trustee's Commission | | 11,500 | |

(Continued)

Exhibit K-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Urban Services Fund (Cont.)

Other Operations (Cont.)

Other Charges (Cont.)

| | | |
|---------------------------------|-------------------|-----------|
| Workers' Compensation Insurance | \$ 8,752 | |
| Other Charges | 52 | |
| Site Development | 3,720 | |
| Total Other Charges | <u> </u> | \$ 98,895 |

Employee Benefits

| | | |
|-------------------------|-------------------|-------|
| State Retirement | \$ 1,425 | |
| Total Employee Benefits | <u> </u> | 1,425 |

Highways

Highway and Bridge Maintenance

| | | |
|--------------------------------------|-------------------|--------|
| Asphalt - Hot Mix | \$ 51,800 | |
| Total Highway and Bridge Maintenance | <u> </u> | 51,800 |

Principal on Debt

General Government

| | | |
|-----------------------------|-------------------|-------|
| Principal on Capital Leases | \$ 6,938 | |
| Total General Government | <u> </u> | 6,938 |

Interest on Debt

General Government

| | | |
|----------------------------|-------------------|------------|
| Interest on Capital Leases | \$ 916 | |
| Total General Government | <u> </u> | <u>916</u> |

Total Urban Services Fund \$ 627,909

Solid Waste/Sanitation Fund

Public Health and Welfare

Convenience Centers

| | |
|---|-----------|
| Supervisor/Director | \$ 15,572 |
| Truck Drivers | 53,326 |
| Attendants | 44,330 |
| Overtime Pay | 4,158 |
| Social Security | 8,023 |
| State Retirement | 17,305 |
| Medical Insurance | 9,934 |
| Employer Medicare | 1,675 |
| Maintenance and Repair Services - Equipment | 1,533 |
| Maintenance and Repair Services - Vehicles | 15,941 |
| Printing, Stationery, and Forms | 83 |

(Continued)

Exhibit K-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Convenience Centers (Cont.)

| | | |
|------------------------------|----------|------------|
| Electricity | \$ 2,720 | |
| Gasoline | 30,160 | |
| Water and Sewer | 524 | |
| Other Supplies and Materials | 134 | |
| Site Development | 90 | |
| Solid Waste Equipment | 3,894 | |
| Total Convenience Centers | | \$ 209,402 |

Other Waste Disposal

| | | |
|----------------------------|----------|---------|
| Contributions | \$ 8,000 | |
| Disposal Fees | 142,841 | |
| Trustee's Commission | 6,423 | |
| Total Other Waste Disposal | | 157,264 |

Postclosure Care Costs

| | | |
|---|----------|-------|
| Engineering Services | \$ 3,000 | |
| Landfill Closure/Postclosure Care Costs | 1,960 | |
| Total Postclosure Care Costs | | 4,960 |

Other Operations

Other Charges

| | | |
|---------------------------------|----------|-------|
| Workers' Compensation Insurance | \$ 6,572 | |
| Total Other Charges | | 6,572 |

Total Solid Waste/Sanitation Fund \$ 378,198

Drug Control Fund

Public Safety

Drug Enforcement

| | | |
|--------------------------------------|--------|--------|
| Instructional Supplies and Materials | \$ 287 | |
| Trustee's Commission | 36 | |
| Total Drug Enforcement | | \$ 323 |

Total Drug Control Fund 323

District Attorney General Fund

Administration of Justice

District Attorney General

| | | |
|--------------------------|----------|--|
| Jury and Witness Expense | \$ 1,290 | |
| Travel | 4,484 | |

(Continued)

Exhibit K-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

District Attorney General Fund (Cont.)

Administration of Justice (Cont.)

District Attorney General (Cont.)

| | | | |
|---------------------------------|----|-------|-----------|
| Library Books/Media | \$ | 3,346 | |
| Other Supplies and Materials | | 6,889 | |
| Trustee's Commission | | 291 | |
| In Service/Staff Development | | 6,405 | |
| Other Charges | | 3,391 | |
| Other Equipment | | 1,865 | |
| Total District Attorney General | | | \$ 27,961 |

Total District Attorney General Fund \$ 27,961

Highway/Public Works Fund

Highways

Administration

| | | |
|--|----|--------|
| County Official/Administrative Officer | \$ | 57,477 |
| Accountants/Bookkeepers | | 29,185 |
| Other Salaries and Wages | | 2,113 |
| Board and Committee Members Fees | | 1,000 |
| Social Security | | 5,084 |
| State Retirement | | 6,958 |
| Employer Medicare | | 1,190 |
| Communication | | 4,241 |
| Data Processing Services | | 4,654 |
| Dues and Memberships | | 1,801 |
| Legal Notices, Recording, and Court Costs | | 56 |
| Maintenance and Repair Services - Buildings | | 494 |
| Maintenance and Repair Services - Office Equipment | | 186 |
| Pest Control | | 85 |
| Postal Charges | | 577 |
| Printing, Stationery, and Forms | | 213 |
| Travel | | 809 |
| Custodial Supplies | | 79 |
| Data Processing Supplies | | 615 |
| Drugs and Medical Supplies | | 407 |
| Electricity | | 3,625 |
| Natural Gas | | 1,821 |
| Office Supplies | | 400 |
| Propane Gas | | 466 |
| Water and Sewer | | 870 |
| Premiums on Corporate Surety Bonds | | 700 |
| Other Charges | | 194 |

(Continued)

Exhibit K-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

| | | | |
|------------------------|----|-----|------------|
| Furniture and Fixtures | \$ | 190 | |
| Office Equipment | | 900 | |
| Total Administration | | | \$ 126,390 |

Highway and Bridge Maintenance

| | | | |
|--------------------------------------|----|---------|---------|
| Foremen | \$ | 152,503 | |
| Equipment Operators | | 102,518 | |
| Truck Drivers | | 123,581 | |
| Laborers | | 33,733 | |
| Social Security | | 24,597 | |
| State Retirement | | 30,254 | |
| Employer Medicare | | 5,753 | |
| Rentals | | 5,000 | |
| Asphalt - Cold Mix | | 3,561 | |
| Asphalt - Hot Mix | | 60,917 | |
| Crushed Stone | | 42,396 | |
| Electricity | | 385 | |
| General Construction Materials | | 4,199 | |
| Other Road Supplies | | 21 | |
| Pipe | | 3,800 | |
| Propane Gas | | 50 | |
| Road Signs | | 5,514 | |
| Salt | | 11,748 | |
| Small Tools | | 324 | |
| Wood Products | | 180 | |
| Chemicals | | 1,109 | |
| Other Supplies and Materials | | 500 | |
| Other Charges | | 934 | |
| Total Highway and Bridge Maintenance | | | 613,577 |

Operation and Maintenance of Equipment

| | | | |
|---|----|--------|--|
| Mechanic(s) | \$ | 30,536 | |
| Social Security | | 1,861 | |
| State Retirement | | 2,443 | |
| Employer Medicare | | 435 | |
| Maintenance and Repair Services - Equipment | | 7,239 | |
| Maintenance and Repair Services - Vehicles | | 4,712 | |
| Diesel Fuel | | 28,634 | |
| Equipment and Machinery Parts | | 38,830 | |
| Garage Supplies | | 2,050 | |

(Continued)

Exhibit K-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

| | | |
|--|-----------|------------|
| Gasoline | \$ 46,631 | |
| Lubricants | 5,158 | |
| Small Tools | 100 | |
| Tires and Tubes | 6,721 | |
| Other Supplies and Materials | 924 | |
| Total Operation and Maintenance of Equipment | | \$ 176,274 |

Other Charges

| | | |
|---------------------------------|--------|--------|
| Evaluation and Testing | \$ 437 | |
| Other Contracted Services | 176 | |
| Trustee's Commission | 12,478 | |
| Vehicle and Equipment Insurance | 18,864 | |
| Workers' Compensation Insurance | 32,115 | |
| Liability Claims | 308 | |
| Total Other Charges | | 64,378 |

Employee Benefits

| | | |
|---|--------|--------|
| Handling Charges and Administrative Costs | \$ 72 | |
| Medical Insurance | 49,891 | |
| Unemployment Compensation | 5,710 | |
| Total Employee Benefits | | 55,673 |

Capital Outlay

| | | |
|---------------------------|-----------|--------|
| Engineering Services | \$ 30,191 | |
| Building Improvements | 3,382 | |
| Communication Equipment | 140 | |
| Data Processing Equipment | 2,775 | |
| Other Construction | 5,525 | |
| Total Capital Outlay | | 42,013 |

Principal on Debt

Highways and Streets

| | | |
|----------------------------|-----------|--------|
| Principal on Notes | \$ 55,469 | |
| Total Highways and Streets | | 55,469 |

Interest on Debt

Highways and Streets

| | | |
|----------------------------|----------|-------|
| Interest on Notes | \$ 4,531 | |
| Total Highways and Streets | | 4,531 |

Total Highway/Public Works Fund \$ 1,138,305

(Continued)

Exhibit K-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

| | | |
|------------------------------------|------------|------------|
| <u>General Debt Service Fund</u> | | |
| <u>Principal on Debt</u> | | |
| <u>General Government</u> | | |
| Principal on Notes | \$ 114,000 | |
| Total General Government | | \$ 114,000 |
| <u>Education</u> | | |
| Principal on Other Loans | \$ 177,900 | |
| Total Education | | 177,900 |
| <u>Interest on Debt</u> | | |
| <u>General Government</u> | | |
| Interest on Notes | \$ 29,822 | |
| Total General Government | | 29,822 |
| <u>Education</u> | | |
| Interest on Other Loans | \$ 125,380 | |
| Total Education | | 125,380 |
| <u>Other Debt Service</u> | | |
| <u>General Government</u> | | |
| Trustee's Commission | \$ 3,467 | |
| Other Debt Service | 20 | |
| Total General Government | | 3,487 |
| <u>Education</u> | | |
| Other Debt Service | \$ 7,183 | |
| Total Education | | 7,183 |
| Total General Debt Service Fund | | \$ 457,772 |
| <u>Education Debt Service Fund</u> | | |
| <u>Principal on Debt</u> | | |
| <u>Education</u> | | |
| Principal on Other Loans | \$ 407,000 | |
| Total Education | | \$ 407,000 |
| <u>Interest on Debt</u> | | |
| <u>Education</u> | | |
| Interest on Other Loans | \$ 22,653 | |
| Total Education | | 22,653 |

(Continued)

Exhibit K-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Education Debt Service Fund (Cont.)

Other Debt Service

Education

| | | |
|----------------------|---------------|------------------|
| Trustee's Commission | \$ 8,423 | |
| Other Debt Service | <u>35,957</u> | |
| Total Education | | <u>\$ 44,380</u> |

Total Education Debt Service Fund \$ 474,033

General Capital Projects Fund

Other Operations

Other Charges

| | | |
|---------------------|--------|--------|
| Other Charges | \$ 100 | |
| Total Other Charges | | \$ 100 |

Other Debt Service

Education

| | | |
|-----------------------------|---------------|--------|
| Underwriter's Discount | \$ 11,344 | |
| Other Debt Issuance Charges | <u>11,122</u> | |
| Total Education | | 22,466 |

Capital Projects

General Administration Projects

| | | |
|---------------------------------------|--------|-----|
| Consultants | \$ 300 | |
| Total General Administration Projects | | 300 |

Education Capital Projects

| | | |
|----------------------------------|-----------|---------------|
| Contributions | \$ 84,270 | |
| Total Education Capital Projects | | <u>84,270</u> |

Total General Capital Projects Fund 107,136

Total Governmental Funds - Primary Government \$ 8,193,081

Exhibit K-8

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

General Purpose School Fund

Instruction

Regular Instruction Program

| | | |
|--------------------------------------|--------------|--------------|
| Teachers | \$ 2,566,185 | |
| Career Ladder Program | 22,718 | |
| Career Ladder Extended Contracts | 6,581 | |
| Homebound Teachers | 1,440 | |
| Educational Assistants | 12,082 | |
| Other Salaries and Wages | 14,480 | |
| Certified Substitute Teachers | 30,399 | |
| Non-certified Substitute Teachers | 31,175 | |
| Social Security | 154,944 | |
| State Retirement | 237,369 | |
| Medical Insurance | 291,867 | |
| Unemployment Compensation | 8,960 | |
| Employer Medicare | 36,237 | |
| Travel | 1,320 | |
| Tuition | 924 | |
| Other Contracted Services | 6,859 | |
| Instructional Supplies and Materials | 101,935 | |
| Textbooks | 102,296 | |
| Regular Instruction Equipment | 120,087 | |
| Total Regular Instruction Program | | \$ 3,747,858 |

Alternative Instruction Program

| | | |
|---------------------------------------|-----------|--------|
| Teachers | \$ 48,719 | |
| Educational Assistants | 17,803 | |
| Social Security | 3,743 | |
| State Retirement | 5,248 | |
| Medical Insurance | 8,032 | |
| Unemployment Compensation | 139 | |
| Employer Medicare | 876 | |
| Total Alternative Instruction Program | | 84,560 |

Special Education Program

| | | |
|----------------------------------|------------|--|
| Teachers | \$ 418,073 | |
| Career Ladder Program | 8,000 | |
| Career Ladder Extended Contracts | 3,100 | |
| Homebound Teachers | 675 | |
| Educational Assistants | 83,337 | |
| Speech Pathologist | 42,881 | |
| Certified Substitute Teachers | 210 | |

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

| | | | |
|-----------------------------------|----|--------|------------|
| Non-certified Substitute Teachers | \$ | 360 | |
| Social Security | | 32,406 | |
| State Retirement | | 49,429 | |
| Medical Insurance | | 47,364 | |
| Unemployment Compensation | | 1,275 | |
| Employer Medicare | | 7,579 | |
| Total Special Education Program | | | \$ 694,689 |

Vocational Education Program

| | | | |
|--------------------------------------|----|---------|---------|
| Teachers | \$ | 223,091 | |
| Career Ladder Program | | 1,000 | |
| Social Security | | 13,056 | |
| State Retirement | | 20,280 | |
| Medical Insurance | | 21,829 | |
| Unemployment Compensation | | 347 | |
| Employer Medicare | | 3,053 | |
| Other Contracted Services | | 12,000 | |
| Instructional Supplies and Materials | | 12,890 | |
| Total Vocational Education Program | | | 307,546 |

Adult Education Program

| | | | |
|--------------------------------------|----|--------|--------|
| Teachers | \$ | 12,614 | |
| Social Security | | 782 | |
| State Retirement | | 14 | |
| Employer Medicare | | 183 | |
| Instructional Supplies and Materials | | 3,671 | |
| Textbooks | | 1,087 | |
| Other Charges | | 15,847 | |
| Other Equipment | | 4,628 | |
| Total Adult Education Program | | | 38,826 |

Support Services

Attendance

| | | | |
|---------------------------|----|--------|--------|
| Supervisor/Director | \$ | 20,833 | |
| Unemployment Compensation | | 19 | |
| Employer Medicare | | 302 | |
| Total Attendance | | | 21,154 |

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services

| | | | |
|--------------------------------------|----|--------|------------|
| Supervisor/Director | \$ | 40,218 | |
| Medical Personnel | | 49,060 | |
| Clerical Personnel | | 14,564 | |
| Non-certified Substitute Teachers | | 660 | |
| Social Security | | 6,381 | |
| State Retirement | | 8,758 | |
| Medical Insurance | | 4,204 | |
| Unemployment Compensation | | 277 | |
| Employer Medicare | | 1,492 | |
| Travel | | 1,210 | |
| Other Contracted Services | | 1,000 | |
| Drugs and Medical Supplies | | 3,116 | |
| Instructional Supplies and Materials | | 7,637 | |
| Other Supplies and Materials | | 8,401 | |
| In Service/Staff Development | | 1,727 | |
| Other Charges | | 2,274 | |
| Health Equipment | | 318 | |
| Total Health Services | | | \$ 151,297 |

Other Student Support

| | | | |
|------------------------------------|----|--------|---------|
| Career Ladder Program | \$ | 3,000 | |
| Guidance Personnel | | 95,919 | |
| Other Salaries and Wages | | 8,795 | |
| Social Security | | 6,389 | |
| State Retirement | | 9,596 | |
| Medical Insurance | | 5,191 | |
| Unemployment Compensation | | 139 | |
| Employer Medicare | | 1,495 | |
| Contracts with Government Agencies | | 47,100 | |
| Other Contracted Services | | 1,605 | |
| Other Charges | | 662 | |
| Total Other Student Support | | | 179,891 |

Regular Instruction Program

| | | | |
|----------------------------------|----|---------|--|
| Supervisor/Director | \$ | 45,892 | |
| Career Ladder Program | | 9,000 | |
| Librarians | | 143,040 | |
| Instructional Computer Personnel | | 98,872 | |
| Social Security | | 16,820 | |

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

| | | | |
|-----------------------------------|----|--------|------------|
| State Retirement | \$ | 26,501 | |
| Medical Insurance | | 21,540 | |
| Unemployment Compensation | | 617 | |
| Employer Medicare | | 3,934 | |
| Library Books/Media | | 20,974 | |
| In Service/Staff Development | | 3,919 | |
| Total Regular Instruction Program | | | \$ 391,109 |

Special Education Program

| | | | |
|---------------------------------|----|--------|---------|
| Supervisor/Director | \$ | 60,419 | |
| Career Ladder Program | | 2,000 | |
| Psychological Personnel | | 31,581 | |
| Social Security | | 5,655 | |
| State Retirement | | 8,510 | |
| Medical Insurance | | 10,373 | |
| Unemployment Compensation | | 190 | |
| Employer Medicare | | 1,323 | |
| Total Special Education Program | | | 120,051 |

Vocational Education Program

| | | | |
|------------------------------------|----|--------|--------|
| Supervisor/Director | \$ | 25,824 | |
| Employer Medicare | | 374 | |
| Total Vocational Education Program | | | 26,198 |

Adult Programs

| | | | |
|------------------------------|----|--------|--------|
| Supervisor/Director | \$ | 25,000 | |
| Clerical Personnel | | 4,375 | |
| Social Security | | 1,701 | |
| State Retirement | | 2,236 | |
| Employer Medicare | | 398 | |
| Communication | | 1,340 | |
| In Service/Staff Development | | 348 | |
| Total Adult Programs | | | 35,398 |

Other Programs

| | | | |
|----------------------------|----|--------|--------|
| On-Behalf Payments to OPEB | \$ | 35,804 | |
| Total Other Programs | | | 35,804 |

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education

| | | | |
|--|----|--------|-----------|
| Secretary to Board | \$ | 1,740 | |
| Board and Committee Members Fees | | 5,650 | |
| Social Security | | 449 | |
| State Retirement | | 157 | |
| Disability Insurance | | 485 | |
| Unemployment Compensation | | 1 | |
| Employer Medicare | | 105 | |
| Advertising | | 628 | |
| Dues and Memberships | | 5,557 | |
| Legal Services | | 6,831 | |
| Other Contracted Services | | 4,560 | |
| Office Supplies | | 86 | |
| Trustee's Commission | | 39,280 | |
| Workers' Compensation Insurance | | 27,403 | |
| Refund to Applicant for Criminal Investigation | | 624 | |
| Other Charges | | 2,620 | |
| Total Board of Education | | | \$ 96,176 |

Director of Schools

| | | | |
|--|----|--------|---------|
| County Official/Administrative Officer | \$ | 80,000 | |
| Career Ladder Program | | 1,000 | |
| Salary Supplements | | 4,040 | |
| Secretary(ies) | | 22,183 | |
| Social Security | | 6,458 | |
| State Retirement | | 8,831 | |
| Medical Insurance | | 8,182 | |
| Unemployment Compensation | | 206 | |
| Employer Medicare | | 1,510 | |
| Communication | | 28,343 | |
| Travel | | 883 | |
| Other Contracted Services | | 3,669 | |
| Office Supplies | | 2,290 | |
| Other Charges | | 2,876 | |
| Total Director of Schools | | | 170,471 |

Office of the Principal

| | | | |
|-------------------------|----|---------|--|
| Principals | \$ | 190,427 | |
| Career Ladder Program | | 4,000 | |
| Accountants/Bookkeepers | | 90,826 | |

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

| | | | |
|-------------------------------|----|---------|------------|
| Assistant Principals | \$ | 151,651 | |
| Secretary(ies) | | 18,796 | |
| Social Security | | 26,969 | |
| State Retirement | | 40,145 | |
| Medical Insurance | | 21,912 | |
| Unemployment Compensation | | 693 | |
| Employer Medicare | | 6,307 | |
| Other Supplies and Materials | | 2,609 | |
| Administration Equipment | | 2,995 | |
| Total Office of the Principal | | | \$ 557,330 |

Fiscal Services

| | | | |
|---------------------------|----|--------|---------|
| Accountants/Bookkeepers | \$ | 74,255 | |
| Social Security | | 4,576 | |
| State Retirement | | 5,977 | |
| Unemployment Compensation | | 207 | |
| Employer Medicare | | 1,070 | |
| Travel | | 11 | |
| Other Contracted Services | | 9,192 | |
| Office Supplies | | 3,941 | |
| Other Charges | | 156 | |
| Administration Equipment | | 615 | |
| Total Fiscal Services | | | 100,000 |

Operation of Plant

| | | | |
|---------------------------------|----|---------|---------|
| Custodial Personnel | \$ | 134,667 | |
| Social Security | | 8,324 | |
| State Retirement | | 8,616 | |
| Unemployment Compensation | | 667 | |
| Employer Medicare | | 1,947 | |
| Other Contracted Services | | 3,055 | |
| Custodial Supplies | | 19,259 | |
| Electricity | | 271,286 | |
| Natural Gas | | 57,101 | |
| Water and Sewer | | 28,491 | |
| Building and Contents Insurance | | 62,257 | |
| Other Charges | | 441 | |
| Total Operation of Plant | | | 596,111 |

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant

| | | | |
|---|----|---------|------------|
| Supervisor/Director | \$ | 41,847 | |
| Social Security | | 2,594 | |
| State Retirement | | 3,369 | |
| Unemployment Compensation | | 177 | |
| Employer Medicare | | 607 | |
| Maintenance and Repair Services - Buildings | | 100,823 | |
| Other Contracted Services | | 14,764 | |
| Other Supplies and Materials | | 1,108 | |
| Other Charges | | 74 | |
| Total Maintenance of Plant | | | \$ 165,363 |

Transportation

| | | | |
|--|----|---------|---------|
| Supervisor/Director | \$ | 3,179 | |
| Mechanic(s) | | 28,405 | |
| Bus Drivers | | 151,278 | |
| Other Salaries and Wages | | 9,493 | |
| Social Security | | 11,597 | |
| State Retirement | | 14,244 | |
| Unemployment Compensation | | 1,146 | |
| Employer Medicare | | 2,712 | |
| Maintenance and Repair Services - Vehicles | | 3,819 | |
| Other Contracted Services | | 3,560 | |
| Diesel Fuel | | 54,631 | |
| Gasoline | | 14,016 | |
| Lubricants | | 2,940 | |
| Tires and Tubes | | 19,930 | |
| Vehicle Parts | | 15,916 | |
| In Service/Staff Development | | 650 | |
| Other Charges | | 2,170 | |
| Transportation Equipment | | 76,000 | |
| Total Transportation | | | 415,686 |

Operation of Non-Instructional Services

Food Service

| | | | |
|---------------------------|----|--------|--|
| Supervisor/Director | \$ | 31,250 | |
| Social Security | | 1,938 | |
| State Retirement | | 2,516 | |
| Unemployment Compensation | | 29 | |
| Employer Medicare | | 453 | |

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

| | | | |
|------------------------------|----|---------|------------|
| Payments to Schools - Lunch | \$ | 364,872 | |
| Travel | | 73 | |
| Other Contracted Services | | 5,500 | |
| USDA - Commodities | | 31,764 | |
| Other Supplies and Materials | | 879 | |
| In Service/Staff Development | | 30 | |
| Other Charges | | 1,028 | |
| Food Service Equipment | | 853 | |
| Total Food Service | | | \$ 441,185 |

Community Services

| | | | |
|--------------------------------------|----|--------|---------|
| Supervisor/Director | \$ | 21,525 | |
| Teachers | | 33,635 | |
| Educational Assistants | | 40,666 | |
| Social Security | | 5,940 | |
| State Retirement | | 6,228 | |
| Unemployment Compensation | | 139 | |
| Employer Medicare | | 1,389 | |
| Instructional Supplies and Materials | | 18,339 | |
| Other Supplies and Materials | | 8,055 | |
| In Service/Staff Development | | 5,223 | |
| Total Community Services | | | 141,139 |

Early Childhood Education

| | | | |
|--------------------------------------|----|--------|--------|
| Supervisor/Director | \$ | 8,333 | |
| Teachers | | 31,230 | |
| Educational Assistants | | 11,093 | |
| Non-certified Substitute Teachers | | 1,120 | |
| Social Security | | 3,170 | |
| State Retirement | | 4,731 | |
| Medical Insurance | | 892 | |
| Unemployment Compensation | | 145 | |
| Employer Medicare | | 741 | |
| Travel | | 362 | |
| Instructional Supplies and Materials | | 28,310 | |
| Other Supplies and Materials | | 2,590 | |
| In Service/Staff Development | | 250 | |
| Total Early Childhood Education | | | 92,967 |

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Capital Outlay

Regular Capital Outlay

| | | | |
|------------------------------|----|---------|------------|
| Other Contracted Services | \$ | 326,626 | |
| Other Charges | | 1,816 | |
| Building Improvements | | 9,072 | |
| Furniture and Fixtures | | 25 | |
| Other Capital Outlay | | 1,000 | |
| Total Regular Capital Outlay | | | \$ 338,539 |

Other Debt Service

Education

| | | | |
|---|----|---------|---------|
| Debt Service Contribution to Primary Government | \$ | 319,504 | |
| Total Education | | | 319,504 |

Total General Purpose School Fund \$ 9,268,852

School Federal Projects Fund

Instruction

Regular Instruction Program

| | | | |
|--------------------------------------|----|---------|------------|
| Teachers | \$ | 166,256 | |
| Educational Assistants | | 29,867 | |
| Other Salaries and Wages | | 13,500 | |
| Social Security | | 12,314 | |
| State Retirement | | 18,534 | |
| Medical Insurance | | 16,500 | |
| Unemployment Compensation | | 115 | |
| Employer Medicare | | 2,883 | |
| Operating Lease Payments | | 1,410 | |
| Tuition | | 155 | |
| Instructional Supplies and Materials | | 10,455 | |
| Regular Instruction Equipment | | 13,655 | |
| Total Regular Instruction Program | | | \$ 285,644 |

Special Education Program

| | | | |
|--------------------------|----|---------|--|
| Teachers | \$ | 110,603 | |
| Homebound Teachers | | 3,069 | |
| Educational Assistants | | 104,362 | |
| Other Salaries and Wages | | 3,813 | |
| Social Security | | 13,171 | |
| State Retirement | | 19,026 | |
| Medical Insurance | | 6,789 | |

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

| | | | |
|--------------------------------------|----|--------|------------|
| Employer Medicare | \$ | 3,081 | |
| Contracts with Private Agencies | | 40,672 | |
| Other Contracted Services | | 300 | |
| Instructional Supplies and Materials | | 2,062 | |
| Other Supplies and Materials | | 522 | |
| Fee Waivers | | 77 | |
| Total Special Education Program | | | \$ 307,547 |

Vocational Education Program

| | | | |
|--------------------------------------|----|--------|--------|
| Instructional Supplies and Materials | \$ | 4,647 | |
| Vocational Instruction Equipment | | 10,948 | |
| Total Vocational Education Program | | | 15,595 |

Support Services

Other Student Support

| | | | |
|------------------------------|----|-------|-------|
| Bus Drivers | \$ | 78 | |
| Other Salaries and Wages | | 375 | |
| Social Security | | 28 | |
| State Retirement | | 34 | |
| Employer Medicare | | 7 | |
| Travel | | 1,198 | |
| In Service/Staff Development | | 3,000 | |
| Other Charges | | 631 | |
| Total Other Student Support | | | 5,351 |

Regular Instruction Program

| | | | |
|-----------------------------------|----|--------|---------|
| Supervisor/Director | \$ | 35,717 | |
| In-Service Training | | 494 | |
| Social Security | | 2,214 | |
| State Retirement | | 3,232 | |
| Employer Medicare | | 518 | |
| Travel | | 158 | |
| Other Contracted Services | | 20,000 | |
| Periodicals | | 221 | |
| Other Supplies and Materials | | 4,082 | |
| In Service/Staff Development | | 48,618 | |
| Other Charges | | 2,000 | |
| Total Regular Instruction Program | | | 117,254 |

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Special Education Program

| | | | |
|---------------------------------|----|--------|-----------|
| Psychological Personnel | \$ | 26,525 | |
| Social Security | | 1,654 | |
| State Retirement | | 2,384 | |
| Employer Medicare | | 387 | |
| Travel | | 65 | |
| Other Contracted Services | | 480 | |
| Other Supplies and Materials | | 500 | |
| In Service/Staff Development | | 31 | |
| Total Special Education Program | | | \$ 32,026 |

Vocational Education Program

| | | | |
|------------------------------------|----|-----|-----|
| Travel | \$ | 944 | |
| Total Vocational Education Program | | | 944 |

Office of the Principal

| | | | |
|-------------------------------|----|-------|--------|
| Assistant Principals | \$ | 9,000 | |
| Social Security | | 558 | |
| State Retirement | | 814 | |
| Employer Medicare | | 130 | |
| Total Office of the Principal | | | 10,502 |

Transportation

| | | | |
|---------------------------|----|-------|-------|
| Bus Drivers | \$ | 3,155 | |
| Social Security | | 200 | |
| State Retirement | | 281 | |
| Unemployment Compensation | | 5 | |
| Employer Medicare | | 48 | |
| Contracts with Parents | | 3,596 | |
| Lubricants | | 51 | |
| Vehicle Parts | | 262 | |
| Total Transportation | | | 7,598 |

Total School Federal Projects Fund \$ 782,461

Total Governmental Funds - Hartsville/ Trousdale County School Department \$ 10,051,313

Exhibit K-9

Hartsville/Trousdale County Government, Tennessee
Schedule of Utility Rates
June 30, 2011

Utility Rates in Effect

| | | | |
|---------------------------|----|-------|-------------------|
| Water Inside Town: | | | |
| First 2,000 gallons | \$ | 12.60 | per month |
| All over 2,000 gallons | | 4.11 | per 1,000 gallons |
| Water Outside Town-Rural: | | | |
| First 2,000 gallons | | 21.16 | per month |
| All over 2,000 gallons | | 7.22 | per 1,000 gallons |
| Number of Customers | | 2,771 | |

Exhibit K-10

Hartsville/Trousdale County Government, Tennessee
Schedule of Unaccounted for Water
For the Year Ended June 30, 2011

(amounts in gallons)

| | | |
|--|--------------------|--------------------------|
| Water Treated and Purchased: | | |
| Water Pumped (potable) | 282,083,000 | |
| Water Purchased | <u>0</u> | |
| Total Water Treated and Purchased | | 282,083,000 |
| Accounted for Water: | | |
| Water Sold | (178,447,032) | |
| Metered for Consumption (in-house usage) | (423,260) | |
| Fire Departments Usage | (5,000) | |
| Flushing | (3,900,155) | |
| Tank Filling/Cleaning | (188,500) | |
| Street Cleaning | (51,000) | |
| Bulk Sales | 0 | |
| Water Bill Adjustments | <u>(8,924,174)</u> | |
| Total Accounted for Water | | <u>(191,939,121)</u> |
| Unaccounted for Water | | <u><u>90,143,879</u></u> |
| Percentage Unaccounted for Water | | 32.0% |

All amounts included in this schedule are supported by documentation on file at the water system. If no support is on file for a line item or if the line item is not applicable, a "0" is shown.

Exhibit K-11

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Revenues and Expenses
Proprietary Fund
For the Year Ended June 30, 2011

| | Major Fund |
|---|-------------------------|
| | Enterprise Fund |
| | Water and Sewer Fund |
| <u>Operating Revenues</u> | |
| <u>Charges for Current Services</u> | |
| Other General Service Charges | \$ 25,470 |
| Water Sales | 1,174,777 |
| Forfeited Discounts | 26,051 |
| Water Tap Sales | 29,250 |
| Service Charges | 291,911 |
| Total Charges for Current Services | <u>\$ 1,547,459</u> |
| <u>Other Local Revenues</u> | |
| Miscellaneous Refunds | \$ 14,293 |
| Other Local Revenues | 18,008 |
| Total Other Local Revenues | <u>\$ 32,301</u> |
| Total Operating Revenues | <u>\$ 1,579,760</u> |
| <u>Nonoperating Revenues</u> | |
| Investment Income | \$ 15,417 |
| Insurance Recovery | 170,912 |
| Grant Income | 173,693 |
| Total Nonoperating Revenues | <u>\$ 360,022</u> |
| Total Revenues | <u>\$ 1,939,782</u> |
| <u>Operating Expenses</u> | |
| <u>Other Public Health and Welfare</u> | |
| Supervisor/Director | \$ 54,080 |
| Accountants/Bookkeepers | 45,760 |
| Clerical Personnel | 99,320 |
| Overtime Pay | 33,634 |
| Other Salaries and Wages | 316,344 |
| In-Service Training | 2,313 |
| Social Security | 39,503 |
| State Retirement | 109,663 |
| Medical Insurance | 63,775 |
| Communication | 30,064 |
| Data Processing Services | 18,331 |
| Dues and Memberships | 7,672 |
| Engineering Services | 10,000 |
| Legal Notices, Recording, and Court Costs | 556 |

(Continued)

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Revenues and Expenses
Proprietary Fund (Cont.)

| | Major Fund |
|--|-------------------------|
| | Enterprise Fund |
| | Water and Sewer Fund |
| <u>Operating Expenses (Cont.)</u> | |
| <u>Other Public Health and Welfare</u> | |
| Maintenance and Repair Services - Buildings | \$ 2,919 |
| Maintenance and Repair Services - Equipment | 34,633 |
| Maintenance and Repair Services - Office Equipment | 3,400 |
| Maintenance and Repair Services - Vehicles | 6,088 |
| Postal Charges | 12,078 |
| Rentals | 3,504 |
| Travel | 1,980 |
| Other Contracted Services | 34,447 |
| Electricity | 181,870 |
| Gasoline | 29,847 |
| Natural Gas | 4,921 |
| Office Supplies | 5,418 |
| Tires and Tubes | 1,726 |
| Vehicle Parts | 1,529 |
| Testing | 11,779 |
| Chemicals | 66,447 |
| Other Supplies and Materials | 45,919 |
| Liability Insurance | 67,534 |
| Depreciation | 313,641 |
| Other Charges | 42,440 |
| Office Equipment | 18,496 |
| Other Construction | 82,161 |
| Other Capital Outlay | 239,900 |
| Total Operating Expenses | <u>\$ 2,043,692</u> |
| <u>Nonoperating Expenses</u> | |
| Interest on Bonds | \$ 13,886 |
| Loss on Disposal of Capital Assets | 3,598 |
| Total Operating Expenses | <u>\$ 17,484</u> |
| Total Expenses | <u>\$ 2,061,176</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

February 14, 2012

Hartsville/Trousdale County Government Executive and
Board of County Commissioners
Hartsville/Trousdale County Government, Tennessee

To the County Executive 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 Hartsville/Trousdale County Government, Tennessee, as of and for the year ended June 30, 2011, which collectively comprise Hartsville/Trousdale County Government's basic financial statements and have issued our report thereon dated February 14, 2012. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Hartsville/Trousdale County Government Emergency Communications District as described in our report on Hartsville/Trousdale County Government's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Hartsville/Trousdale County Government'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 Hartsville/Trousdale County Government's internal control over financial reporting. Accordingly, we do not express an

opinion on the effectiveness of Hartsville/Trousdale County Government's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies in internal control over financial reporting: 11.02(A,C), 11.03, 11.04, and 11.05. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hartsville/Trousdale County Government's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items 11.01 and 11.02(B).

We also noted certain matters that we reported to management of Hartsville/Trousdale County Government in separate communications.

Hartsville/Trousdale County Government's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Hartsville/Trousdale County Government'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 executive, superintendent of roads, director of schools, County Commission, Board of Education, Highway Commission, Water and Sewerage Board, others within Hartsville/Trousdale County Government, 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
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REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

February 14, 2012

Hartsville/Trousdale County Government Executive and
Board of County Commissioners
Hartsville/Trousdale County Government, Tennessee

To the County Executive and Board of County Commissioners:

Compliance

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

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

Internal Control Over Compliance

The management of Hartsville/Trousdale County Government 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 Hartsville/Trousdale County Government'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 Hartsville/Trousdale County Government'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 Hartsville/Trousdale County Government, Tennessee, as of and for the year ended June 30, 2011, and have issued our report thereon dated February 14, 2012. 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 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.

Hartsville/Trousdale County Government's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Hartsville/Trousdale County Government'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 executive, superintendent of roads, director of schools, County Commission, Board of Education, Highway Commission, Water and Sewerage Board, others within Hartsville/Trousdale County Government, 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 of the name.

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

Hartsville/Trousdale County Government, 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: | | | |
| Direct Program: | | | |
| Emergency Watershed Protection Program | 10.923 | N/A | \$ 50,621 |
| Passed-through State Department of Agriculture: | | | |
| National School Lunch Program (Commodities - Noncash Assistance) | 10.555 | (2) | 31,764 (3) |
| Cooperative Forestry Assistance | 10.664 | (2) | 2,003 |
| Passed-through State Department of Education: | | | |
| Child Nutrition Cluster: | | | |
| School Breakfast Program | 10.553 | (2) | 74,665 |
| National School Lunch Program | 10.555 | (2) | 275,851 (3) |
| After-school Snack | 10.555 | (2) | 7,233 (3) |
| Total U.S. Department of Agriculture | | | \$ 442,137 |
| U.S. Department of Housing and Urban Development: | | | |
| Passed-through State Department of Economic and Community Development: | | | |
| Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii | 14.228 | GG-09-27981-00 | \$ 137,098 |
| Passed-through Tennessee Housing Development Agency: HOME Investment Partnerships Program | 14.239 | HM-09-24 | 500,000 |
| Total U.S. Department of Housing and Urban Development | | | \$ 637,098 |
| U.S. Department of the Interior: | | | |
| Direct Program: | | | |
| Payments in-lieu-of Taxes | 15.226 | N/A | \$ 13,677 |
| Total U.S. Department of the Interior | | | \$ 13,677 |
| U.S. Department of Justice: | | | |
| Passed-through State Commission on Children and Youth: | | | |
| Enforcing Underage Drinking Laws Program | 16.727 | Z-08-73534-00 | \$ 19,055 |
| Passed-through State Office of Criminal Justice Programs: | | | |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | (2) | 15,000 |
| Total U.S. Department of Justice | | | \$ 34,055 |
| U.S. Department of Transportation: | | | |
| Passed-through State Department of Transportation: | | | |
| Alcohol Impaired Driving Countermeasures Incentive Grants I | 20.601 | Z-11-GHS230-00 | \$ 4,999 |
| Total U.S. Department of Transportation | | | \$ 4,999 |
| 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 | GG-1133211 | \$ 99,618 |
| Total U.S. Department of Energy | | | \$ 99,618 |
| U.S. Department of Education: | | | |
| Passed-through State Department of Education: | | | |
| Adult Education - Basic Grants to States | 84.002 | Z-10-218553-00 | \$ 55,766 |
| Title I Cluster: | | | |
| Title I Grants to Local Educational Agencies | 84.010 | N/A | 220,632 |
| Title I Grants to Local Educational Agencies, Recovery Act | 84.389 | N/A | 21,072 |
| Special Education Cluster: | | | |
| Special Education - Grants to States | 84.027 | N/A | 276,455 |
| Special Education - Grants to States, Recovery Act | 84.391 | N/A | 79,855 |
| Special Education - Preschool Grants | 84.173 | N/A | 8,257 |

(Continued)

Hartsville/Trousdale County Government, Tennessee, and the
Hartsville/Trousdale County Government School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (Cont.)

| Federal/Pass-through Agency/State Grantor Program Title | Federal CFDA Number | Pass-through Entity Identifying Number | Expenditures |
|---|---------------------------|--|--------------|
| U.S. Department of Education: (Cont.) | | | |
| Passed-through State Department of Education: (Cont.) | | | |
| Career and Technical Education - Basic Grants to States | 84.048 | (2) | \$ 18,891 |
| Safe and Drug-free Schools and Communities State Grants | 84.186A | (2) | 4,812 |
| Education Technology State Grants Cluster: | | | |
| Education Technology State Grants | 84.318 | (2) | 4,183 |
| Education Technology State Grants, Recovery Act | 84.386 | (2) | 21,637 |
| Improving Teacher Quality State Grants | 84.367 | N/A | 63,470 |
| State Fiscal Stabilization Cluster: | | | |
| State Fiscal Stabilization Fund - Education State Grants, Recovery Act | 84.394 | (2) | 780,251 |
| State Fiscal Stabilization Fund - Government Services, Recovery Act | 84.397 | (2) | 133,126 |
| State Fiscal Stabilization Fund - Race-to-the-Top Incentive Grants, Recovery Act | 84.395 | (2) | 83,015 |
| Total U.S. Department of Education | | | \$ 1,771,422 |
| U.S. Department of Health and Human Services: | | | |
| Passed-through State Department of Education: | | | |
| Temporary Assistance for Needy Families, Recovery Act | 93.558 | (2) | \$ 10,532 |
| Total U.S. Department of Health and Human Services | | | \$ 10,532 |
| U.S. Department of Homeland Security: | | | |
| Passed-through Tennessee Emergency Management Agency: | | | |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters) | 97.036 | (2) | \$ 370,588 |
| Passed-through State Department of Military: | | | |
| Homeland Security Grant Program | 97.067 | (2) | 30,583 |
| Total U.S. Department of Homeland Security | | | \$ 401,171 |
| Total Expenditures of Federal Awards | | | \$ 3,414,709 |

| State Grants | | Contract Number | |
|--|-----|--------------------|------------|
| Juvenile Services Program - State Commission on Children and Youth | N/A | (2) | \$ 4,500 |
| Aging Programs - State Commission on Aging | N/A | (2) | 26,650 |
| Lottery for Education: Afterschool Programs - State Department of Education | N/A | 119-09-1-017 | 14,211 |
| Lottery for Education: Afterschool Programs - State Department of Education | N/A | 119-09-3-017 | 128,032 |
| Early Childhood Education - State Department of Education | N/A | (2) | 92,269 |
| Optional Tire Program - State Department of Environment and Conservation | N/A | (2) | 6,294 |
| Rural Libraries Computer Grant - Tennessee Office of Secretary of State | N/A | (2) | 14,034 |
| Law Enforcement Training - State Department of Safety | N/A | (2) | 9,000 |
| Adult Basic Education - State Department of Labor and Workforce Development | N/A | Z-10-218553-00 | 18,910 |
| Litter Program - State Department of Transportation | N/A | (2) | 29,236 |
| Total State Grants | | | \$ 343,136 |

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 \$314,848.

Hartsville/Trousdale County Government, 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 of Hartsville/Trousdale County Government, Tennessee, for the year ended June 30, 2010, which have not been corrected.

OFFICE OF SUPERINTENDENT OF ROADS

| <u>Finding Number</u> | <u>Page Number</u> | <u>Subject</u> |
|---------------------------|------------------------|---|
| 10.03 | 163 | A formal purchase order system had not been established |

**OFFICES OF SUPERINTENDENT OF ROADS, COUNTY CLERK, CIRCUIT AND
GENERAL SESSIONS COURTS CLERK, CLERK AND MASTER, REGISTER, AND
SHERIFF**

| <u>Finding Number</u> | <u>Page Number</u> | <u>Subject</u> |
|---------------------------|------------------------|---------------------------------------|
| 10.05 | 164 | Duties were not segregated adequately |

HARTSVILLE/TROUSDALE COUNTY GOVERNMENT, 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 financial statements of Hartsville/Trousdale County Government is unqualified.
2. The audit of the financial statements of Hartsville/Trousdale County Government disclosed significant deficiencies in internal control. None of these deficiencies was considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that were material to the financial statements of Hartsville/Trousdale County Government.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555); HOME Investment Partnerships Program (CFDA No. 14.239); Special Education Cluster: Special Education – Grants to States, Special Education – Grants to States, Recovery Act, and Special Education – Preschool Grants (CFDA Nos. 84.027, 84.391, and 84.173); State Fiscal Stabilization Fund Cluster: State Fiscal Stabilization Fund – Education State Grants, Recovery Act and State Fiscal Stabilization Fund – Government Services, Recovery Act (CFDA Nos. 84.394 and 84.397); and the Disaster Grants – Public Assistance (Presidentially Declared Disaster) (CFDA No. 97.036) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Hartsville/Trousdale County Government 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. A written response of the county executive is paraphrased in this report. Other management officials did not provide responses for inclusion in this report.

OFFICE OF COUNTY EXECUTIVE

FINDING 11.01 **FUND EQUITY WAS NOT CLASSIFIED PROPERLY (Noncompliance Under *Government Auditing Standards*)**

The office did not attempt to analyze revenues and expenditures for fund balance classifications as required by Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. An analysis of fund balance classifications is necessary to determine the ranking based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the fund can be spent. Fund balance classifications, to properly present the financial statements in this report, were determined by alternative auditing procedures. The failure to properly classify fund equity was the result of a lack of knowledge of generally accepted accounting principles concerning the proper classification of fund equity.

RECOMMENDATION

County officials should determine the fund balance classifications each June 30.

MANAGEMENT'S RESPONSE – COUNTY EXECUTIVE

I concur with the finding. However, exception is taken with the statement that this office did not attempt to analyze revenues and expenditures for fund balance classifications according to new GASB Statement No. 54 standards implemented this fiscal year. Indeed, restricted and committed funds were set up and identified as such. It is our understanding that the restricted funds simply did not extend to the scope expected by county audit. Staff will receive further training in GASB Statement No. 54 standards. We intend to be in compliance when audited for fiscal year 2011-12.

AUDITOR'S COMMENT

Fund equity was classified as either reserved accounts and/or unassigned accounts on the county's financial statements at June 30, 2011; therefore, equity was not classified as restricted and committed as the response states. Reserved accounts are no longer on the County Uniform Chart of Accounts after the adoption of GASB Statement No. 54. The county should classify fund equity as nonspendable, restricted, committed, assigned, and/or unassigned in the financial statements each June 30.

FINDING 11.02 THE AMBULANCE SERVICE HAD OPERATING DEFICIENCIES
(A. and C. – Internal Control – Significant Deficiency Under *Government Auditing Standards*; B. – Noncompliance Under *Government Auditing Standards*)

Our examination of the Ambulance Service revealed the following operating deficiencies. These deficiencies were the result of a lack of management oversight.

- A. The Ambulance Service did not have written policies concerning the collection and write-off of customer accounts. Without formal policies for the collection and write-off of customer accounts, employees have no guidance for consistent and uniform treatment of accounts.
- B. Ambulance Service officials did not deposit funds within three days of collection as required by Section 5-8-207, *Tennessee Code Annotated*. This statute requires county officials to deposit public funds to the office bank account within three days after receipt of the funds.
- C. Duties related to Ambulance Service operations were not segregated adequately among employees. The employee responsible for maintaining accounting records was also involved in receipting, and/or depositing.

RECOMMENDATION

The Ambulance Service should establish written policies for the collection and write-off of customer accounts. Funds should be deposited to the office bank account within three days of collection as required by state statute. The Ambulance Service should segregate duties to the extent possible using available resources.

OFFICE OF SUPERINTENDENT OF ROADS

FINDING 11.03 A FORMAL PURCHASE ORDER SYSTEM HAD NOT BEEN ESTABLISHED
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The office had not established a formal purchase order system. Purchase orders are necessary to control who has purchasing authority for the county and to document purchasing commitments. This deficiency can be attributed to the failure of management to correct the finding noted in prior-year audit reports. The absence of a formal purchase order system increases the risks of unauthorized purchases.

RECOMMENDATION

The office should establish a formal purchase order system to improve internal controls over the purchasing process and to document purchasing commitments.

OFFICES OF COUNTY CLERK, CIRCUIT AND GENERAL SESSIONS COURTS CLERK, AND CLERK AND MASTER

FINDING 11.04 **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 County Clerk, Circuit and General Sessions Courts Clerk, and Clerk and Master. Good internal controls dictate that each employee have their own cash drawer, start the day with a standard fixed amount of cash, and remove all but that beginning amount at the end of the day. This amount should be verified to the employee's receipts at the end of each day. Failure to adhere to this control regimen greatly increases the risk that a cash shortage may not be detected in a timely manner. Furthermore, in the event of a cash shortage, the official would not be able to determine who was responsible for the shortage because multiple employees were working from one cash drawer. This deficiency in internal controls was the result of a lack of management oversight over risks related to safeguarding assets.

RECOMMENDATION

County officials should assign each employee their own cash drawer.

OFFICES OF SUPERINTENDENT OF ROADS, COUNTY CLERK, CIRCUIT AND GENERAL SESSIONS COURTS CLERK, CLERK AND MASTER, REGISTER, AND SHERIFF

FINDING 11.05 **DUTIES WERE NOT SEGREGATED ADEQUATELY**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Duties were not segregated adequately among the officials and employees in the Offices of Superintendent of Roads, County Clerk, Circuit and General Sessions Courts Clerk, Clerk and Master, Register, and Sheriff. Employees responsible for maintaining accounting records were also involved in receipting, depositing, and/or disbursing funds. Accounting standards provide that internal controls be designed to provide reasonable assurance of the reliability of financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions.

RECOMMENDATION

County officials should segregate duties to the extent possible using available resources.

BEST PRACTICES

The Division of County Audit strongly believes that the items noted below are best practices 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 Hartsville/Trousdale County Government.

**ITEM 1. HARTSVILLE/TROUSDALE COUNTY GOVERNMENT SHOULD
ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND
PURCHASING**

Hartsville/Trousdale County Government 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. 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.

**ITEM 2. HARTSVILLE/TROUSDALE COUNTY GOVERNMENT SHOULD
ESTABLISH AN AUDIT COMMITTEE**

Hartsville/Trousdale County Government does not have an Audit Committee. An Audit Committee can assist the Metropolitan Commission by providing independent and objective reviews of the financial reporting process, internal controls, the audit function, and being responsible for monitoring management's plans to address various risks. Metropolitan Government officials should establish an Audit Committee as a best practice.

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

There were no findings and questioned costs for federal awards.

HARTSVILLE/TROUSDALE COUNTY GOVERNMENT, 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' Schedule of Findings and Questioned Costs.