



**ANNUAL FINANCIAL REPORT  
CAMPBELL COUNTY, TENNESSEE**



**FOR THE YEAR ENDED JUNE 30, 2011**



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

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

*DIVISION OF COUNTY AUDIT*  
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*State Auditors*

This financial report is available at [www.tn.gov/comptroller](http://www.tn.gov/comptroller)

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

***Scope***

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

***Results***

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

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

***Findings and Best Practice***

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

**OFFICE OF FINANCE DIRECTOR**

- ◆ Competitive bids were not solicited properly on a parking lot project.
- ◆ Expenditures exceeded appropriations.

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**OFFICES OF FINANCE DIRECTOR AND DIRECTOR OF SCHOOLS**

- ◆ The offices had deficiencies in purchasing procedures.

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**OFFICES OF COUNTY CLERK, CLERK AND MASTER, AND REGISTER**

- ◆ Duties were not segregated adequately.
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## **BEST PRACTICE**

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

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# INTRODUCTORY SECTION

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Campbell County Officials  
June 30, 2011

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**Officials**

William Baird, County Mayor  
Dennis Potter, Road Superintendent  
Donnie Poston, Director of Schools  
Monty Bullock, Trustee  
Brandon Partin, Assessor of Property  
Debbie Wilson, County Clerk  
Bobby Vann, Circuit and General Sessions Courts Clerk  
William Archer, Clerk and Master  
Dormas Miller, Register  
Robbie Goins, Sheriff  
Jeff Marlow, Director of Finance

**Board of County Commissioners**

William Baird, County Mayor, Chairman  
Beverly Hall  
Sue Nance  
Bob Walden  
Melvin Boshears  
Johnny Bruce  
Terry Singley  
Alvin Evans

Charles Baird  
Marie Ayers  
J.L. Davis  
Lawrence Orick  
David Adkins  
Bobby White  
Thomas Hatmaker  
Steve Rutherford

**Board of Education**

Mike Orick, Chairman  
Eugene Lawson  
Johnny Byrge  
J.L. Collins  
Scott Hill

Josh Parker  
David Lynch  
Johnny Creekmore  
Homer Rutherford  
Rector Miller

**Financial Management Committee**

Terry Singley, Chairman  
William Baird, County Mayor  
Dennis Potter, Road Superintendent  
Donnie Poston, Director of Schools

Charles Baird  
Jim Slusher  
David Adkins

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## FINANCIAL SECTION

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**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**

January 27, 2012

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

To the County Mayor and Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Campbell County, Tennessee, as of and for the year ended June 30, 2011, which collectively comprise Campbell County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Campbell County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Campbell County Emergency Communications District, which represent two percent and 1.8 percent, respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Campbell County Emergency Communications District, is based on the report of other auditors.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2012, on our consideration of Campbell County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

As described in Note V.B., Campbell County has adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which became effective for the year ended June 30, 2011.

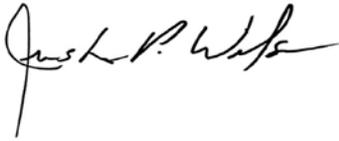
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required 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 65 through 74 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Campbell County's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements,

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

Very truly yours,

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

Justin P. Wilson  
Comptroller of the Treasury

JPW/sb

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# **BASIC FINANCIAL STATEMENTS**

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Exhibit A

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

	Primary Government Governmental Activities	Component Units	
		Campbell County School Department	Emergency Communica- tions District
<u>ASSETS</u>			
Cash	\$ 3,754	\$ 15,046	\$ 550,542
Equity in Pooled Cash and Investments	24,041,475	5,957,837	0
Accounts Receivable	949,388	24,056	17,943
Allowance for Uncollectible	(11,610)	0	0
Due from Other Governments	1,455,263	2,850,261	14,287
Property Taxes Receivable	9,144,399	3,365,180	0
Allowance for Uncollectible Property Taxes	(1,124,618)	(417,714)	0
Prepaid Items	0	0	5,364
Deferred Charges - Debt Issuance Cost	944,904	0	0
Capital Assets			
Assets Not Depreciated:			
Land	1,980,026	1,161,610	188,500
Construction in Progress	376,237	49,400	0
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	10,071,593	45,430,631	51,114
Other Capital Assets	1,724,491	1,309,313	422,460
Infrastructure	47,933,094	0	0
Total Assets	<u>\$ 97,488,396</u>	<u>\$ 59,745,620</u>	<u>\$ 1,250,210</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 170,475	\$ 118,811	\$ 20,198
Accrued Payroll	22,344	4,972	0
Retainage Payable	16,424	3,818	0
Accrued Interest Payable	241,835	0	0
Payroll Deductions Payable	232,838	461,470	0
Other Current Liabilities	12,701	0	0
Deferred Revenue - Property Taxes	7,484,884	2,746,880	0
Noncurrent Liabilities:			
Due Within One Year	2,842,562	0	27,101
Due in More than One Year (net of deferred amount on refunding and unamortized premium on debt)	49,982,738	3,512,517	0
Total Liabilities	<u>\$ 61,006,801</u>	<u>\$ 6,848,468</u>	<u>\$ 47,299</u>

(Continued)

Exhibit A

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

	Primary <u>Government</u> <u>Governmental</u> <u>Activities</u>	<u>Component Units</u>	
		<u>Campbell</u> <u>County</u> <u>School</u> <u>Department</u>	<u>Emergency</u> <u>Communica-</u> <u>tions</u> <u>District</u>
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	\$ 57,551,795	\$ 0	\$ 0
Invested in Capital Assets Restricted for:	0	47,950,954	662,075
General Government	839	0	0
Administration of Justice	86,342	0	0
Public Safety	58,198	0	0
Public Health and Welfare	4,069	0	0
Other Operations	468,647	0	0
Highway/Public Works	1,071,300	0	0
Capital Projects	3,690,087	0	0
Education	0	1,092,002	0
Unrestricted	<u>(26,449,682)</u>	<u>3,854,196</u>	<u>540,836</u>
Total Net Assets	<u>\$ 36,481,595</u>	<u>\$ 52,897,152</u>	<u>\$ 1,202,911</u>

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

Exhibit B

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

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets						
	Primary			Component Units			
	Expenses	Program Revenues	Government Total	Campbell County School Department	Emergency Communications District		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions				
Primary Government:							
Governmental Activities:							
General Government	\$ 1,791,279	\$ 701,594	\$ 147,601	\$ 0	\$ (942,084)	\$ 0	\$ 0
Finance	2,358,772	884,009	0	0	(1,474,763)	0	0
Administration of Justice	1,170,543	951,653	52,178	0	(166,712)	0	0
Public Safety	6,059,730	833,302	77,545	2,679	(5,146,204)	0	0
Public Health and Welfare	5,280,779	2,130,822	769,655	517,472	(1,862,830)	0	0
Social, Cultural, and Recreational Services	178,760	0	10,827	0	(167,933)	0	0
Agriculture and Natural Resources	56,730	0	0	0	(56,730)	0	0
Other Operations	983,223	20,000	129,447	0	(833,776)	0	0
Highways	5,686,043	189,726	1,875,454	384,378	(3,236,485)	0	0
Education	2,823,653	0	233,752	0	(2,589,901)	0	0
Interest on Long-term Debt	1,977,156	0	0	0	(1,977,156)	0	0
Debt Service	90,408	0	0	0	(90,408)	0	0
<b>Total Primary Government</b>	<b>\$ 28,457,076</b>	<b>\$ 5,711,106</b>	<b>\$ 3,296,459</b>	<b>\$ 904,529</b>	<b>\$ (18,544,982)</b>	<b>\$ 0</b>	<b>\$ 0</b>
Component Units:							
Campbell County School Department	\$ 49,585,026	\$ 711,880	\$ 10,208,273	\$ 2,939,849	\$ 0	\$ (35,725,024)	\$ 0
Emergency Communications District	627,007	471,467	490,413	0	0	0	334,873
<b>Total Component Units</b>	<b>\$ 50,212,033</b>	<b>\$ 1,183,347</b>	<b>\$ 10,698,686</b>	<b>\$ 2,939,849</b>	<b>\$ 0</b>	<b>\$ (35,725,024)</b>	<b>\$ 334,873</b>

(Continued)

Exhibit B

Campbell County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets					
	Primary			Component Units		
	Charges for Services	Program Revenues	Government Total Governmental Activities	Campbell County School Department	Emergency Communications District	
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes			\$ 5,641,581	\$ 3,772,475	\$	0
Property Taxes Levied for Solid Waste			2,204,674	0	0	0
Property Taxes Levied for Ambulance Service			149,755	0	0	0
Property Taxes Levied for Economic Development			77,597	0	0	0
Property Taxes Levied for Highways			608,000	0	0	0
Property Taxes Levied for Debt Service			858,789	0	0	0
Property Taxes Levied for Capital Projects			470,850	0	0	0
Local Option Sales Taxes			883,500	3,080,275	0	0
Other Local Taxes:						
Hotel/Motel Tax			207,242	0	0	0
Wheel Tax			0	1,325,986	0	0
Litigation Taxes			291,796	0	0	0
Business Tax			270,036	0	0	0
Mineral Severance Tax			86,263	0	0	0
Wholesale Beer Tax			83,594	0	0	0
Coal Severance Tax			158,364	158,364	0	0
Other Local Taxes			32,712	1,403	0	0
Grants and Contributions Not Restricted to Specific Programs			3,941,901	29,733,448	0	0
Unrestricted Investment Income			143,713	2,126	4,879	0
Miscellaneous			334,572	51,617	0	0
Gain on Disposal of Capital Assets			105,411	0	0	0
Total General Revenues			\$ 16,550,350	\$ 38,125,694	\$	4,879
Change in Net Assets			\$ (1,994,632)	\$ 2,400,670	\$	339,752
Net Assets, July 1, 2010			38,476,227	50,496,482		863,159
Net Assets, June 30, 2011			\$ 36,481,595	\$ 52,897,152	\$	1,202,911

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

Exhibit C-1

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

	Major Funds					Nonmajor Funds		Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Capital Projects	Other	Governmental	
Cash	\$ 554	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,200	\$ 3,754
Equity in Pooled Cash and Investments	3,297,495	1,134,514	695,436	1,919,142	15,662,590	0	1,332,298	24,041,475
Accounts Receivable	231,050	0	37,223	0	0	0	681,115	949,388
Allowance for Uncollectibles	0	0	0	0	0	0	(11,610)	(11,610)
Due from Other Governments	722,965	3,149	425,875	203,274	0	0	100,000	1,455,263
Due from Other Funds	18,718	0	24,070	746	0	0	0	43,534
Property Taxes Receivable	5,181,847	1,990,160	550,848	781,849	0	0	639,695	9,144,399
Allowance for Uncollectible Property Taxes	(636,067)	(245,371)	(67,915)	(96,396)	0	0	(78,869)	(1,124,618)
Total Assets	\$ 8,816,562	\$ 2,882,452	\$ 1,665,537	\$ 2,808,615	\$ 15,662,590	\$ 0	\$ 2,665,829	\$ 34,501,585

LIABILITIES AND FUND BALANCES

Liabilities	\$ 111,342	\$ 35,675	\$ 342	\$ 0	\$ 0	\$ 0	\$ 23,116	\$ 170,475
Accounts Payable	3,019	0	13,961	0	0	0	5,364	22,344
Accrued Payroll	167,703	28,091	19,444	0	0	0	17,600	232,838
Payroll Deductions Payable	0	0	0	0	0	0	16,424	16,424
Retainage Payable	24,816	2,107	2,657	168	0	0	13,786	43,534
Due to Other Funds	0	0	0	0	0	0	12,701	12,701
Other Current Liabilities	4,243,856	1,627,781	450,547	639,485	0	0	523,215	7,484,884
Deferred Revenue - Current Property Taxes	243,109	94,215	26,077	37,013	0	0	30,285	430,699
Deferred Revenue - Delinquent Property Taxes	197,098	0	222,878	127,069	0	0	639,103	1,186,148
Other Deferred Revenues	\$ 4,990,943	\$ 1,787,869	\$ 735,906	\$ 803,735	\$ 0	\$ 0	\$ 1,281,594	\$ 9,600,047
Total Liabilities								

(Continued)

Exhibit C-1

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

	Major Funds						Nonmajor Funds		Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Capital Projects	Other			
						Governmental Funds	Governmental Funds		
\$	839	0	0	0	0	0	0	839	
Restricted for General Government	86,342	0	0	0	0	0	0	86,342	
Restricted for Administration of Justice	11,716	0	0	0	0	0	46,482	58,198	
Restricted for Public Safety	4,069	0	0	0	0	0	0	4,069	
Restricted for Public Health and Welfare	20,196	0	0	0	0	0	79,120	99,316	
Restricted for Other Operations	0	0	899,684	0	0	0	0	899,684	
Restricted for Highways/Public Works	0	0	0	0	15,057,228	0	44,727	15,101,955	
Restricted for Capital Projects									
Committed:									
Committed for General Government	7,801	0	0	0	0	0	0	7,801	
Committed for Administration of Justice	5,139	0	0	0	0	0	0	5,139	
Committed for Public Health and Welfare	4,037	1,094,583	0	0	0	0	732,440	1,831,060	
Committed for Highways/Public Works	55,571	0	29,947	0	0	0	0	85,518	
Committed for Debt Service	0	0	0	2,004,880	0	0	0	2,004,880	
Committed for Capital Projects	0	0	0	0	605,362	0	343,363	948,725	
Committed for Other Purposes	369,642	0	0	0	0	0	138,103	507,745	
Assigned:									
Assigned for General Government	361,076	0	0	0	0	0	0	361,076	
Assigned for Capital Projects	442,987	0	0	0	0	0	0	442,987	
Unassigned	2,456,204	0	0	0	0	0	0	2,456,204	
Total Fund Balances	\$ 3,825,619	\$ 1,094,583	\$ 929,631	\$ 2,004,880	\$ 15,662,590	\$ 1,384,235	\$ 24,901,538		
Total Liabilities and Fund Balances	\$ 8,816,562	\$ 2,882,452	\$ 1,665,537	\$ 2,808,615	\$ 15,662,590	\$ 2,665,829	\$ 34,501,585		

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

Exhibit C-2

Campbell County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Assets  
June 30, 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)		\$ 24,901,538
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,980,026	
Add: construction in progress	376,237	
Add: infrastructure net of accumulated depreciation	47,933,094	
Add: buildings and improvements net of accumulated depreciation	10,071,593	
Add: other capital assets net of accumulated depreciation	<u>1,724,491</u>	62,085,441
(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	\$ (2,280,000)	
Less: other loans payable	(10,450,000)	
Less: bonds payable	(38,600,000)	
Add: deferred amount on refunding	62,497	
Add: deferred charges - debt issuance costs	944,904	
Less: compensated absences payable	(441,459)	
Less: other postemployment benefits liability	(555,759)	
Less: accrued interest on bonds, notes, and other loans	(241,835)	
Less: other deferred revenue - premium on debt	<u>(560,579)</u>	(52,122,231)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>1,616,847</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 36,481,595</u>

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

Exhibit C-3

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

	Major Funds						Nonmajor Funds		Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Capital Projects	Other			
						Governmental Funds	Governmental Funds		
<u>Revenues</u>									
Local Taxes	\$ 6,823,133	\$ 2,254,106	\$ 864,574	\$ 1,999,621	\$ 0	\$ 0	\$ 891,755	\$ 12,833,189	
Licenses and Permits	136,255	0	100	0	0	0	0	136,355	
Fines, Forfeitures, and Penalties	192,847	0	0	0	0	0	112,598	305,445	
Charges for Current Services	73,590	78,135	0	0	0	0	1,982,015	2,133,740	
Other Local Revenues	89,668	225,688	646,130	135,610	23,343	0	91,712	1,212,151	
Fees Received from County Officials	1,660,801	0	0	0	0	0	0	1,660,801	
State of Tennessee	2,984,388	13,782	2,197,789	0	118,250	0	116,049	5,430,258	
Federal Government	112,337	0	46,633	148,539	70,839	0	300,000	678,348	
Other Governments and Citizens Groups	318,401	0	0	1,571,482	0	0	80,395	1,970,278	
Total Revenues	\$ 12,391,420	\$ 2,571,711	\$ 3,755,226	\$ 3,855,252	\$ 212,432	\$ 3,574,524	\$ 26,360,565		
<u>Expenditures</u>									
Current:									
General Government	\$ 1,405,727	\$ 0	\$ 0	\$ 0	\$ 0	\$ 55,906	\$ 1,461,633		
Finance	2,314,242	0	0	0	0	0	2,314,242		
Administration of Justice	1,136,887	0	0	0	0	33,000	1,169,887		
Public Safety	5,358,194	0	0	0	0	92,753	5,450,947		
Public Health and Welfare	992,175	2,195,753	0	0	0	1,962,846	5,150,774		
Social, Cultural, and Recreational Services	148,919	0	0	0	0	0	148,919		
Agriculture and Natural Resources	56,730	0	0	0	0	0	56,730		
Other Operations	560,692	16,672	0	0	0	194,632	771,996		
Highways	7,241	0	3,648,753	0	0	0	3,655,994		
Debt Service:									
Principal on Debt	0	0	0	1,716,667	0	42,500	1,759,167		
Interest on Debt	0	0	0	1,912,561	0	1,469	1,914,030		
Other Debt Service	0	0	0	231,716	309,079	0	540,795		
Capital Projects	0	0	0	0	3,067,588	1,342,102	4,409,690		
Total Expenditures	\$ 11,980,807	\$ 2,212,425	\$ 3,648,753	\$ 3,860,944	\$ 3,376,667	\$ 3,725,208	\$ 28,804,804		

(Continued)

Exhibit C-3

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

	Major Funds					Nonmajor Funds		Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Capital Projects	Other	Governmental Funds	
Excess (Deficiency) of Revenues Over Expenditures	\$ 410,613	\$ 359,286	\$ 106,473	\$ (5,692)	\$ (3,164,235)	\$ (150,684)	\$ (2,444,239)	
Other Financing Sources (Uses)								
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 17,625,000	\$ 0	\$ 17,625,000	
Notes Issued	0	0	0	0	0	620,000	620,000	
Premiums on Debt Issued	0	0	0	2,700	174,888	0	177,588	
Transfers In	552,934	0	0	0	325,150	0	878,084	
Transfers Out	0	(58,209)	(19,913)	0	0	(799,962)	(878,084)	
Total Other Financing Sources (Uses)	\$ 552,934	\$ (58,209)	\$ (19,913)	\$ 2,700	\$ 18,125,038	\$ (179,962)	\$ 18,422,588	
Net Change in Fund Balances	\$ 963,547	\$ 301,077	\$ 86,560	\$ (2,992)	\$ 14,960,803	\$ (330,646)	\$ 15,978,349	
Fund Balance, July 1, 2010	2,862,072	793,506	843,071	2,007,872	701,787	1,714,881	8,923,189	
Fund Balance, June 30, 2011	\$ 3,825,619	\$ 1,094,583	\$ 929,631	\$ 2,004,880	\$ 15,662,590	\$ 1,384,235	\$ 24,901,538	

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

Exhibit C-4

Campbell County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds to the  
Statement of Activities  
For the Year Ended June 30, 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)		\$ 15,978,349
<p>(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:</p>		
Add: capital assets purchased in the current period	\$ 1,172,156	
Less: current-year depreciation expense	<u>(2,770,242)</u>	(1,598,086)
<p>(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.</p>		
Less: net book value of assets disposed		(49,334)
<p>(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Add: deferred delinquent property taxes and other deferred June 30, 2011	\$ 1,616,847	
Less: deferred delinquent property taxes and other deferred June 30, 2010	<u>(1,465,634)</u>	151,213
<p>(4) The issuance of long-term debt (e.g., bonds, notes, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these difference in the treatment of long-term debt and related items:</p>		
Less: bond proceeds	\$ (17,625,000)	
Less: note proceeds	(620,000)	
Less: change in premium on debt issuances	(127,404)	
Add: change in deferred debt issuance costs	454,696	
Add: principal payments on bonds	325,000	
Add: principal payments on notes	334,167	
Add: principal payments on other loans	1,100,000	
Less: change in deferred amount of refunding debt	<u>(4,309)</u>	(16,162,850)
<p>(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.</p>		
Change in accrued interest payable	\$ (113,310)	
Change in compensated absences payable	72,394	
Change in other postemployment benefits liability	<u>(273,008)</u>	<u>(313,924)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ (1,994,632)</u>

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

Exhibit D

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 4,006,882
Due from Other Governments	<u>550,770</u>
Total Assets	<u>\$ 4,557,652</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 550,770
Due to Litigants, Heirs, and Others	<u>4,006,882</u>
Total Liabilities	<u>\$ 4,557,652</u>

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

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

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Campbell County's financial statements are presented in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments.

The following are the more significant accounting policies of Campbell County:

**A. Reporting Entity**

Campbell County is a public municipal corporation governed by an elected 15-member board. As required by GAAP, these financial statements present Campbell County (the primary government) and its component units. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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

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

The Campbell County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Campbell County, and the Campbell County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the County Commission's approval.

The Campbell County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the School Department are included in this report as listed in the table of contents. Complete financial statements of the Campbell County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

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

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

**B. Government-wide and Fund Financial Statements**

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Campbell County issues all debt for the discretely presented Campbell County School Department. Net debt issues totaling \$620,000 were contributed by the county to the School Department during the year ended June 30, 2011.

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

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

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

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

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

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

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

Fiduciary fund financial statements are reported using the economic resources measurement focus, except for agency funds, which have no measurement focus, and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Campbell County reports the following major governmental funds:

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

**Solid Waste/Sanitation Fund** – This special revenue fund accounts for transactions relating to the disposal of Campbell County’s solid waste. Local taxes and general service charges are the foundational revenues of this fund.

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

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

**Other Capital Projects Fund** – This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Additionally, Campbell County reports the following fund type:

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

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

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

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

**Central Cafeteria Fund** – This special revenue fund is used to account for transactions related to school food services. Charges for services and federal grants are the foundational revenues of this fund.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

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

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**

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

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Campbell County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity

in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Debt Service Fund. Campbell County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit and investments in the State Treasurer's Investment Pool are reported at cost. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

## **2. Receivables and Payables**

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

All ambulance and property taxes receivables are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 6.28 percent of total taxes levied.

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

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

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

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

Most payables are disaggregated on the face of the financial statements. Other current liabilities in the Drug Control Fund totaling \$12,701 represent confiscated funds awaiting court orders.

Retainage payable in the primary government's nonmajor governmental funds and the discretely presented School Department represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held by the county trustee as Equity in Pooled Cash and Investments.

### **3. Capital Assets**

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

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

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	7 - 40
Other Capital Assets	5 - 15
Infrastructure:	
Roads	20 - 50
Bridges	40

**4. Compensated Absences**

It is the county’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The School Department does not have a policy to permit employees to accumulate earned but unused vacation. There is no liability for unpaid accumulated sick leave since neither Campbell County nor the School Department has a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide financial statements for the county. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

**5. Long-term Obligations**

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

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

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

**6. Net Assets and Fund Equity**

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

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

As of June 30, 2011, Campbell County had \$35,493,533 in outstanding debt for capital purposes for the discretely presented Campbell County School Department. This debt is a liability of Campbell County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Campbell County has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county's capital assets.

In the fund financial statements, governmental funds report fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in these funds can be spent. These classifications may consist of the following:

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

Restricted Fund Balance – includes amounts that have constraints placed on the use of the resources that are either (a) externally imposed by creditors, grantors, contributors or

laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

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

Assigned Fund Balance – includes amounts that are constrained by the county’s intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The County Commission and the Board of Education are authorized bodies to make assignments. Assigned fund balance in the General and General Purpose School funds consist of amounts assigned for encumbrances.

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 Campbell County School Department**

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

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

### **Primary Government**

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

### **Discretely Presented Campbell County School Department**

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

## **III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

### **A. Budgetary Information**

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

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

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

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

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

Fund	Description	Amount
Primary Government:		
Major Fund:		
General	Construction	\$ 371,000
Other Capital Projects	Construction	13,442,529
School Department:		
Major Fund:		
General	Construction	608,194
Central Cafeteria	Construction	100,000

**B. Director of Schools and Title I Director Pled Guilty to Criminal Charges**

As noted in the previous year's report, Director of Schools Dr. Michael Martin and Title I Director Karen Bundren were indicted by the Campbell County Grand Jury. The indictments stemmed from the director of schools and Title I director allegedly falsifying transcripts of Ms. Bundren indicating she had a Doctor of Education Degree. The alleged falsified degree was presented to the Campbell County Finance Office and the State of Tennessee in December 2009. On September 26, 2011, Dr. Martin and Ms. Bundren both pled guilty to one count of theft between \$1,000 and \$10,000, one count of official misconduct, one count of forgery, two counts of tampering with governmental records, and two counts of falsifying educational and academic records. Dr. Martin and Ms. Bundren both resigned their positions during the year ended June 30, 2011.

**C. Expenditures Exceeded Appropriations**

Expenditures exceeded appropriations approved by the County Commission in the Jail major appropriation category (the legal level of control) of the General Fund by \$51,659. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balance.

**IV. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

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

balance sheets or statements of net assets represents nonpooled amounts held separately by individual funds.

### **Deposits**

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

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

### **Investments**

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

The county had no pooled and nonpooled investments as of June 30, 2011.

**B. Capital Assets**

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

**Primary Government**

**Governmental Activities**

	Balance 7-1-10	Increases	Decreases	Balance 6-30-11
Capital Assets Not Depreciated:				
Land	\$ 1,980,026	\$ 0	\$ 0	\$ 1,980,026
Construction in Progress	1,079,082	376,237	(1,079,082)	376,237
Total Capital Assets, Not Depreciated	<u>\$ 3,059,108</u>	<u>\$ 376,237</u>	<u>\$ (1,079,082)</u>	<u>\$ 2,356,263</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 11,394,540	\$ 1,474,420	\$ 0	\$ 12,868,960
Roads and Bridges	79,888,487	0	0	79,888,487
Other Capital Assets	6,250,159	400,581	(182,934)	6,467,806
Total Capital Assets, Depreciated	<u>\$ 97,533,186</u>	<u>\$ 1,875,001</u>	<u>\$ (182,934)</u>	<u>\$ 99,225,253</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 2,452,957	\$ 344,410	\$ 0	\$ 2,797,367
Roads and Bridges	29,958,181	1,997,212	0	31,955,393
Other Capital Assets	4,448,295	428,620	(133,600)	4,743,315
Total Accumulated Depreciation	<u>\$ 36,859,433</u>	<u>\$ 2,770,242</u>	<u>\$ (133,600)</u>	<u>\$ 39,496,075</u>
Total Capital Assets Depreciated, Net	<u>\$ 60,673,753</u>	<u>\$ (895,241)</u>	<u>\$ (49,334)</u>	<u>\$ 59,729,178</u>
Governmental Activities Capital Assets, Net	<u>\$ 63,732,861</u>	<u>\$ (519,004)</u>	<u>\$ (1,128,416)</u>	<u>\$ 62,085,441</u>

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

**Governmental Activities:**

General Government	\$	63,327
Finance		43,921
Administration of Justice		796
Public Safety		209,238
Public Health and Welfare		177,359
Other Operations		149,598
Highways/Public Works		<u>2,126,003</u>
Total Depreciation Expense - Governmental Activities	<u>\$</u>	<u>2,770,242</u>

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

	Balance 7-1-10	Increases	Decreases	Balance 6-30-11
Capital Assets Not Depreciated:				
Land	\$ 1,129,742	\$ 31,868	\$ 0	\$ 1,161,610
Construction in Progress	<u>270,421</u>	<u>49,400</u>	<u>(270,421)</u>	<u>49,400</u>
Total Capital Assets Not Depreciated	<u>\$ 1,400,163</u>	<u>\$ 81,268</u>	<u>\$ (270,421)</u>	<u>\$ 1,211,010</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 67,158,777	\$ 3,211,298	\$ 0	\$ 70,370,075
Other Capital Assets	<u>2,730,089</u>	<u>775,710</u>	<u>0</u>	<u>3,505,799</u>
Total Capital Assets Depreciated	<u>\$ 69,888,866</u>	<u>\$ 3,987,008</u>	<u>\$ 0</u>	<u>\$ 73,875,874</u>
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 23,162,949	\$ 1,776,495	\$ 0	\$ 24,939,444
Other Capital Assets	<u>1,997,764</u>	<u>198,722</u>	<u>0</u>	<u>2,196,486</u>
Total Accumulated Depreciation	<u>\$ 25,160,713</u>	<u>\$ 1,975,217</u>	<u>\$ 0</u>	<u>\$ 27,135,930</u>
Total Capital Assets Depreciated, Net	<u>\$ 44,728,153</u>	<u>\$ 2,011,791</u>	<u>\$ 0</u>	<u>\$ 46,739,944</u>
Governmental Activities Capital Assets, Net	<u>\$ 46,128,316</u>	<u>\$ 2,093,059</u>	<u>\$ (270,421)</u>	<u>\$ 47,950,954</u>

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

**Governmental Activities:**

Instruction	\$ 32,633
Support Services	1,859,359
Operation of Non-Instructional Services	<u>83,225</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 1,975,217</u></u>

**C. Construction Commitments**

At June 30, 2011, the General Fund had uncompleted construction contracts of approximately \$371,000 for the construction of the new justice center. Funding for these future expenditures has been received.

The Other Capital Projects Fund had uncompleted construction contracts of approximately \$13,442,529 for the construction of the new justice center (\$11,625,500) and renovations to the high school (\$1,817,029). Funding has been received for these future expenditures.

At June 30, 2011, the discretely presented Campbell County School Department had uncompleted construction contracts of approximately \$708,194 for the repair and upgrade of various school buildings. Funding has been received for these future expenditures.

**D. Interfund Receivables, Payables, and Transfers**

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

**Due to/from Other Funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Solid Waste/Sanitation	\$ 2,107
"	Highway/Public Works	2,657
"	General Debt Service	168
"	Nonmajor governmental	13,786
Highway/Public Works	General	24,070
General Debt Service	"	746
Discretely Presented School Department:		
General Purpose School	School Federal Projects	72,893
School Federal Projects	General Purpose School	18,927

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

**Interfund Transfers:**

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

**Primary Government**

Transfers Out	Transfers In	
	General Fund	Other Capital Projects
Solid Waste/Sanitation Fund	\$ 58,209	\$ 0
Highway/Public Works Fund	19,913	0
Nonmajor governmental funds	474,812	325,150
<b>Total</b>	<b>\$ 552,934</b>	<b>\$ 325,150</b>

**Discretely Presented Campbell County School Department**

Transfers Out	Transfers In	
	General Purpose School Fund	Central Cafeteria Fund
General Purpose School Fund	\$ 0	\$ 191,917
School Federal Projects Fund	13,031	0
<b>Total</b>	<b>\$ 13,031</b>	<b>\$ 191,917</b>

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

**E. Long-term Debt**

**Primary Government**

**General Obligation Bonds, Notes, and Other Loans**

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

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, and other loans outstanding were issued for original terms of up to 21 years for bonds, up to 12 years for notes, and up to 15 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds, notes, and other loans included in long-term debt as of June 30, 2011, will be retired from the General Debt Service Fund, with the exception of one note totaling \$14,167, which will be retired from the Ambulance Service Fund.

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

<u>Type</u>	<u>Interest Rate</u>	<u>Original Amount of Issue</u>	<u>Balance 6-30-11</u>
General Obligation Bonds	2.35 to 5.8 %	\$ 20,650,000	\$ 20,550,000
General Obligation Bonds - Refunding	3 to 4	18,825,000	18,050,000
Capital Outlay Notes	3.24 to 4.53	3,455,000	2,280,000
Other Loans - Fixed Rate	4 to 5	12,550,000	10,450,000

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2012	\$ 365,000	\$ 1,761,915	\$ 2,126,915
2013	415,000	1,756,183	2,171,183
2014	415,000	1,743,153	2,158,153
2015	440,000	1,729,998	2,169,998
2016	440,000	1,714,468	2,154,468
2017-2021	6,775,000	8,178,712	14,953,712
2022-2026	13,560,000	6,117,211	19,677,211
2027-2031	15,410,000	2,610,151	18,020,151
2032	780,000	31,200	811,200
Total	\$ 38,600,000	\$ 25,642,991	\$ 64,242,991

Year Ending June 30	Notes		
	Principal	Interest	Total
2012	\$ 925,833	\$ 71,529	\$ 997,362
2013	291,667	53,825	345,492
2014	291,667	41,588	333,255
2015	291,667	29,350	321,017
2016	291,667	17,119	308,786
2017-2021	187,499	19,829	207,328
Total	\$ 2,280,000	\$ 233,240	\$ 2,513,240

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2012	\$ 1,150,000	\$ 515,938	\$ 1,665,938
2013	1,200,000	458,438	1,658,438
2014	1,275,000	398,437	1,673,437
2015	1,325,000	334,688	1,659,688
2016	1,400,000	268,437	1,668,437
2017-2019	4,100,000	374,188	4,474,188
Total	\$ 10,450,000	\$ 2,350,126	\$ 12,800,126

There is \$2,004,880 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$948, based on the 2010 federal census. Debt per capita, including bonds, notes, and other loans totaled \$1,261, based on the 2010 federal census.

Changes in Long-term Liabilities

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

Governmental Activities:

	<u>Bonds</u>	<u>Notes</u>
Balance, July 1, 2010	\$ 21,300,000	\$ 1,994,167
Additions	17,625,000	620,000
Deductions	(325,000)	(334,167)
	<u>38,600,000</u>	<u>2,280,000</u>
Balance, June 30, 2011	\$ 38,600,000	\$ 2,280,000
Balance Due Within One Year	<u>\$ 365,000</u>	<u>\$ 925,833</u>

	<u>Other</u>	<u>Compensated</u>	<u>Other</u>
	<u>Loans</u>	<u>Absences</u>	<u>Postemployment</u>
			<u>Benefits</u>
Balance, July 1, 2010	\$ 11,550,000	\$ 513,853	\$ 282,751
Additions	0	352,149	293,000
Deductions	(1,100,000)	(424,543)	(19,992)
	<u>10,450,000</u>	<u>441,459</u>	<u>555,759</u>
Balance, June 30, 2011	\$ 10,450,000	\$ 441,459	\$ 555,759
Balance Due Within One Year	<u>\$ 1,150,000</u>	<u>\$ 401,729</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2011	\$ 52,327,218
Less: Balance Due Within One Year	(2,842,562)
Add: Unamortized Premium on Debt	560,579
Less: Deferred Amount on Refunding	(62,497)
	<u>49,982,738</u>

Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 49,982,738</u>
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Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General and Highway/Public Works funds.

**Discretely Presented Campbell County School Department**

**Changes in Long-term Liabilities**

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

Governmental Activities:

	<u>Other Postemployment Benefits</u>
Balance, July 1, 2010	\$ 2,913,439
Additions	1,307,429
Deductions	<u>(708,351)</u>
Balance, June 30, 2011	<u>\$ 3,512,517</u>
Balance Due Within One Year	<u>\$ 0</u>

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

**F. Other Commitments**

During the year, the School Department paid \$1,571,482 to the primary government's General Debt Service Fund to be applied toward the retirement of school debt. By resolution, the Campbell County Board of Education has committed future contributions of \$1,250,000 per fiscal year to the primary government's General Debt Service Fund through the year ending June 30, 2030, to provide funds for the retirement of current and future debt issued for school purposes.

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Campbell County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2011, were \$247,698 and \$60,978, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

## V. OTHER INFORMATION

### A. Risk Management

#### Primary Government

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

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

#### Discretely Presented Campbell County School Department

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

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

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

**B. Accounting 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 31, 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 government 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. Campbell County and the Campbell County School Department have implemented provisions of this statement in the financial statements of this report for their governmental funds.

**C. Subsequent Event**

Campbell County entered into an agreement dated January 13, 2012, with the state Department of Finance and Administration regarding a dispute over the right to obtain certain reimbursements from the federal Department of Health and Human Services (HHS) under the federal Early Retiree Reinsurance Program (CFDA No. 93.546). The dispute centered on reimbursements for health insurance claims paid for retired pre-65 teachers. Campbell County participates in a state sponsored health insurance plan for its active and retired employees as discussed in Notes V.A. and V.I. Both Campbell County and the state contribute to the cost of pre-65 retired teachers in the health insurance program. Campbell County had claimed it was entitled to approximately \$379,008 under the HHS reimbursement program through June 30, 2011. The state maintained that any claim filed by Campbell County was a duplicate of claims filed with HHS by the state. In the January 13, 2012, document, Campbell County agreed to withdraw its application for reimbursement filed with HHS while the state agreed to pay Campbell County a prorated amount of reimbursements the state receives from HHS for claims costs of retired Campbell County teachers. The financial statements reflect a receivable in the School Department's General Purpose School Fund totaling \$379,008, which is offset by a deferred revenue because it was not received within 60 days of fiscal year end. The amount of the actual reimbursement has not yet been determined and may vary significantly from the amount reported.

**D. Contingent Liabilities**

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

**E. Changes in Administration**

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

On October 8, 2010, Dr. Michael Martin resigned from the Office of Director of Schools. Sharon Ridenour was named interim director of schools on November 9, 2010. On April 15, 2011, Donnie Poston was hired as director of schools replacing the interim director of schools.

**F. Joint Ventures**

The Campbell County Library Board is a joint venture in which the county participates with the cities of LaFollette, Jacksboro, Caryville, and Jellico to operate the library system within the county. Representatives from the four cities and the county comprise the Campbell County Library Board and have equal representation on the board. Campbell County contributed \$38,000 to the operation of the Library Board during the year ended June 30, 2011. Financial statements for the Library Board can be obtained from its administrative office at the following address:

Administrative Office:

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

The Eighth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Eighth Judicial District; Scott, Campbell, Fentress, Claiborne, and Union counties; and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by the board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Campbell County made no contributions to the DTF for the year ended June 30, 2011, and does not have any equity interest in this joint venture. Complete financial statements for the DTF can be obtained from its administrative office at the following address:

Administrative Office:

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

**G. Jointly Governed Organization**

The Northeast Tennessee Railroad Authority was incorporated in June 2005 as a public authority created by the Tennessee State Legislature. The purpose of the rail authority is to preserve and enhance the railroad system serving Anderson, Campbell, and Scott counties in Tennessee, so as to secure economic benefits for these counties. The rail authority is governed by a board of directors, which includes the mayor for each of the three counties served by the rail authority. Campbell County did not contribute to the operations of the Northeast Tennessee Railroad Authority for the year ended June 30, 2011. Complete financial statements for the rail authority can be obtained from P.O. Box 180, Huntsville, TN 37756.

**H. Retirement Commitments**

**Plan Description**

Employees of Campbell County are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979, become vested after five years of service, and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Campbell County participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

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

## Funding Policy

Campbell County requires employees to contribute five percent of their earnable compensation to the plan. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2011, was 6.51 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

## Annual Pension Cost

For the year ended June 30, 2011, the county's annual pension cost of \$803,766 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2009, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected post retirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The county's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2009, was six years. An actuarial valuation was performed as of July 1, 2009, which established contribution rates effective July 1, 2010.

### Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-11	\$803,766	100%	\$0
6-30-10	796,674	100	0
6-30-09	780,028	100	0

## Funded Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the plan was 91.27 percent funded. The actuarial accrued liability for benefits was \$29 million, and the actuarial value of assets was \$27 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$3 million. The covered payroll (annual payroll of active employees covered by the plan) was \$11 million, and the ratio of the UAAL to the covered payroll was 22.28 percent.

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

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

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

## **Funding Policy**

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2011, was 9.05 percent of annual covered payroll. The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2011, 2010, and 2009, were \$1,759,163, \$1,237,947, and \$1,274,081, respectively, equal to the required contributions for each year.

### **I. Other Postemployment Benefits (OPEB)**

#### **Primary Government**

##### **Plan Description**

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

##### **Funding Policy**

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is purchased commercially and financed on a pay-as-you-go basis. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The county develops its own contribution policy in terms of subsidizing active employees or retired employees' premiums. Eligible employees must be age 55 with ten years of service or any age with 25 years of service until attainment of age 65 when they become eligible for Medicare. Campbell County pays from 60 to 75 percent of the costs of benefits depending upon years of service. The retiree's spouse is eligible for coverage until the spouse reaches age 65. During the year ended June 30, 2011, the county contributed \$19,992 for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

ARC	\$ 295,000
Interest on the NPO	11,000
Adjustment to the ARC	<u>(13,000)</u>
Annual OPEB cost	\$ 293,000
Amount of contribution	<u>(19,992)</u>
Increase/decrease in NPO	\$ 273,008
Net OPEB obligation, 7-1-10	<u>282,751</u>
 Net OPEB obligation, 6-30-11	 <u><u>\$ 555,759</u></u>

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-09	Campbell County	\$ 248,000	72.2 %	\$ 69,018
6-30-10	"	260,000	17.8	282,751
6-30-11	"	293,000	6.8	555,759

Funded Status and Funding Progress

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

Actuarial valuation date	7-1-10
Actuarial accrued liability (AAL)	\$ 2,277,000
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 2,277,000
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 7,244,000
UAAL as a % of covered payroll	31.4%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

## Actuarial Methods and Assumptions

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

In the July 1, 2010, actuarial valuation, the entry age normal method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of five percent. The unfunded actuarial accrued liability is being amortized on an open basis over a 30-year period beginning with June 30, 2009.

## **Discretely Presented Campbell County School Department**

### Plan Description

The Campbell County School Department participates in the state-administered Local Education Group Insurance Plan for healthcare benefits for teachers. For accounting purposes, the plan is an agent multiple-employer defined benefit OPEB plan. Benefits are established and amended by an insurance committee created by Section 8-27-302, *Tennessee Code Annotated (TCA)*. 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 plan is reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://tn.gov/finance/act/cafr.html>.

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

Funding Policy

Local Education Group Insurance Plan

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in the plan develop their own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state provides a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. The required contribution rate for teachers ranges from zero to 35 percent based on the years of service and type of coverage. During the year ended June 30, 2011, the discretely presented Campbell County School Department contributed \$519,764 for postemployment benefits related to this plan.

Campbell County Commercial Plan

Funding requirements for the county's commercial postemployment plan are described in the primary government section of this note. During the year ended June 30, 2011, the Campbell County School Department contributed \$188,587 for postemployment benefits related to this plan.

Annual OPEB Cost and Net OPEB Obligation

	County Commercial Plan	Local Education Group Plan	Total
ARC	\$ 269,000	\$ 1,033,000	\$ 1,302,000
Interest on the NPO	8,000	121,766	129,766
Adjustment to the ARC	(9,000)	(115,337)	(124,337)
Annual OPEB cost	\$ 268,000	\$ 1,039,429	\$ 1,307,429
Amount of contribution	(188,587)	(519,764)	(708,351)
Increase/decrease in NPO	\$ 79,413	\$ 519,665	\$ 599,078
Net OPEB obligation, 7-1-10	207,519	2,705,920	2,913,439
Net OPEB obligation, 6-30-11	\$ 286,932	\$ 3,225,585	\$ 3,512,517

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-09	Local Education Group	\$ 1,524,293	25.1 %	\$ 2,217,892
6-30-10	"	1,027,270	52.5	2,705,920
6-30-11	"	1,039,429	50	3,225,585
6-30-09	County Commercial	237,000	46.8	126,000
6-30-10	"	243,000	66.5	207,519
6-30-11	"	268,000	70.4	286,932

#### Funded Status and Funding Progress

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

	Campbell County Plan	Local Education Group Plan
Actuarial valuation date	7-1-10	7-1-10
Actuarial accrued liability (AAL)	\$ 3,489,900	\$ 10,287,000
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 3,489,900	\$ 10,287,000
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 5,182,912	\$ 17,955,088
UAAL as a % of covered payroll	67%	57%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

#### Actuarial Methods and Assumptions

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

### Local Education Group Insurance Plan

In the July 1, 2010, actuarial valuation for the Local Education Group Insurance 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. Both rates include a three percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with June 30, 2008.

### Campbell County Commercial Plan

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

## **J. Office of Central Accounting and Budgeting**

### Office of Director of Finance

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

## **K. Purchasing Law**

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

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

### **A. Description of Organization**

The Emergency Communications District of Campbell County, Tennessee, was created by a county-wide referendum on January 1, 1991. The Campbell County Board of Commissioners appointed the district's board of directors pursuant to *Tennessee Code Annotated*, Section 7-86-101. The district is

responsible for the installation and maintenance of the emergency communications network of Campbell County, Tennessee (Enhanced 911 Service).

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

**B. Summary of Significant Accounting Policies**

**1. Basis of Accounting**

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

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

GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* establishes standards for external financial reporting for state and local governments and requires that resources be classified for accounting and reporting purposes into the following three net asset groups:

Invested in capital assets. This category includes capital assets, net of accumulated depreciation. Invested in capital assets at June 30, 2011, has been calculated as follows:

Capital Assets	\$ 766,479
Accumulated Depreciation	<u>(104,405)</u>
Total	<u><u>\$ 662,074</u></u>

Restricted. This category includes net assets whose use is subject to externally imposed stipulations that can be fulfilled by actions of the district pursuant to those stipulations or that expire by the passage of time. The district had no restricted net assets as of June 30, 2011.

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

**2. Accounts Receivable**

Accounts receivable, which are deemed uncollectible based upon a periodic review of the accounts, are charged to revenue. At June 30, 2011, no allowance for uncollectible accounts was considered necessary.

**3. Capital Assets**

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

**4. Operating Budget**

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

**5. Compensated Absences**

The district's full-time employees are granted vacation leave in varying amounts. In the event of termination, the employee is paid for any unused vacation leave. Unused vacation leave as of June 30, 2011, totaling \$27,101, is included as a liability in the Statement of Net Assets.

**C. Cash on Deposit**

Cash and certificates of deposit represent money on deposit in various banks. The district considers all highly liquid investments with an original maturity date of three months or less when purchased to be cash equivalents.

State of Tennessee law authorizes the district to invest in obligations of the United States or its agencies, non-convertible debt securities of certain federal agencies, other obligations guaranteed as to principal and interest by the United States or any of its agencies, secured certificates of deposit and

other evidences of deposit in state and federal banks and savings and loan associations, and the state treasurer's local government investment pool.

All deposits with financial institutions in excess of Federal Deposit Insurance Corporation limits are required to be secured by one of two methods. Excess funds can be deposited with a financial institution that participates in the State of Tennessee Bank Collateral Pool. For deposits with financial institutions that do not participate in the State of Tennessee 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.

All cash balances at June 30, 2011, were either insured through the Federal Deposit Insurance Corporation or collateralized with securities held by the district's agent in the district's name.

**D. Capital Assets**

	Balance 7-1-10	Increases	Retirements	Balance 6-30-11
Capital Assets Not Depreciated:				
Land	\$ 188,500	\$ 0	\$ 0	\$ 188,500
Capital Assets Depreciated:				
Buildings	\$ 86,511	\$ 0	\$ 0	\$ 86,511
Communications Equipment	409,384	359,141	(312,240)	456,285
Office Equipment	12,740	0	0	12,740
Vehicles	22,443	0	0	22,443
Total Capital Assets Depreciated	\$ 531,078	\$ 359,141	\$ (312,240)	\$ 577,979
Accumulated Depreciation:				
Buildings	\$ (33,167)	\$ (2,229)	\$ 0	\$ (35,396)
Communications Equipment	(300,967)	(25,692)	292,085	(34,574)
Office Equipment	(11,417)	(575)	0	(11,992)
Vehicles	(22,443)	0	0	(22,443)
Total Accumulated Depreciation	\$ (367,994)	\$ (28,496)	\$ 292,085	\$ (104,405)
Total Capital Assets, Net	\$ 351,584	\$ 330,645	\$ (20,155)	\$ 662,074

**E. Pension Plan**

Plan Description

Employees of the district are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year

average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for a disability that is the result of an accident or injury occurring while the member was in the performance of his duties.

Members joining the system after July 1, 1979, become vested after five years of service, and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in the state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as the district participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of the plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

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

### Funding Policy

The district requires employees to contribute five percent of their earnable compensation. The district is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2011, was 8.68 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the district is established and may be amended by the TCRS Board of Trustees.

### Annual Pension Cost

For the year ended June 30, 2011, the district's annual pension cost of \$28,009 to TCRS was equal to the district'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 three percent annual rate of inflation, (c) 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), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected post retirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value

of total investments over a ten-year period. The district's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2009, was nine years. An actuarial valuation was performed as of July 1, 2009, which established contribution rates effective July 1, 2010.

**Trend Information**

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contribution	Net Pension Obligation
6-30-11	\$ 28,009	100 %	\$ 0
6-30-10	28,741	100	0
6-30-09	27,769	100	0

**Funded Status and Funding Progress**

As of July 1, 2009, the most recent actuarial valuation date, the plan was 68.57 percent funded. The actuarial accrued liability for benefits was \$.5 million, and the actuarial value of assets was \$.3 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 \$.3 million, and the ratio of UAAL to the covered payroll was 52.12 percent.

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

**F. Risk Management**

The district is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The district carries commercial insurance for all risks of loss, including general liability and workers' compensation coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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Exhibit E-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 6,823,133	\$ 0	\$ 0	\$ 6,823,133	\$ 6,590,438	\$ 6,663,593	\$ 159,540
Licenses and Permits	136,255	0	0	136,255	154,221	154,221	(17,966)
Fines, Forfeitures, and Penalties	192,847	0	0	192,847	220,094	210,494	(17,647)
Charges for Current Services	73,590	0	0	73,590	76,590	78,120	(4,530)
Other Local Revenues	89,668	0	0	89,668	73,347	93,309	(3,641)
Fees Received from County Officials	1,660,801	0	0	1,660,801	1,675,915	1,650,915	9,886
State of Tennessee	2,984,388	0	0	2,984,388	2,805,447	3,056,434	(72,046)
Federal Government	112,337	0	0	112,337	146,628	138,469	(26,132)
Other Governments and Citizens Groups	318,401	0	0	318,401	294,703	345,734	(27,333)
Total Revenues	\$ 12,391,420	\$ 0	\$ 0	\$ 12,391,420	\$ 12,037,383	\$ 12,391,289	\$ 131

<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 252,743	\$ (4,091)	\$ 42	\$ 248,694	\$ 262,272	\$ 261,334	\$ 12,640
Board of Equalization	4,205	0	0	4,205	4,134	4,254	49
County Mayor/Executive	253,431	(1,016)	1,179	253,594	259,171	258,633	5,039
County Attorney	47,535	0	0	47,535	49,000	47,940	405
Election Commission	359,580	(77,970)	43,265	324,875	328,996	326,257	1,382
Register of Deeds	249,733	(11,839)	5,606	243,500	268,665	264,624	21,124
County Buildings	213,602	(11,653)	8,229	210,178	228,389	224,180	14,002
Other Facilities	15,511	0	0	15,511	19,628	18,628	3,117
Preservation of Records	9,387	(794)	0	8,593	18,222	17,022	8,429
<u>Finance</u>							
Accounting and Budgeting	832,154	(12,258)	32,243	852,139	863,439	855,631	3,492
Property Assessor's Office	361,361	(4,765)	6,022	362,618	379,282	370,236	7,618

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original		
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance (Cont.)</u>							
Reappraisal Program	\$ 28,972	\$ (341)	0	\$ 28,631	\$ 29,200	\$ 29,200	\$ 569
County Trustee's Office	291,377	(1,117)	1,032	291,292	294,305	295,528	4,236
County Clerk's Office	512,940	(663)	302	512,579	550,903	535,355	22,776
Other Finance	287,438	(4,899)	104,615	387,154	306,858	388,012	858
<u>Administration of Justice</u>							
Circuit Court	537,855	(13,374)	11,536	536,017	551,628	542,360	6,343
General Sessions Court	193,314	(1,132)	475	192,657	196,605	196,605	3,948
Drug Court	82,241	(6,929)	6,699	82,011	98,742	98,742	16,731
Chancery Court	272,745	(63)	2,189	274,871	287,030	287,113	12,242
District Attorney General	28,720	0	0	28,720	29,882	28,812	92
Office of Public Defender	20,412	0	0	20,412	22,412	22,412	2,000
Other Administration of Justice	1,600	0	0	1,600	1,600	1,600	0
<u>Public Safety</u>							
Sheriff's Department	1,884,170	(4,877)	16,289	1,895,582	1,889,492	1,896,399	817
Special Patrols	222,976	(925)	28,701	250,752	240,165	256,319	5,567
Traffic Control	761	0	0	761	3,050	2,050	1,289
Administration of the Sexual Offender Registry	1,728	(1,000)	3,884	4,612	4,875	4,875	263
Jail	2,343,325	(16,179)	16,503	2,343,649	2,286,937	2,291,990	(51,659)
Juvenile Services	24,406	(500)	0	23,906	40,407	32,597	8,691
Commissary	0	0	0	0	39,322	39,322	39,322
Fire Prevention and Control	143,057	0	0	143,057	146,611	143,291	234
Civil Defense	140,128	(79,510)	30,008	90,626	152,777	254,080	163,454
Rescue Squad	57,079	0	0	57,079	62,680	62,080	5,001
Other Emergency Management	188,456	0	0	188,456	188,956	188,506	50

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Public Safety (Cont.)</u>							
County Coroner/Medical Examiner	\$ 61,454	\$ (14,552)	\$ 13,291	\$ 60,193	\$ 90,776	\$ 71,866	\$ 11,673
Other Public Safety	290,654	(1,750)	396,180	685,084	259,166	688,475	3,391
<u>Public Health and Welfare</u>							
Local Health Center	90,566	(651)	11,822	101,737	91,045	109,478	7,741
Rabies and Animal Control	130,078	(318)	1,805	131,565	142,754	139,119	7,554
Dental Health Program	7,076	0	0	7,076	7,740	7,240	164
Alcohol and Drug Programs	8,351	0	0	8,351	7,770	8,351	0
Crippled Children Services	2,764	0	0	2,764	2,764	2,764	0
Other Local Health Services	550,429	(9,097)	0	541,332	592,400	584,852	43,520
Appropriation to State	24,500	0	0	24,500	24,500	24,500	0
General Welfare Assistance	69,525	(200)	200	69,525	66,450	70,850	1,325
Sanitation Education/Information	108,886	0	134	109,020	99,977	109,275	255
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	41,653	0	0	41,653	46,370	50,122	8,469
Libraries	38,000	0	0	38,000	38,000	38,000	0
Other Social, Cultural, and Recreational	69,266	(125)	22,379	91,520	97,843	97,857	6,337
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	52,091	(1,254)	200	51,037	51,880	51,880	843
Soil Conservation	4,639	0	0	4,639	6,330	6,330	1,691
<u>Other Operations</u>							
Airport	71,646	(61)	0	71,585	72,956	72,871	1,286
Veterans' Services	126,893	(60)	261	127,094	130,124	128,049	955
Contributions to Other Agencies	82,829	(1,157)	0	81,672	73,118	82,007	335
Employee Benefits	193,979	0	5,105	199,084	174,667	258,844	59,760

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Other Operations (Cont.)</u>							
ARRA Grant No. 2	\$ 39,828	\$ (2,144)	\$ 3,350	\$ 41,034	\$ 50,000	\$ 50,000	\$ 8,966
ARRA Grant No. 3	6,070	0	0	6,070	18,217	18,217	12,147
Miscellaneous	39,447	(583)	30,517	69,381	49,472	69,472	91
Highways							
Employee Benefits	7,241	0	0	7,241	0	7,241	0
Total Expenditures	\$ 11,980,807	\$ (287,847)	\$ 804,063	\$ 12,497,023	\$ 12,299,954	\$ 12,993,647	\$ 496,624
Excess (Deficiency) of Revenues Over Expenditures	\$ 410,613	\$ 287,847	\$ (804,063)	\$ (105,603)	\$ (262,571)	\$ (602,358)	\$ 496,755
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 552,934	0	0	\$ 552,934	\$ 225,020	\$ 552,934	0
Total Other Financing Sources (Uses)	\$ 552,934	0	0	\$ 552,934	\$ 225,020	\$ 552,934	0
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ 963,547	\$ 287,847	\$ (804,063)	\$ 447,331	\$ (37,551)	\$ (49,424)	\$ 496,755
	2,862,072	(287,847)	0	2,574,225	2,827,911	2,827,911	(253,686)
Fund Balance, June 30, 2011	\$ 3,825,619	0	\$ (804,063)	\$ 3,021,556	\$ 2,790,360	\$ 2,778,487	\$ 243,069

Exhibit E-2

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

	Actual (GAAP Basis)	Less:		Add:	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		7/1/2010	6/30/2011			Original	Final	
<u>Revenues</u>								
Local Taxes	\$ 2,254,106	\$ 0	\$ 0	\$ 2,254,106	\$ 2,187,032	\$ 2,187,032	\$ 67,074	
Charges for Current Services	78,135	0	0	78,135	59,730	59,730	18,405	
Other Local Revenues	225,688	0	0	225,688	90,000	218,779	6,909	
State of Tennessee	13,782	0	0	13,782	20,000	20,100	(6,318)	
<b>Total Revenues</b>	<b>\$ 2,571,711</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 2,571,711</b>	<b>\$ 2,356,762</b>	<b>\$ 2,485,641</b>	<b>\$ 86,070</b>	
<u>Expenditures</u>								
<u>Public Health and Welfare</u>								
Sanitation Management	\$ 333,583	(1,878)	\$ 7,755	\$ 339,460	\$ 371,130	\$ 343,434	\$ 3,974	
Sanitation Education/Information	148	(148)	0	0	0	0	0	
Convenience Centers	1,319,325	(1,349)	6,594	1,324,570	1,384,875	1,406,053	81,483	
Transfer Stations	86,785	(79)	0	86,706	56,584	181,754	95,048	
Recycling Center	293,490	(3,180)	3,169	293,479	315,237	293,479	0	
Other Waste Disposal	162,422	(61)	134	162,495	177,245	177,086	14,591	
<u>Other Operations</u>								
Employee Benefits	16,672	0	0	16,672	21,691	25,626	8,954	
<b>Total Expenditures</b>	<b>\$ 2,212,425</b>	<b>\$ (6,695)</b>	<b>\$ 17,652</b>	<b>\$ 2,223,382</b>	<b>\$ 2,326,762</b>	<b>\$ 2,427,432</b>	<b>\$ 204,050</b>	
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 359,286</b>	<b>\$ 6,695</b>	<b>\$ (17,652)</b>	<b>\$ 348,329</b>	<b>\$ 30,000</b>	<b>\$ 58,209</b>	<b>\$ 290,120</b>	
<u>Other Financing Sources (Uses)</u>								
Transfers Out	\$ (58,209)	0	0	(58,209)	(30,000)	(58,209)	0	
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (58,209)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (58,209)</b>	<b>\$ (30,000)</b>	<b>\$ (58,209)</b>	<b>\$ 0</b>	
<b>Net Change in Fund Balance Fund Balance, July 1, 2010</b>	<b>\$ 301,077</b>	<b>\$ 6,695</b>	<b>\$ (17,652)</b>	<b>\$ 290,120</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 290,120</b>	
<b>Fund Balance, June 30, 2011</b>	<b>\$ 793,506</b>	<b>\$ (6,695)</b>	<b>\$ 0</b>	<b>\$ 786,811</b>	<b>\$ 786,449</b>	<b>\$ 786,449</b>	<b>\$ 362</b>	
<b>Fund Balance, June 30, 2011</b>	<b>\$ 1,094,583</b>	<b>\$ 0</b>	<b>\$ (17,652)</b>	<b>\$ 1,076,931</b>	<b>\$ 786,449</b>	<b>\$ 786,449</b>	<b>\$ 290,482</b>	

Exhibit E-3

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 864,574	\$ 0	\$ 0	\$ 864,574	\$ 914,171	\$ 921,179	\$ (56,605)
Licenses and Permits	100	0	0	100	250	250	(150)
Other Local Revenues	646,130	0	0	646,130	420,327	633,547	12,583
State of Tennessee	2,197,789	0	0	2,197,789	2,560,970	2,546,556	(348,767)
Federal Government	46,633	0	0	46,633	0	0	46,633
<b>Total Revenues</b>	<b>\$ 3,755,226</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 3,755,226</b>	<b>\$ 3,895,718</b>	<b>\$ 4,101,532</b>	<b>\$ (346,306)</b>
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 185,686	(311)	308	\$ 185,683	\$ 193,687	\$ 186,405	\$ 722
Highway and Bridge Maintenance	1,356,803	(32,947)	140,126	1,463,982	1,467,550	1,465,288	1,306
Operation and Maintenance of Equipment	977,654	(67,148)	39,023	949,529	912,480	957,658	8,129
Quarry Operations	257,974	(2,096)	12,759	268,637	285,286	276,909	8,272
Other Charges	128,094	(896)	681	127,879	141,875	132,300	4,421
Employee Benefits	73,497	(107)	220	73,610	80,552	80,552	6,942
Capital Outlay	669,045	(27,000)	201,934	843,979	920,133	1,289,757	445,778
<b>Total Expenditures</b>	<b>\$ 3,648,753</b>	<b>(130,505)</b>	<b>395,051</b>	<b>\$ 3,913,299</b>	<b>\$ 4,001,563</b>	<b>\$ 4,388,869</b>	<b>\$ 475,570</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 106,473</b>	<b>\$ 130,505</b>	<b>(395,051)</b>	<b>\$ (158,073)</b>	<b>\$ (105,845)</b>	<b>\$ (287,337)</b>	<b>\$ 129,264</b>
<u>Other Financing Sources (Uses)</u>							
Transfers Out	(19,913)	0	0	(19,913)	0	(19,913)	0
Total Other Financing Sources (Uses)	(19,913)	0	0	(19,913)	0	(19,913)	0
<b>Net Change in Fund Balance Fund Balance, July 1, 2010</b>	<b>\$ 86,560</b>	<b>\$ 130,505</b>	<b>(395,051)</b>	<b>\$ (177,986)</b>	<b>(105,845)</b>	<b>(307,250)</b>	<b>\$ 129,264</b>
	843,071	(130,505)	0	712,566	721,326	721,326	(8,760)
<b>Fund Balance, June 30, 2011</b>	<b>\$ 929,631</b>	<b>\$ 0</b>	<b>(395,051)</b>	<b>\$ 534,580</b>	<b>\$ 615,481</b>	<b>\$ 414,076</b>	<b>\$ 120,504</b>

Exhibit E-4

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

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-09	\$ 26,563	\$ 29,104	\$ 2,541	91.27 %	\$ 11,402	22.28 %
7-1-07	24,788	26,952	2,164	91.97	11,284	19.18

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

Exhibit E-5

Campbell County, Tennessee  
Schedule of Funding Progress – Pension Plan  
Discretely Presented Campbell County Emergency Communications District  
June 30, 2011

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-09	\$ 340	496	\$ 156	68.57 %	299	52.12 %
7-1-07	249	324	75	76.85	205	36.59

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

Campbell County, Tennessee  
Schedule of Funding Progress — Other Postemployment Benefits Plans  
Primary Government and Discretely Presented Campbell 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>							
Campbell County*	7-1-08	\$ 0	\$ 1,941	\$ 1,941	0	\$ 7,067	27 %
"	7-1-10	0	2,277	2,277	0	7,244	31
<u>DISCRETELY PRESENTED CAMPBELL COUNTY SCHOOL DEPARTMENT</u>							
Teachers:							
Local Education Group	7-1-07	0	13,608	13,608	0	23,808	57
"	7-1-09	0	10,259	10,259	0	18,003	57
"	7-1-10	0	10,287	10,287	0	17,955	57
Non-Teachers:							
Campbell County*	7-1-08	0	3,228	3,228	0	5,006	64
"	7-1-10	0	3,489	3,489	0	5,183	67

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

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

**A. BUDGETARY INFORMATION**

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

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

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

At June 30, 2011, Campbell County reported the following significant encumbrance in the General Fund:

Fund	Description	Amount
Primary Government:		
General	Construction	\$ 371,000

**B. EXPENDITURES EXCEEDED APPROPRIATIONS**

Expenditures exceeded appropriations approved by the County Commission in the Jail major appropriations category (the legal level of control) of the General Fund by \$51,659. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balance.

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

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# Nonmajor Governmental Funds

## Special Revenue Funds

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

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

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

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

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

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

## Capital Projects Fund

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

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General Capital Projects Fund – The General Capital Projects Fund is used to account for general capital expenditures for the county.

Exhibit F-1

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

	Special Revenue Funds						Total	Capital Projects Fund	Total Nonmajor Governmental Funds
	Ambulance Service	Industrial/ Economic Development	Drug Control	Constitu- tional Officers - Fees	Capital Projects Fund				
					General Capital Projects	Nonmajor Governmental Funds			
\$	200	0	0	3,000	0	0	0	3,200	
Equity in Pooled Cash and Investments	656,175	364,315	60,078	0	0	251,730	0	1,332,298	
Accounts Receivable	681,007	0	0	108	0	0	0	681,115	
Allowance for Uncollectibles	(11,610)	0	0	0	0	0	0	(11,610)	
Due from Other Governments	0	0	0	0	0	100,000	0	100,000	
Property Taxes Receivable	142,154	71,078	0	0	0	426,463	0	639,695	
Allowance for Uncollectible Property Taxes	(17,526)	(8,764)	0	0	0	(52,579)	0	(78,869)	
Total Assets	\$ 1,450,400	\$ 426,629	\$ 60,078	\$ 3,108	\$ 1,940,215	\$ 725,614	\$ 0	\$ 2,665,829	

ASSETS

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

Total Assets

LIABILITIES AND FUND BALANCES

Liabilities

Accounts Payable  
Accrued Payroll  
Payroll Deductions Payable  
Retainage Payable  
Due to Other Funds  
Other Current Liabilities  
Deferred Revenue - Current Property Taxes  
Deferred Revenue - Delinquent Property Taxes  
Other Deferred Revenues

Total Liabilities

\$	22,436	0	680	0	0	23,116	0	23,116
	5,364	0	0	0	0	5,364	0	5,364
	17,379	6	215	0	0	17,600	0	17,600
	0	0	0	0	0	0	16,424	16,424
	10,678	0	0	3,108	0	13,786	0	13,786
	0	0	12,701	0	0	12,701	0	12,701
	116,270	58,135	0	0	0	174,405	348,810	523,215
	6,730	3,365	0	0	0	10,095	20,190	30,285
	539,103	0	0	0	0	539,103	100,000	639,103
\$	717,960	61,506	13,596	3,108	796,170	485,424	1,281,594	1,281,594

(Continued)

Exhibit F-1

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

	Special Revenue Funds					Capital Projects Fund	Total Nonmajor Governmental Funds
	Ambulance Service	Industrial/ Economic Development	Drug Control	Constitu- tional Officers - Fees	Total		
\$	0	0	46,482	0	46,482	0	46,482
	0	79,120	0	0	79,120	0	79,120
	0	0	0	0	0	44,727	44,727
	732,440	0	0	0	732,440	0	732,440
	0	147,900	0	0	147,900	195,463	343,363
	0	138,103	0	0	138,103	0	138,103
\$	732,440	365,123	46,482	0	1,144,045	240,190	1,384,235
\$	1,450,400	426,629	60,078	3,108	1,940,215	725,614	2,665,829

LIABILITIES AND FUND BALANCES (CONT.)

<u>Fund Balances</u>
Restricted:
Restricted for Public Safety
Restricted for Other Operations
Restricted for Capital Projects
Committed:
Committed for Public Health and Welfare
Committed for Capital Projects
Committed for Other Purposes
Total Fund Balances
Total Liabilities and Fund Balances

Exhibit F-2

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

	Special Revenue Funds							Total Nonmajor Governmental Funds
	Capital Projects Fund						Total	
	Ambulance Service	Industrial / Economic Development	Special Purpose	Drug Control	Constitu- tional Officers - Fees	General Capital Projects		
<u>Revenues</u>								
Local Taxes	\$ 147,249	\$ 196,413	\$ 0	\$ 0	\$ 0	\$ 548,093	\$ 891,755	
Fines, Forfeitures, and Penalties	0	0	0	112,598	0	0	112,598	
Charges for Current Services	1,948,865	150	0	33,000	1,982,015	0	1,982,015	
Other Local Revenues	1,421	71,191	0	19,100	91,712	0	91,712	
State of Tennessee	0	0	0	0	0	116,049	116,049	
Federal Government	0	0	0	0	0	300,000	300,000	
Other Governments and Citizens Groups	0	80,395	0	0	0	0	80,395	
<b>Total Revenues</b>	<b>\$ 2,097,535</b>	<b>\$ 348,149</b>	<b>\$ 0</b>	<b>\$ 131,698</b>	<b>\$ 33,000</b>	<b>\$ 2,610,382</b>	<b>\$ 3,574,524</b>	
<u>Expenditures</u>								
Current:								
General Government	\$ 0	\$ 55,906	\$ 0	\$ 0	\$ 0	\$ 55,906	\$ 55,906	
Administration of Justice	0	0	0	0	33,000	0	33,000	
Public Safety	0	0	0	92,753	0	92,753	92,753	
Public Health and Welfare	1,962,846	0	0	0	0	1,962,846	1,962,846	
Other Operations	4,919	189,713	0	0	0	194,632	194,632	
Debt Service:								
Principal on Debt	42,500	0	0	0	0	42,500	42,500	
Interest on Debt	1,469	0	0	0	0	1,469	1,469	
Capital Projects	0	0	0	0	0	1,342,102	1,342,102	
<b>Total Expenditures</b>	<b>\$ 2,011,734</b>	<b>\$ 245,619</b>	<b>\$ 0</b>	<b>\$ 92,753</b>	<b>\$ 33,000</b>	<b>\$ 2,383,106</b>	<b>\$ 3,725,208</b>	
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 85,801</b>	<b>\$ 102,530</b>	<b>\$ 0</b>	<b>\$ 38,945</b>	<b>\$ 0</b>	<b>\$ 227,276</b>	<b>\$ (150,684)</b>	
<u>Other Financing Sources (Uses)</u>								
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 620,000	\$ 620,000	
Transfers Out	(60,783)	0	(414,029)	0	0	(474,812)	(799,962)	
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (60,783)</b>	<b>\$ 0</b>	<b>\$ (414,029)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 294,850</b>	<b>\$ (179,962)</b>	
<b>Net Change in Fund Balances Fund Balance, July 1, 2010</b>	<b>\$ 25,018</b>	<b>\$ 102,530</b>	<b>\$ (414,029)</b>	<b>\$ 38,945</b>	<b>\$ 0</b>	<b>\$ (247,536)</b>	<b>\$ (330,646)</b>	
	707,422	262,593	414,029	7,537	0	323,300	1,714,881	
<b>Fund Balance, June 30, 2011</b>	<b>\$ 732,440</b>	<b>\$ 365,123</b>	<b>\$ 0</b>	<b>\$ 46,482</b>	<b>\$ 0</b>	<b>\$ 240,190</b>	<b>\$ 1,384,235</b>	

Exhibit F-3

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 147,249	\$ 0	\$ 0	\$ 147,249	\$ 143,470	\$ 143,470	\$ 3,779
Charges for Current Services	1,948,865	0	0	1,948,865	1,982,317	1,982,317	(33,452)
Other Local Revenues	1,421	0	0	1,421	0	0	1,421
Total Revenues	\$ 2,097,535	\$ 0	\$ 0	\$ 2,097,535	\$ 2,125,787	\$ 2,125,787	\$ (28,252)
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Ambulance/Emergency Medical Services	\$ 1,962,829	\$ (8,169)	\$ 11,112	\$ 1,965,772	\$ 2,016,260	\$ 2,000,477	\$ 34,705
Regional Mental Health Center	17	0	0	17	0	17	0
<u>Other Operations</u>							
Employee Benefits	4,919	0	0	4,919	20,538	20,538	15,619
Principal on Debt							
General Government	42,500	0	0	42,500	42,500	42,500	0
Interest on Debt							
General Government	1,469	0	0	1,469	1,469	1,472	3
Total Expenditures	\$ 2,011,734	\$ (8,169)	\$ 11,112	\$ 2,014,677	\$ 2,080,767	\$ 2,065,004	\$ 50,327
Excess (Deficiency) of Revenues Over Expenditures	\$ 85,801	\$ 8,169	\$ (11,112)	\$ 82,858	\$ 45,020	\$ 60,783	\$ 22,075
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (60,783)	\$ 0	\$ 0	\$ (60,783)	\$ (45,020)	\$ (60,783)	\$ 0
Total Other Financing Sources (Uses)	\$ (60,783)	\$ 0	\$ 0	\$ (60,783)	\$ (45,020)	\$ (60,783)	\$ 0
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ 25,018	\$ 8,169	\$ (11,112)	\$ 22,075	\$ 0	\$ 0	\$ 22,075
Fund Balance, July 1, 2010	707,422	(8,169)	0	699,253	732,057	732,057	(32,804)
Fund Balance, June 30, 2011	\$ 732,440	\$ 0	\$ (11,112)	\$ 721,328	\$ 732,057	\$ 732,057	\$ (10,729)

Exhibit F-4

Campbell County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Industrial/Economic Development Fund  
For the Year Ended June 30, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 196,413	\$ 0	\$ 0	\$ 196,413	\$ 141,868	\$ 141,868	\$ 54,545
Charges for Current Services	150	0	0	150	0	250	(100)
Other Local Revenues	71,191	0	0	71,191	47,253	67,253	3,938
Federal Government	0	0	0	0	87,046	0	0
Other Governments and Citizens Groups	80,395	0	0	80,395	23,120	110,166	(29,771)
Total Revenues	\$ 348,149	\$ 0	\$ 0	\$ 348,149	\$ 299,287	\$ 319,537	\$ 28,612
<u>Expenditures</u>							
<u>General Government</u>							
Development	\$ 13,046	(12,414)	\$ 12,414	\$ 13,046	\$ 83,000	\$ 83,000	\$ 69,954
Planning	29,559	(10,813)	9,988	28,734	35,675	55,925	27,191
Other Facilities	13,301	(438)	281	13,144	11,550	13,500	356
Other Operations	45,000	0	0	45,000	45,000	45,000	0
Tourism	90,469	(13,303)	3,100	80,266	80,016	128,066	47,800
Industrial Development	40,884	(7,517)	0	33,367	58,215	58,215	24,848
Other Economic and Community Development	13,360	0	0	13,360	0	24,831	11,471
Other Charges	0	0	0	0	24,831	0	0
ARRA Grant No. 1	0	0	0	0	24,831	0	0
Total Expenditures	\$ 245,619	(44,485)	\$ 25,783	\$ 226,917	\$ 338,287	\$ 408,537	\$ 181,620
Excess (Deficiency) of Revenues Over Expenditures	\$ 102,530	\$ 44,485	\$ (25,783)	\$ 121,232	\$ (39,000)	\$ (89,000)	\$ 210,232
Net Change in Fund Balance	\$ 102,530	\$ 44,485	\$ (25,783)	\$ 121,232	\$ (39,000)	\$ (89,000)	\$ 210,232
Fund Balance, July 1, 2010	262,593	(44,485)	0	218,108	205,521	205,521	12,587
Fund Balance, June 30, 2011	\$ 365,123	\$ 0	\$ (25,783)	\$ 339,340	\$ 166,521	\$ 116,521	\$ 222,819

Exhibit F-5

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 0	\$ 170,901	\$ 0	\$ 0
Total Revenues	\$ 0	\$ 170,901	\$ 0	\$ 0
<u>Expenditures</u>				
<u>Other Operations</u>				
Employee Benefits	\$ 0	\$ 11,085	\$ 0	\$ 0
<u>Highways</u>				
Employee Benefits	0	9,816	0	0
Total Expenditures	\$ 0	\$ 20,901	\$ 0	\$ 0
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 150,000	\$ 0	\$ 0
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (414,029)	\$ (150,000)	\$ (414,029)	\$ 0
Total Other Financing Sources (Uses)	\$ (414,029)	\$ (150,000)	\$ (414,029)	\$ 0
Net Change in Fund Balance	\$ (414,029)	\$ 0	\$ (414,029)	\$ 0
Fund Balance, July 1, 2010	414,029	414,029	414,029	0
Fund Balance, June 30, 2011	\$ 0	\$ 414,029	\$ 0	\$ 0

Exhibit F-6

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Fines, Forfeitures, and Penalties	\$ 112,598 \$	0 \$	112,598 \$	58,000 \$	78,300 \$	34,298
Other Local Revenues	19,100	0	19,100	4,000	20,600	(1,500)
Total Revenues	\$ 131,698 \$	0 \$	131,698 \$	62,000 \$	98,900 \$	32,798
<u>Expenditures</u>						
<u>Public Safety</u>						
Drug Enforcement	\$ 92,753 \$	4,234 \$	96,987 \$	62,000 \$	98,909 \$	1,922
Total Expenditures	\$ 92,753 \$	4,234 \$	96,987 \$	62,000 \$	98,909 \$	1,922
Excess (Deficiency) of Revenues Over Expenditures	\$ 38,945 \$	(4,234) \$	34,711 \$	0 \$	(9) \$	34,720
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ 38,945 \$	(4,234) \$	34,711 \$	0 \$	(9) \$	34,720
	7,537	0	7,537	7,537	7,537	0
Fund Balance, June 30, 2011	\$ 46,482 \$	(4,234) \$	42,248 \$	7,537 \$	7,528 \$	34,720

Exhibit F-7

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 548,093	\$ 0	\$ 0	\$ 548,093	\$ 539,076	\$ 539,076	\$ 9,017
Other Local Revenues	0	0	0	0	7,500	7,500	(7,500)
State of Tennessee	116,049	0	0	116,049	400,000	100,000	16,049
Federal Government	300,000	0	0	300,000	171,000	471,000	(171,000)
Total Revenues	\$ 964,142	\$ 0	\$ 0	\$ 964,142	\$ 1,117,576	\$ 1,117,576	\$ (153,434)
<u>Expenditures</u>							
<u>Capital Projects</u>							
General Administration Projects	\$ 204,013	(8,082)	105,734	301,665	307,013	307,163	5,498
Public Safety Projects	67,500	0	0	67,500	67,500	67,500	0
Public Health and Welfare Projects	203,573	0	56,245	259,818	308,000	308,000	48,182
Social, Cultural, and Recreation Projects	29,841	(22,265)	10,088	17,664	0	17,900	236
Public Utility Projects	0	0	0	0	181,000	181,000	181,000
Other General Government Projects	60,263	0	39,737	100,000	100,000	100,000	0
Highway and Street Capital Projects	156,912	(117,748)	66,937	106,101	106,251	106,101	0
Education Capital Projects	620,000	0	0	620,000	0	620,000	0
Total Expenditures	\$ 1,342,102	\$ (148,095)	\$ 278,741	\$ 1,472,748	\$ 1,069,764	\$ 1,707,664	\$ 234,916
Excess (Deficiency) of Revenues Over Expenditures	\$ (377,960)	\$ 148,095	\$ (278,741)	\$ (508,606)	\$ 47,812	\$ (590,088)	\$ 81,482
<u>Other Financing Sources (Uses)</u>							
Notes Issued	\$ 620,000	0	0	620,000	0	620,000	0
Transfers Out	(325,150)	0	0	(325,150)	(325,150)	(325,150)	0
Total Other Financing Sources (Uses)	\$ 294,850	\$ 0	\$ 0	\$ 294,850	\$ (325,150)	\$ 294,850	\$ 0
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ (83,110)	\$ 148,095	\$ (278,741)	\$ (213,756)	\$ (277,338)	\$ (295,238)	\$ 81,482
Fund Balance, July 1, 2010	323,300	(148,095)	0	175,205	295,238	295,238	(120,033)
Fund Balance, June 30, 2011	\$ 240,190	\$ 0	\$ (278,741)	\$ (38,551)	\$ 17,900	\$ 0	\$ (38,551)

# **Major Governmental Fund**

## **General Debt Service Fund**

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

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Exhibit G

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,999,621	\$ 1,896,895	\$ 1,896,895	\$ 102,726
Other Local Revenues	135,610	297,350	297,350	(161,740)
Federal Government	148,539	0	100,063	48,476
Other Governments and Citizens Groups	1,571,482	1,250,000	1,571,482	0
Total Revenues	<u>\$ 3,855,252</u>	<u>\$ 3,444,245</u>	<u>\$ 3,865,790</u>	<u>\$ (10,538)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 433,305	\$ 308,305	\$ 433,305	\$ 0
Education	1,283,362	1,158,362	1,283,362	0
<u>Interest on Debt</u>				
General Government	464,810	370,504	464,810	0
Education	1,447,751	1,367,896	1,447,751	0
<u>Other Debt Service</u>				
General Government	231,716	322,000	319,384	87,668
Total Expenditures	<u>\$ 3,860,944</u>	<u>\$ 3,527,067</u>	<u>\$ 3,948,612</u>	<u>\$ 87,668</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (5,692)</u>	<u>\$ (82,822)</u>	<u>\$ (82,822)</u>	<u>\$ 77,130</u>
<u>Other Financing Sources (Uses)</u>				
Premiums on Debt Issued	\$ 2,700	0	0	\$ 2,700
Total Other Financing Sources (Uses)	<u>\$ 2,700</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,700</u>
Net Change in Fund Balance	\$ (2,992)	\$ (82,822)	\$ (82,822)	\$ 79,830
Fund Balance, July 1, 2010	<u>2,007,872</u>	<u>2,007,855</u>	<u>2,007,855</u>	<u>17</u>
Fund Balance, June 30, 2011	<u>\$ 2,004,880</u>	<u>\$ 1,925,033</u>	<u>\$ 1,925,033</u>	<u>\$ 79,847</u>

# Fiduciary Funds

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

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

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

Exhibit H-1

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

	<u>Agency Funds</u>		
	Cities -	Constitu-	
	Sales	tional	
	Tax	Officers -	Total
		Agency	
<u>ASSETS</u>			
Cash	\$ 0	\$ 4,006,882	\$ 4,006,882
Due from Other Governments	550,770	0	550,770
Total Assets	<u>\$ 550,770</u>	<u>\$ 4,006,882</u>	<u>\$ 4,557,652</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 550,770	\$ 0	\$ 550,770
Due to Litigants, Heirs, and Others	0	4,006,882	4,006,882
Total Liabilities	<u>\$ 550,770</u>	<u>\$ 4,006,882</u>	<u>\$ 4,557,652</u>

## Exhibit H-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 3,081,303	\$ 3,081,303	\$ 0
Due from Other Governments	548,303	550,770	548,303	550,770
Total Assets	<u>\$ 548,303</u>	<u>\$ 3,632,073</u>	<u>\$ 3,629,606</u>	<u>\$ 550,770</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 548,303	\$ 3,632,073	\$ 3,629,606	\$ 550,770
Total Liabilities	<u>\$ 548,303</u>	<u>\$ 3,632,073</u>	<u>\$ 3,629,606</u>	<u>\$ 550,770</u>
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 3,807,804	\$ 8,868,329	\$ 8,669,251	\$ 4,006,882
Total Assets	<u>\$ 3,807,804</u>	<u>\$ 8,868,329</u>	<u>\$ 8,669,251</u>	<u>\$ 4,006,882</u>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 3,807,804	\$ 8,868,329	\$ 8,669,251	\$ 4,006,882
Total Liabilities	<u>\$ 3,807,804</u>	<u>\$ 8,868,329</u>	<u>\$ 8,669,251</u>	<u>\$ 4,006,882</u>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 3,807,804	\$ 8,868,329	\$ 8,669,251	\$ 4,006,882
Equity in Pooled Cash and Investments	0	3,081,303	3,081,303	0
Due from Other Governments	548,303	550,770	548,303	550,770
Total Assets	<u>\$ 4,356,107</u>	<u>\$ 12,500,402</u>	<u>\$ 12,298,857</u>	<u>\$ 4,557,652</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 548,303	\$ 3,632,073	\$ 3,629,606	\$ 550,770
Due to Litigants, Heirs, and Others	3,807,804	8,868,329	8,669,251	4,006,882
Total Liabilities	<u>\$ 4,356,107</u>	<u>\$ 12,500,402</u>	<u>\$ 12,298,857</u>	<u>\$ 4,557,652</u>

# Campbell County School Department

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

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

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

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

Exhibit I-1

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 25,316,429	\$ 954	\$ 4,305,897	\$ 0	\$ (21,009,578)
Support Services	17,813,394	44,779	3,362,613	2,939,849	(11,466,153)
Operation of Non-Instructional Services	4,883,721	666,147	2,539,763	0	(1,677,811)
Other Debt Service	1,571,482	0	0	0	(1,571,482)
<b>Total Governmental Activities</b>	<b>\$ 49,585,026</b>	<b>\$ 711,880</b>	<b>\$ 10,208,273</b>	<b>\$ 2,939,849</b>	<b>\$ (35,725,024)</b>
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes				\$	3,772,475
Local Option Sales Taxes					3,080,275
Wheel Taxes					1,325,986
Coal Severance Taxes					158,364
Other Local Taxes					1,403
Grants and Contributions Not Restricted to Specific Programs					29,733,448
Unrestricted Investment Income					2,126
Miscellaneous					51,617
<b>Total General Revenues</b>				<b>\$</b>	<b>\$ 38,125,694</b>
Change in Net Assets				\$	2,400,670
Net Assets, July 1, 2010					50,496,482
<b>Net Assets, June 30, 2011</b>				<b>\$</b>	<b>\$ 52,897,152</b>

Exhibit I-2

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

	Major Funds			Total Govern- mental Funds
	General Purpose School	School Federal Projects	Central Cafeteria	
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 15,046	\$ 15,046
Equity in Pooled Cash and Investments	4,485,901	303,224	1,168,712	5,957,837
Accounts Receivable	24,056	0	0	24,056
Due from Other Governments	2,375,813	368,906	105,542	2,850,261
Due from Other Funds	72,893	18,927	0	91,820
Property Taxes Receivable	3,365,180	0	0	3,365,180
Allowance for Uncollectible Property Taxes	(417,714)	0	0	(417,714)
Total Assets	<u>\$ 9,906,129</u>	<u>\$ 691,057</u>	<u>\$ 1,289,300</u>	<u>\$ 11,886,486</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 92,004	\$ 25,208	\$ 1,599	\$ 118,811
Accrued Payroll	3,805	1,167	0	4,972
Payroll Deductions Payable	345,241	76,945	39,284	461,470
Retainage Payable	3,818	0	0	3,818
Due to Other Funds	18,927	72,893	0	91,820
Deferred Revenue - Current Property Taxes	2,746,880	0	0	2,746,880
Deferred Revenue - Delinquent Property Taxes	161,512	0	0	161,512
Other Deferred Revenues	635,228	0	0	635,228
Total Liabilities	<u>\$ 4,007,415</u>	<u>\$ 176,213</u>	<u>\$ 40,883</u>	<u>\$ 4,224,511</u>
<u>Fund Balances</u>				
Restricted:				
Restricted for Education	\$ 20,658	\$ 14,844	\$ 1,056,500	\$ 1,092,002
Committed:				
Committed for Education	219,978	500,000	191,917	911,895
Committed for Capital Projects	897,726	0	0	897,726
Assigned:				
Assigned for Education	73,287	0	0	73,287
Assigned for Capital Projects	741,974	0	0	741,974
Unassigned	3,945,091	0	0	3,945,091
Total Fund Balances	<u>\$ 5,898,714</u>	<u>\$ 514,844</u>	<u>\$ 1,248,417</u>	<u>\$ 7,661,975</u>
Total Liabilities and Fund Balances	<u>\$ 9,906,129</u>	<u>\$ 691,057</u>	<u>\$ 1,289,300</u>	<u>\$ 11,886,486</u>

Exhibit I-3

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

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$	7,661,975
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	1,161,610	
Add: construction in progress		49,400	
Add: buildings and improvements net of accumulated depreciation		45,430,631	
Add: other capital assets net of accumulated depreciation		<u>1,309,313</u>	47,950,954
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: other postemployment benefits liability			(3,512,517)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			
			<u>796,740</u>
Net assets of governmental activities (Exhibit A)		\$	<u><u>52,897,152</u></u>

Exhibit I-4

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

	Major Funds			Total Governmental Funds
	General Purpose School	School Federal Projects	Central Cafeteria	
<u>Revenues</u>				
Local Taxes	\$ 8,412,353	\$ 0	\$ 0	\$ 8,412,353
Licenses and Permits	1,596	0	0	1,596
Charges for Current Services	40,187	0	671,693	711,880
Other Local Revenues	61,026	0	12,964	73,990
State of Tennessee	28,637,539	0	32,297	28,669,836
Federal Government	408,699	7,334,869	2,507,466	10,251,034
Other Governments and Citizens Groups	620,000	0	0	620,000
Total Revenues	<u>\$ 38,181,400</u>	<u>\$ 7,334,869</u>	<u>\$ 3,224,420</u>	<u>\$ 48,740,689</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 18,961,656	\$ 5,760,110	\$ 0	\$ 24,721,766
Support Services	13,317,920	1,784,954	0	15,102,874
Operation of Non-Instructional Services	1,555,874	66,375	3,193,285	4,815,534
Capital Outlay	1,657,081	0	0	1,657,081
Debt Service:				
Other Debt Service	1,571,482	0	0	1,571,482
Total Expenditures	<u>\$ 37,064,013</u>	<u>\$ 7,611,439</u>	<u>\$ 3,193,285</u>	<u>\$ 47,868,737</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,117,387</u>	<u>\$ (276,570)</u>	<u>\$ 31,135</u>	<u>\$ 871,952</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 13,031	\$ 0	\$ 191,917	\$ 204,948
Transfers Out	(191,917)	(13,031)	0	(204,948)
Total Other Financing Sources (Uses)	<u>\$ (178,886)</u>	<u>\$ (13,031)</u>	<u>\$ 191,917</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ 938,501	\$ (289,601)	\$ 223,052	\$ 871,952
Fund Balance, July 1, 2010	4,960,213	804,445	1,025,365	6,790,023
Fund Balance, June 30, 2011	<u>\$ 5,898,714</u>	<u>\$ 514,844</u>	<u>\$ 1,248,417</u>	<u>\$ 7,661,975</u>

Exhibit I-5

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

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

Net change in fund balances - total governmental funds (Exhibit I-4)		\$	871,952
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:			
Add: capital assets purchased in the current period	\$	858,006	
Less: current-year depreciation expense		<u>(1,975,217)</u>	(1,117,211)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net assets.			
Add: assets donated and capitalized			2,939,849
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Add: deferred delinquent property taxes and other deferred June 30, 2011	\$	796,740	
Less: deferred delinquent property taxes and other deferred June 30, 2010		<u>(491,582)</u>	305,158
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in other postemployment benefits liability			<u>(599,078)</u>
Change in net assets of governmental activities (Exhibit B)		\$	<u><u>2,400,670</u></u>

Exhibit I-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
					Original	Final	
<b>Revenues</b>							
Local Taxes	\$ 8,412,353	\$ 0	\$ 0	\$ 8,412,353	\$ 8,498,500	\$ 8,415,213	\$ (2,860)
Licenses and Permits	1,596	0	0	1,596	2,500	2,500	(904)
Charges for Current Services	40,187	0	0	40,187	39,185	39,492	695
Other Local Revenues	61,026	0	0	61,026	67,044	114,201	(53,175)
State of Tennessee	28,637,539	0	0	28,637,539	28,612,245	29,844,433	(1,206,894)
Federal Government	408,699	0	0	408,699	404,445	446,012	(37,313)
Other Governments and Citizens Groups	620,000	0	0	620,000	0	590,350	29,650
<b>Total Revenues</b>	<b>\$ 38,181,400</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 38,181,400</b>	<b>\$ 37,623,919</b>	<b>\$ 39,452,201</b>	<b>\$ (1,270,801)</b>
<b>Expenditures</b>							
<u>Instruction</u>							
Regular Instruction Program	\$ 15,460,170	\$ (11,611)	\$ 2,224	\$ 15,450,783	\$ 15,893,787	\$ 16,049,639	\$ 598,856
Alternative Instruction Program	127,242	0	0	127,242	177,768	176,793	49,551
Special Education Program	1,938,299	(311)	0	1,937,988	1,994,384	1,985,128	47,140
Vocational Education Program	1,373,593	0	0	1,373,593	1,421,556	1,421,556	47,963
Adult Education Program	62,352	0	0	62,352	65,031	108,062	45,710
<u>Support Services</u>							
Attendance	85,465	0	0	85,465	88,226	88,226	2,761
Health Services	313,884	0	0	313,884	295,258	318,253	4,369
Other Student Support	1,203,551	(755)	90	1,202,886	1,244,971	1,278,032	75,146
Regular Instruction Program	1,389,215	(20,695)	1,046	1,369,566	1,463,504	1,472,347	102,781
Alternative Instruction Program	80,518	0	0	80,518	80,703	81,893	1,375
Special Education Program	385,480	0	0	385,480	396,710	391,927	6,447
Vocational Education Program	147,862	0	62	147,924	159,079	159,079	11,155

(Continued)

Exhibit I-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Adult Programs	\$ 55,691	\$ (168)	\$ 0	\$ 55,523	\$ 55,975	\$ 58,205	\$ 2,682
Other Programs	308,675	0	0	308,675	0	308,675	0
Board of Education	942,013	(60,039)	0	881,974	1,088,711	1,097,026	215,052
Director of Schools	226,140	(465)	231	225,906	261,603	261,603	35,697
Office of the Principal	2,466,743	0	0	2,466,743	2,479,604	2,578,289	111,546
Fiscal Services	120,067	0	0	120,067	120,067	120,067	0
Operation of Plant	3,481,815	(30,571)	11,669	3,462,913	3,726,193	3,726,193	263,280
Maintenance of Plant	619,280	(17,012)	51,154	653,422	576,380	658,672	5,250
Transportation	1,359,533	(2,653)	1,436	1,358,316	1,359,923	1,374,019	15,703
Central and Other	131,988	(96,228)	0	35,760	36,000	36,000	240
<u>Operation of Non-Instructional Services</u>							
Community Services	578,104	(124)	0	577,980	581,759	586,402	8,422
Early Childhood Education	977,770	0	0	977,770	963,294	1,007,347	29,577
<u>Capital Outlay</u>							
Regular Capital Outlay	1,657,081	(287,429)	747,349	2,117,001	2,586,333	3,132,330	1,015,329
Principal on Debt	0	0	0	0	250,000	0	0
Education	0	0	0	0	83,489	0	0
Other Debt Service	1,571,482	0	0	1,571,482	1,250,000	1,583,489	12,007
Education							
Total Expenditures	\$ 37,064,013	\$ (528,061)	\$ 815,261	\$ 37,351,213	\$ 38,700,308	\$ 40,059,252	\$ 2,708,039

(Continued)

Exhibit I-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,117,387	\$ 528,061	\$ (815,261)	\$ 830,187	\$ (1,076,389)	\$ (607,051)	\$ 1,437,238
Other Financing Sources (Uses)							
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 590,350	\$ 0	\$ 0
Insurance Recovery	0	0	0	0	12,000	0	0
Transfers In	13,031	0	0	13,031	13,495	13,495	(464)
Transfers Out	(191,917)	0	0	(191,917)	(218,589)	(196,965)	5,048
Total Other Financing Sources (Uses)	\$ (178,886)	\$ 0	\$ 0	\$ (178,886)	\$ 397,256	\$ (183,470)	\$ 4,584
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ 938,501	\$ 528,061	\$ (815,261)	\$ 651,301	\$ (679,133)	\$ (790,521)	\$ 1,441,822
	4,960,213	(528,061)	0	4,432,152	4,275,865	4,275,865	156,287
Fund Balance, June 30, 2011	\$ 5,898,714	\$ 0	\$ (815,261)	\$ 5,083,453	\$ 3,596,732	\$ 3,485,344	\$ 1,598,109

Exhibit I-7

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 7,334,869	\$ 8,115,960	\$ 8,172,792	\$ (837,923)
Total Revenues	\$ 7,334,869	\$ 8,115,960	\$ 8,172,792	\$ (837,923)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 4,169,078	\$ 4,164,961	\$ 4,408,021	\$ 238,943
Special Education Program	1,427,090	1,565,057	1,551,237	124,147
Vocational Education Program	163,942	163,980	163,980	38
<u>Support Services</u>				
Health Services	17,047	28,290	28,290	11,243
Other Student Support	185,860	582,840	207,950	22,090
Regular Instruction Program	1,133,459	1,441,419	1,533,263	399,804
Special Education Program	147,058	143,738	148,900	1,842
Vocational Education Program	72,042	72,067	72,067	25
Transportation	229,488	239,905	255,153	25,665
<u>Operation of Non-Instructional Services</u>				
Early Childhood Education	66,375	67,115	67,708	1,333
Total Expenditures	\$ 7,611,439	\$ 8,469,372	\$ 8,436,569	\$ 825,130
Excess (Deficiency) of Revenues Over Expenditures	\$ (276,570)	\$ (353,412)	\$ (263,777)	\$ (12,793)
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 163,485	\$ 0	\$ 0
Transfers Out	(13,031)	(150,308)	(13,552)	521
Total Other Financing Sources (Uses)	\$ (13,031)	\$ 13,177	\$ (13,552)	\$ 521
Net Change in Fund Balance	\$ (289,601)	\$ (340,235)	\$ (277,329)	\$ (12,272)
Fund Balance, July 1, 2010	804,445	846,935	846,935	(42,490)
Fund Balance, June 30, 2011	\$ 514,844	\$ 506,700	\$ 569,606	\$ (54,762)

Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 671,693	\$ 0	\$ 0	\$ 671,693	\$ 715,129	\$ 699,889	\$ (28,196)
Other Local Revenues	12,964	0	0	12,964	2,000	12,810	154
State of Tennessee	32,297	0	0	32,297	32,453	32,453	(156)
Federal Government	2,507,466	0	0	2,507,466	2,329,650	2,455,920	51,546
Total Revenues	\$ 3,224,420	\$ 0	\$ 0	\$ 3,224,420	\$ 3,079,232	\$ 3,201,072	\$ 23,348
<u>Expenditures</u>							
<u>Operation of Non-Instructional Services</u>							
Food Service	\$ 3,193,285	\$ (9,707)	\$ 138,910	\$ 3,322,488	\$ 3,271,149	\$ 3,490,457	\$ 167,969
Total Expenditures	\$ 3,193,285	\$ (9,707)	\$ 138,910	\$ 3,322,488	\$ 3,271,149	\$ 3,490,457	\$ 167,969
Excess (Deficiency) of Revenues Over Expenditures	\$ 31,135	\$ 9,707	\$ (138,910)	\$ (98,068)	\$ (191,917)	\$ (289,385)	\$ 191,317
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 191,917	\$ 0	\$ 0	\$ 191,917	\$ 191,917	\$ 191,917	\$ 0
Total Other Financing Sources (Uses)	\$ 191,917	\$ 0	\$ 0	\$ 191,917	\$ 191,917	\$ 191,917	\$ 0
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ 223,052	\$ 9,707	\$ (138,910)	\$ 93,849	\$ 0	\$ (97,468)	\$ 191,317
	1,025,365	(9,707)	0	1,015,658	1,018,633	1,018,633	(2,975)
Fund Balance, June 30, 2011	\$ 1,248,417	\$ 0	\$ (138,910)	\$ 1,109,507	\$ 1,018,633	\$ 921,165	\$ 188,342

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## MISCELLANEOUS SCHEDULES

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Exhibit J-1

Campbell County, Tennessee  
Schedule of Changes in Long-term Notes, Bonds, and Other Loans  
For the Year Ended June 30, 2011

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-10	Issued During Period	Matured During Period	Outstanding 6-30-11
<u>NOTES PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
School Improvements	\$ 1,500,000	4.53 %	6-15-07	5-15-16	\$ 750,000	0 \$	125,000	\$ 625,000
School Improvements	500,000	4.23	12-18-08	11-15-20	437,500	0	41,667	395,833
School Improvements	750,000	3.85	6-28-10	6-15-16	750,000	0	125,000	625,000
Central Office Building	620,000	3.24	10-4-10	8-17-11	0	620,000	0	620,000
Total Payable through General Debt Service Fund					\$ 1,937,500	\$ 620,000	\$ 291,667	\$ 2,265,833
<u>Payable through Ambulance Service Fund</u>								
Ambulance Units	85,000	3.95	10-15-09	10-15-12	\$ 56,667	0 \$	42,500	\$ 14,167
Total Payable through Ambulance Service Fund					\$ 56,667	0 \$	42,500	\$ 14,167
Total Notes Payable					\$ 1,994,167	\$ 620,000	\$ 334,167	\$ 2,280,000
<u>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Refunding	8,200,000	3.85 to 4	5-29-08	6-1-26	\$ 8,200,000	0 \$	25,000	\$ 8,175,000
General Obligation Bonds, Series 2008A	3,025,000	3.5 to 5	4-23-08	6-1-27	2,975,000	0	50,000	2,925,000
Refunding	10,625,000	3 to 4	4-15-09	6-1-22	10,125,000	0	250,000	9,875,000
General Obligation Bonds, Series 2010A BABs	5,500,000	2.35 to 5.25	11-1-10	6-1-30	0	5,500,000	0	5,500,000
General Obligation Bonds, Series 2010B BABs	10,125,000	5.8	12-20-10	6-1-31	0	10,125,000	0	10,125,000
General Obligation Bonds, Series 2011	2,000,000	3 to 4	6-28-11	6-1-32	0	2,000,000	0	2,000,000
Total Bonds Payable					\$ 21,300,000	\$ 17,625,000	\$ 325,000	\$ 38,600,000
<u>OTHER LOANS PAYABLE</u>								
<u>Public Building Authority Loan Agreements</u>								
Payable through General Debt Service Fund	12,550,000	4 to 5	7-27-04	6-1-19	\$ 11,550,000	0 \$	1,100,000	\$ 10,450,000
Public Improvement and Refunding, Series B-6-A					\$ 11,550,000	0 \$	1,100,000	\$ 10,450,000
Total Other Loans Payable					\$ 11,550,000	0 \$	1,100,000	\$ 10,450,000

Exhibit J-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2012	\$ 925,833	\$ 71,529	\$ 997,362
2013	291,667	53,825	345,492
2014	291,667	41,588	333,255
2015	291,667	29,350	321,017
2016	291,667	17,119	308,786
2017	41,666	7,491	49,157
2018	41,667	5,728	47,395
2019	41,666	3,966	45,632
2020	41,667	2,203	43,870
2021	20,833	441	21,274
Total	\$ 2,280,000	\$ 233,240	\$ 2,513,240

Year Ending June 30	Bonds		
	Principal	Interest	Total
2012	\$ 365,000	\$ 1,761,915	\$ 2,126,915
2013	415,000	1,756,183	2,171,183
2014	415,000	1,743,153	2,158,153
2015	440,000	1,729,998	2,169,998
2016	440,000	1,714,468	2,154,468
2017	465,000	1,698,813	2,163,813
2018	540,000	1,683,095	2,223,095
2019	1,195,000	1,660,903	2,855,903
2020	2,195,000	1,612,268	3,807,268
2021	2,380,000	1,523,633	3,903,633
2022	2,510,000	1,428,278	3,938,278
2023	2,400,000	1,327,730	3,727,730
2024	2,775,000	1,233,755	4,008,755
2025	2,925,000	1,122,493	4,047,493
2026	2,950,000	1,004,955	3,954,955
2027	3,075,000	868,055	3,943,055
2028	3,200,000	707,205	3,907,205
2029	3,325,000	530,943	3,855,943
2030	3,450,000	347,568	3,797,568
2031	2,360,000	156,380	2,516,380
2032	780,000	31,200	811,200
Total	\$ 38,600,000	\$ 25,642,991	\$ 64,242,991

(Continued)

Exhibit J-2

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

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2012	\$ 1,150,000	\$ 515,938	\$ 1,665,938
2013	1,200,000	458,438	1,658,438
2014	1,275,000	398,437	1,673,437
2015	1,325,000	334,688	1,659,688
2016	1,400,000	268,437	1,668,437
2017	1,475,000	198,438	1,673,438
2018	1,550,000	124,687	1,674,687
2019	1,075,000	51,063	1,126,063
Total	<u>\$ 10,450,000</u>	<u>\$ 2,350,126</u>	<u>\$ 12,800,126</u>

Exhibit J-3

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

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
Solid Waste/Sanitation	General	Indirect costs	\$ 30,000
Solid Waste/Sanitation	General	Postemployment healthcare	28,209
Ambulance Service	General	Indirect costs	45,020
Ambulance Service	General	Postemployment healthcare	15,763
Special Purpose	General	Close fund	414,029
Highway/Public Works	General	Postemployment healthcare	19,913
General Capital Projects	Other Capital Projects	Waterline and recreation park projects	325,150
Total Transfers Primary Government			<u>\$ 878,084</u>
<u>DISCRETELY PRESENTED CAMPBELL COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	Central Cafeteria	Operations	\$ 191,917
School Federal Projects	General Purpose School	Indirect costs	13,031
Total Transfers Discretely Presented Campbell County School Department			<u>\$ 204,948</u>

Exhibit J-4

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

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA	\$ 79,276	\$ 50,000	Western Surety Company
Director of Schools: Dr. Michael Martin (7-1-10 through 10-8-10)	State Board of Education and County Board of Education	26,984 (1)	50,000	"
Sharon Ridenour (11-9-10 through 4-14-11)	State Board of Education and County Board of Education	45,689	50,000	"
Donnie Poston (4-15-11 through 6-30-11)	State Board of Education and County Board of Education	18,544	50,000	"
Road Superintendent	Section 8-24-102, TCA	75,500	100,000	Auto Owners (Mutual) Insurance Company
Trustee	Section 8-24-102, TCA	68,635	1,052,400	Cincinnati Insurance Company
Assessor of Property	Section 8-24-102, TCA and County Commission	70,196	10,000	Western Surety Company
County Clerk:				
Don Nance (7-1-10 through 8-31-10)	Section 8-24-102, TCA	11,045	50,000	"
Debbie Wilson (9-1-10 through 6-30-11)	Section 8-24-102, TCA	57,590	50,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, TCA	68,635	50,000	"
Clerk and Master	Section 8-24-102, TCA, and Chancery Court Judge	68,635 (2)	50,000	"
Register	Section 8-24-102, TCA	68,635	25,000	"
Sheriff:				
Gary Perkins (7-1-10 through 8-31-10)	Section 8-24-102, TCA	12,149	25,000	"
Robbie Goins (9-1-10 through 6-30-11)	Section 8-24-102, TCA	63,351	25,000	"
Director of Finance	County Commission	87,045	50,000	"
Employee Blanket Bonds:				
Public Employee Dishonesty - County Departments			150,000	Local Government Property and Casualty Fund
Public Employee Dishonesty - School Department			150,000	Tennessee Risk Management Trust

(1) Includes chief executive officer supplement of \$1,000.

(2) Does not include \$33,000 for special commissioner fees.

Exhibit J-5

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

	General	Solid Waste/ Sanitation	Ambulance Service	Industrial/ Economic Development	Drug Control
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 5,004,677	\$ 1,939,535	\$ 138,545	\$ 69,283	\$ 0
Discount on Property Taxes	(44,617)	(17,293)	(1,239)	(620)	0
Trustee's Collections - Prior Year	307,045	132,144	3,892	3,892	0
Circuit/Clerk & Master Collections - Prior Years	308,470	132,759	3,905	3,905	0
Interest and Penalty	156,665	66,961	2,146	1,996	0
Payments in-Lieu-of Taxes - T.V.A.	13,388	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	241,208	0	0	0	0
Payments in-Lieu-of Taxes - Other	234,320	0	0	10,715	0
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	0	0	0	0
Hotel/Motel Tax	0	0	0	107,242	0
Litigation Tax - General	96,457	0	0	0	0
Litigation Tax - Special Purpose	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0
Business Tax	270,036	0	0	0	0
Mineral Severance Tax	0	0	0	0	0
Other County Local Option Taxes	30,382	0	0	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	121,508	0	0	0	0
Wholesale Beer Tax	83,594	0	0	0	0
Coal Severance Tax	0	0	0	0	0
Interstate Telecommunications Tax	0	0	0	0	0
Total Local Taxes	\$ 6,823,133	\$ 2,254,106	\$ 147,249	\$ 196,413	\$ 0
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 1,596	\$ 0	\$ 0	\$ 0	\$ 0
Animal Registration	3,275	0	0	0	0
Cable TV Franchise	128,534	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Drug Control
<u>Licenses and Permits (Cont.)</u>					
<u>Permits</u>					
Beer Permits	\$ 998	\$ 0	\$ 0	\$ 0	\$ 0
Building Permits	1,852	0	0	0	0
Total Licenses and Permits	\$ 136,255	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 5,957	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	4,426	0	0	0	0
Game and Fish Fines	292	0	0	0	0
Drug Control Fines	0	0	0	0	40,643
Drug Court Fees	15,822	0	0	0	0
Jail Fees	8,224	0	0	0	0
Data Entry Fee - Circuit Court	407	0	0	0	0
<u>Criminal Court</u>					
DUI Treatment Fines	1,257	0	0	0	0
Data Entry Fee - Criminal Court	748	0	0	0	0
Courtroom Security Fee	496	0	0	0	0
<u>General Sessions Court</u>					
Fines	16,585	0	0	0	0
Officers Costs	29,124	0	0	0	0
Game and Fish Fines	1,192	0	0	0	0
Drug Control Fines	0	0	0	0	31,167
Drug Court Fees	22,154	0	0	0	0
Jail Fees	16,365	0	0	0	0
DUI Treatment Fines	7,094	0	0	0	0
Data Entry Fee - General Sessions Court	7,879	0	0	0	0
Courtroom Security Fee	218	0	0	0	0
<u>Juvenile Court</u>					
Fines	318	0	0	0	0
Officers Costs	1,362	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Drug Control
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Chancery Court</u>					
Officers Costs	\$ 10,886	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Courts - In-county</u>					
Fines	146	0	0	0	0
<u>Judicial District Drug Program</u>					
Courtroom Security Fee	2	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	0	0	0	0	40,788
Other Fines, Forfeitures, and Penalties	41,893	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 192,847	\$ 0	\$ 0	\$ 0	\$ 112,598
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 26,387	\$ 0	\$ 0	\$ 0
Surcharge - General	2,715	0	0	0	0
Solid Waste Disposal Fees	0	44,698	0	0	0
Patient Charges	0	0	1,948,004	0	0
Other General Service Charges	550	7,050	780	150	0
<u>Fees</u>					
Copy Fees	20,290	0	81	0	0
Telephone Commissions	20,838	0	0	0	0
Vending Machine Collections	100	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	0
Data Processing Fee - Register	13,164	0	0	0	0
Data Processing Fee - Sheriff	11,783	0	0	0	0
Sexual Offender Registration Fees - Sheriff	4,150	0	0	0	0
Total Charges for Current Services	\$ 73,590	\$ 78,135	\$ 1,948,865	\$ 150	\$ 0
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 360	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Drug Control
<u>Other Local Revenues (Cont.)</u>					
<u>Recurring Items (Cont.)</u>					
Lease/Rentals	\$ 14,295	\$ 0	\$ 0	\$ 51,191	\$ 0
Sale of Materials and Supplies	0	0	0	0	0
Sale of Gasoline	0	0	0	0	0
Sale of Maps	5,286	0	0	0	0
Sale of Recycled Materials	0	140,614	0	0	0
Miscellaneous Refunds	54,084	76,199	1,421	0	0
<u>Nonrecurring Items</u>					
Sale of Equipment	850	8,875	0	0	10,100
Damages Recovered from Individuals	224	0	0	0	0
Contributions and Gifts	4,428	0	0	0	9,000
Performance Bond Forfeitures	0	0	0	20,000	0
<u>Other Local Revenues</u>					
Other Local Revenues	10,141	0	0	0	0
Total Other Local Revenues	\$ 89,668	\$ 225,688	\$ 1,421	\$ 71,191	\$ 19,100
<u>Fees Received from County Officials</u>					
<u>Fees in-Lieu-of Salary</u>					
County Clerk	\$ 370,692	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	362,876	0	0	0	0
Clerk and Master	240,689	0	0	0	0
Register	165,180	0	0	0	0
Sheriff	9,643	0	0	0	0
Trustee	511,721	0	0	0	0
Total Fees Received from County Officials	\$ 1,660,801	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0
Airport Maintenance Program	11,197	0	0	0	0
Aging Programs	10,827	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Drug Control
<u>State of Tennessee (Cont.)</u>					
<u>General Government Grants (Cont.)</u>					
Solid Waste Grants	\$ 0	13,782	0	0	0
Other General Government Grants	1,000	0	0	0	0
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	13,200	0	0	0	0
Drug Control Grants	49,383	0	0	0	0
<u>Health and Welfare Grants</u>					
Health Department Programs	548,798	0	0	0	0
Other Health and Welfare Grants	112,747	0	0	0	0
<u>Public Works Grants</u>					
Bridge Program	0	0	0	0	0
State Aid Program	0	0	0	0	0
Litter Program	27,848	0	0	0	0
<u>State Education Funds</u>					
Energy Efficient School Initiative	0	0	0	0	0
<u>Other State Revenues</u>					
Income Tax	102,104	0	0	0	0
Beer Tax	18,724	0	0	0	0
Alcoholic Beverage Tax	64,596	0	0	0	0
Mixed Drink Tax	4,903	0	0	0	0
State Revenue Sharing - T.V.A.	1,254,904	0	0	0	0
Contracted Prisoner Boarding	724,605	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0
Registrar's Salary Supplement	15,468	0	0	0	0
Other State Grants	2,000	0	0	0	0
Other State Revenues	13,084	0	0	0	0
<b>Total State of Tennessee</b>	<b>\$ 2,984,388</b>	<b>\$ 13,782</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

(Continued)

Exhibit J-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Drug Control
<u>Federal Government</u>					
<u>Federal Through State</u>					
Community Development	0 \$	0 \$	0 \$	0 \$	0
Disaster Relief	0	0	0	0	0
Homeland Security Grants	2,679	0	0	0	0
ARRA Grant No. 2	43,178	0	0	0	0
Other Federal through State	0	0	0	0	0
Direct Federal Revenue					
Tax Credit Bond Rebate	0	0	0	0	0
Other Direct Federal Revenue	66,480	0	0	0	0
Total Federal Government	\$ 112,337	\$ 0	\$ 0	\$ 0	0
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	120,067	0	0	14,829	0
Contracted Services	183,372	0	0	65,566	0
<u>Other</u>					
Other	14,962	0	0	0	0
Total Other Governments and Citizens Groups	\$ 318,401	\$ 0	\$ 0	\$ 80,395	0
Total	\$ 12,391,420	\$ 2,571,711	\$ 2,097,535	\$ 348,149	\$ 131,698

Exhibit J-5

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

	Special Revenue Funds			Debt Service Fund		Capital Projects Funds			Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Debt Service	Other Capital Projects	General Capital Projects	Other Capital Projects		
<u>Local Taxes</u>									
<u>County Property Taxes</u>									
Current Property Tax	\$ 0	\$ 536,827	\$ 761,981	\$ 0	\$ 415,584	\$ 0	\$ 8,866,432		
Discount on Property Taxes	0	(4,782)	(6,793)	0	(3,706)	0	(79,050)		
Trustee's Collections - Prior Year	0	34,984	46,629	0	27,201	0	555,787		
Circuit/Clerk & Master Collections - Prior Years	0	35,142	46,856	0	27,336	0	558,373		
Interest and Penalty	0	17,776	23,802	0	13,819	0	283,165		
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	0	0	13,388		
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	0	0	0	241,208		
Payments in-Lieu-of Taxes - Other	0	0	0	0	0	0	245,035		
<u>County Local Option Taxes</u>									
Local Option Sales Tax	0	0	897,060	0	0	0	897,060		
Hotel/Motel Tax	0	0	50,000	0	50,000	0	207,242		
Litigation Tax - General	0	0	0	0	0	0	96,457		
Litigation Tax - Special Purpose	0	0	2,732	0	17,859	0	20,591		
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	174,748	0	0	0	174,748		
Business Tax	0	0	0	0	0	0	270,036		
Mineral Severance Tax	0	86,263	0	0	0	0	86,263		
Other County Local Option Taxes	0	0	0	0	0	0	30,382		
<u>Statutory Local Taxes</u>									
Bank Excise Tax	0	0	0	0	0	0	121,508		
Wholesale Beer Tax	0	0	0	0	0	0	83,594		
Coal Severance Tax	0	158,364	0	0	0	0	158,364		
Interstate Telecommunications Tax	0	0	2,606	0	0	0	2,606		
Total Local Taxes	\$ 0	\$ 864,574	\$ 1,999,621	\$ 0	\$ 548,093	\$ 0	\$ 12,833,189		
<u>Licenses and Permits</u>									
<u>Licenses</u>									
Marriage Licenses	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,596		
Animal Registration	0	0	0	0	0	0	3,275		
Cable TV Franchise	0	0	0	0	0	0	128,534		

(Continued)

Exhibit J-5

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

	Special Revenue Funds		Debt Service Fund		Capital Projects Funds			Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Other Capital Projects			
<u>Licenses and Permits (Cont.)</u>								
<u>Permits</u>								
Beer Permits	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	998
Building Permits	0	100	0	0	0	0	0	1,952
Total Licenses and Permits	0 \$	100 \$	0 \$	0 \$	0 \$	0 \$	0 \$	136,355
<u>Fines, Forfeitures, and Penalties</u>								
<u>Circuit Court</u>								
Fines	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	5,957
Officers Costs	0	0	0	0	0	0	0	4,426
Game and Fish Fines	0	0	0	0	0	0	0	292
Drug Control Fines	0	0	0	0	0	0	0	40,643
Drug Court Fees	0	0	0	0	0	0	0	15,822
Jail Fees	0	0	0	0	0	0	0	8,224
Data Entry Fee - Circuit Court	0	0	0	0	0	0	0	407
<u>Criminal Court</u>								
DUI Treatment Fines	0	0	0	0	0	0	0	1,257
Data Entry Fee - Criminal Court	0	0	0	0	0	0	0	748
Courtroom Security Fee	0	0	0	0	0	0	0	496
<u>General Sessions Court</u>								
Fines	0	0	0	0	0	0	0	16,585
Officers Costs	0	0	0	0	0	0	0	29,124
Game and Fish Fines	0	0	0	0	0	0	0	1,192
Drug Control Fines	0	0	0	0	0	0	0	31,167
Drug Court Fees	0	0	0	0	0	0	0	22,154
Jail Fees	0	0	0	0	0	0	0	16,365
DUI Treatment Fines	0	0	0	0	0	0	0	7,094
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	0	7,879
Courtroom Security Fee	0	0	0	0	0	0	0	218
<u>Juvenile Court</u>								
Fines	0	0	0	0	0	0	0	318
Officers Costs	0	0	0	0	0	0	0	1,362

(Continued)

Exhibit J-5

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

	Special Revenue Funds		Debt Service Fund		Capital Projects Funds			Total
	Constitutional Officers Fees	Highway / Public Works	General Debt Service	General Debt Service	General Capital Projects	Other Capital Projects		
<u>Fines, Forfeitures, and Penalties (Cont.)</u>								
<u>Chancery Court</u>								
Officers Costs	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	10,886
<u>Other Courts - In-county</u>								
Fines	0	0	0	0	0	0	0	146
<u>Judicial District Drug Program</u>								
Courtroom Security Fee	0	0	0	0	0	0	0	2
<u>Other Fines, Forfeitures, and Penalties</u>								
Proceeds from Confiscated Property	0	0	0	0	0	0	0	40,788
Other Fines, Forfeitures, and Penalties	0	0	0	0	0	0	0	41,893
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 305,445
<u>Charges for Current Services</u>								
<u>General Service Charges</u>								
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	26,387
Surcharge - General	0	0	0	0	0	0	0	2,715
Solid Waste Disposal Fees	0	0	0	0	0	0	0	44,698
Patient Charges	0	0	0	0	0	0	0	1,948,004
Other General Service Charges	0	0	0	0	0	0	0	8,530
<u>Fees</u>								
Copy Fees	0	0	0	0	0	0	0	20,371
Telephone Commissions	0	0	0	0	0	0	0	20,838
Vending Machine Collections	0	0	0	0	0	0	0	100
Special Commissioner Fees/Special Master Fees	33,000	0	0	0	0	0	0	33,000
Data Processing Fee - Register	0	0	0	0	0	0	0	13,164
Data Processing Fee - Sheriff	0	0	0	0	0	0	0	11,783
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	0	0	4,150
Total Charges for Current Services	\$ 33,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,133,740
<u>Other Local Revenues</u>								
<u>Recurring Items</u>								
Investment Income	\$ 0	\$ 0	\$ 135,610	\$ 0	\$ 7,743	\$ 0	\$ 0	143,713

(Continued)

Exhibit J-5

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

	Special Revenue Funds			Debt Service Fund	Capital Projects Funds			Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service		General Capital Projects	Other Capital Projects		
<u>Other Local Revenues (Cont.)</u>								
<u>Recurring Items (Cont.)</u>								
Lease/Rentals	\$ 0	\$ 0	\$ 0	\$ 0	\$ 15,600	\$ 81,086		
Sale of Materials and Supplies	0	189,726	0	0	0	189,726		
Sale of Gasoline	0	259,230	0	0	0	259,230		
Sale of Maps	0	0	0	0	0	5,286		
Sale of Recycled Materials	0	0	0	0	0	140,614		
Miscellaneous Refunds	0	42,429	0	0	0	174,133		
<u>Nonrecurring Items</u>								
Sale of Equipment	0	154,745	0	0	0	174,570		
Damages Recovered from Individuals	0	0	0	0	0	224		
Contributions and Gifts	0	0	0	0	0	13,428		
Performance Bond Forfeitures	0	0	0	0	0	20,000		
<u>Other Local Revenues</u>								
Other Local Revenues	0	0	0	0	0	10,141		
Total Other Local Revenues	\$ 0	\$ 646,130	\$ 135,610	\$ 0	\$ 23,343	\$ 1,212,151		
<u>Fees Received from County Officials</u>								
Fees in-Lieu-of Salary								
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 370,692		
Circuit Court Clerk	0	0	0	0	0	362,876		
Clerk and Master	0	0	0	0	0	240,689		
Register	0	0	0	0	0	165,180		
Sheriff	0	0	0	0	0	9,643		
Trustee	0	0	0	0	0	511,721		
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,660,801		
<u>State of Tennessee</u>								
<u>General Government Grants</u>								
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,000		
Airport Maintenance Program	0	0	0	0	0	11,197		
Aging Programs	0	0	0	0	0	10,827		

(Continued)

Exhibit J-5

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

	Special Revenue Funds			Debt Service Fund		Capital Projects Funds			Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Debt Service	General Capital Projects	Other Capital Projects			
<u>State of Tennessee (Cont.)</u>									
<u>General Government Grants (Cont.)</u>									
Solid Waste Grants	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	13,782
Other General Government Grants	0	0	0	0	0	0	0	0	1,000
<u>Public Safety Grants</u>									
Law Enforcement Training Programs	0	0	0	0	0	0	0	0	13,200
Drug Control Grants	0	0	0	0	0	0	0	0	49,383
<u>Health and Welfare Grants</u>									
Health Department Programs	0	0	0	0	0	0	0	0	548,798
Other Health and Welfare Grants	0	0	0	0	0	0	0	0	112,747
<u>Public Works Grants</u>									
Bridge Program	0	180,325	0	0	0	0	0	0	180,325
State Aid Program	0	139,970	0	0	0	0	0	0	139,970
Litter Program	0	0	0	0	0	0	0	0	27,848
<u>State Education Funds</u>									
Energy Efficient School Initiative	0	0	0	0	0	0	118,250	0	118,250
<u>Other State Revenues</u>									
Income Tax	0	0	0	0	0	0	0	0	102,104
Beer Tax	0	0	0	0	0	0	0	0	18,724
Alcoholic Beverage Tax	0	0	0	0	0	0	0	0	64,596
Mixed Drink Tax	0	0	0	0	0	0	0	0	4,903
State Revenue Sharing - T.V.A.	0	0	0	0	0	0	0	0	1,254,904
Contracted Prisoner Boarding	0	0	0	0	0	0	0	0	724,605
Gasoline and Motor Fuel Tax	0	1,845,487	0	0	0	0	0	0	1,845,487
Petroleum Special Tax	0	32,007	0	0	0	0	0	0	32,007
Registrar's Salary Supplement	0	0	0	0	0	0	0	0	15,468
Other State Grants	0	0	0	0	116,049	0	0	0	118,049
Other State Revenues	0	0	0	0	0	0	0	0	13,084
Total State of Tennessee	\$ 0	\$ 2,197,789	\$ 0	\$ 0	\$ 116,049	\$ 118,250	\$ 0	\$ 5,430,258	

(Continued)

Exhibit J-5

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

	Special Revenue Funds			Debt Service Fund	Capital Projects Funds			Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service		General Capital Projects	Other Capital Projects		
<u>Federal Government</u>								
<u>Federal Through State</u>								
Community Development	\$ 0	\$ 0	\$ 0	\$ 70,839	\$ 0	\$ 0	\$ 70,839	\$ 70,839
Disaster Relief	0	46,633	0	0	0	0	0	46,633
Homeland Security Grants	0	0	0	0	0	0	0	2,679
ARRA Grant No. 2	0	0	0	0	0	0	0	43,178
Other Federal through State	0	0	0	0	300,000	0	0	300,000
Direct Federal Revenue								
Tax Credit Bond Rebate	0	0	148,539	0	0	0	0	148,539
Other Direct Federal Revenue	0	0	0	0	0	0	0	66,480
Total Federal Government	\$ 0	\$ 46,633	\$ 148,539	\$ 148,539	\$ 300,000	\$ 0	\$ 70,839	\$ 678,348
<u>Other Governments and Citizens Groups</u>								
<u>Other Governments</u>								
Contributions	\$ 0	\$ 0	\$ 1,571,482	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,706,378
Contracted Services	0	0	0	0	0	0	0	248,938
<u>Other</u>								
Other	0	0	0	0	0	0	0	14,962
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 1,571,482	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,970,278
Total	\$ 33,000	\$ 3,755,226	\$ 3,855,252	\$ 964,142	\$ 212,432	\$ 26,360	\$ 565	\$ 6,360,565

Exhibit J-6

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

	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 3,324,909	\$ 0	\$ 0	\$ 3,324,909
Discount on Property Taxes	(29,640)	0	0	(29,640)
Trustee's Collections - Prior Year	221,530	0	0	221,530
Circuit/Clerk & Master Collections - Prior Years	222,567	0	0	222,567
Interest and Penalty	112,417	0	0	112,417
<u>County Local Option Taxes</u>				
Local Option Sales Tax	3,074,642	0	0	3,074,642
Wheel Tax	1,325,986	0	0	1,325,986
<u>Statutory Local Taxes</u>				
Coal Severance Tax	158,364	0	0	158,364
Interstate Telecommunications Tax	1,578	0	0	1,578
Total Local Taxes	\$ 8,412,353	\$ 0	\$ 0	\$ 8,412,353
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 1,596	\$ 0	\$ 0	\$ 1,596
Total Licenses and Permits	\$ 1,596	\$ 0	\$ 0	\$ 1,596
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Lunch Payments - Children	\$ 0	\$ 0	\$ 327,088	\$ 327,088
Lunch Payments - Adults	0	0	77,710	77,710
Income from Breakfast	0	0	143,722	143,722
A la carte Sales	0	0	117,627	117,627
Community Service Fees - Children	29,393	0	5,546	34,939
TBI Criminal Background Fees	9,840	0	0	9,840
<u>Other Charges for Services</u>				
Other Charges for Services	954	0	0	954
Total Charges for Current Services	\$ 40,187	\$ 0	\$ 671,693	\$ 711,880
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 0	\$ 0	\$ 2,126	\$ 2,126
Lease/Rentals	5,150	0	0	5,150
Refund of Telecommunication and Internet Fees (E-Rate)	16,762	0	0	16,762
Miscellaneous Refunds	10,877	0	10,838	21,715
<u>Nonrecurring Items</u>				
Sale of Equipment	7,978	0	0	7,978
Damages Recovered from Individuals	5,162	0	0	5,162
Contributions and Gifts	15,097	0	0	15,097
Total Other Local Revenues	\$ 61,026	\$ 0	\$ 12,964	\$ 73,990
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-Behalf Contributions for OPEB	\$ 308,675	\$ 0	\$ 0	\$ 308,675
<u>State Education Funds</u>				
Basic Education Program	23,992,963	0	0	23,992,963
Basic Education Program - ARRA	2,761,037	0	0	2,761,037

(Continued)

Exhibit J-6

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

	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>State of Tennessee (Cont.)</u>				
<u>State Education Funds (Cont.)</u>				
School Food Service	\$ 0	\$ 0	\$ 32,297	\$ 32,297
Energy Efficient School Initiative	9,800	0	0	9,800
Other State Education Funds	984,407	0	0	984,407
Coordinated School Health - ARRA	94,014	0	0	94,014
Internet Connectivity - ARRA	17,648	0	0	17,648
Family Resource Centers - ARRA	64,731	0	0	64,731
Statewide Student Management System (SSMS) - ARRA	15,099	0	0	15,099
Career Ladder Program	300,257	0	0	300,257
Career Ladder - Extended Contract - ARRA	58,350	0	0	58,350
<u>Other State Revenues</u>				
Safe Schools - ARRA	30,558	0	0	30,558
<b>Total State of Tennessee</b>	<b>\$ 28,637,539</b>	<b>\$ 0</b>	<b>\$ 32,297</b>	<b>\$ 28,669,836</b>
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,747,306	\$ 1,747,306
USDA - Commodities	0	0	118,960	118,960
Breakfast	0	0	586,826	586,826
USDA - Other	0	0	54,374	54,374
Adult Education State Grant Program	97,469	0	0	97,469
Vocational Education - Basic Grants to States	0	225,054	0	225,054
Other Vocational	0	10,930	0	10,930
Title I Grants to Local Education Agencies	0	2,962,755	0	2,962,755
Innovative Education Program Strategies	0	42,425	0	42,425
Special Education - Grants to States	37,115	1,588,958	0	1,626,073
Special Education Preschool Grants	0	64,155	0	64,155
Rural Education	0	161,670	0	161,670
Eisenhower Professional Development State Grants	0	465,819	0	465,819
Race to the Top - ARRA	0	254,759	0	254,759
Other Federal through State	196,718	1,558,344	0	1,755,062
<u>Direct Federal Revenue</u>				
ROTC Reimbursement	47,238	0	0	47,238
Other Direct Federal Revenue	30,159	0	0	30,159
<b>Total Federal Government</b>	<b>\$ 408,699</b>	<b>\$ 7,334,869</b>	<b>\$ 2,507,466</b>	<b>\$ 10,251,034</b>
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Contributions	\$ 620,000	\$ 0	\$ 0	\$ 620,000
<b>Total Other Governments and Citizens Groups</b>	<b>\$ 620,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 620,000</b>
<b>Total</b>	<b>\$ 38,181,400</b>	<b>\$ 7,334,869</b>	<b>\$ 3,224,420</b>	<b>\$ 48,740,689</b>

Exhibit J-7

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

General Fund

General Government

County Commission

Assistant(s)	\$	38,456	
Other Salaries and Wages		4,650	
Board and Committee Members Fees		94,434	
Social Security		7,586	
State Retirement		6,800	
Life Insurance		643	
Medical Insurance		55,382	
Employer Medicare		1,774	
Audit Services		11,956	
Communication		2,414	
Contracts with Government Agencies		948	
Dues and Memberships		1,800	
Operating Lease Payments		3,342	
Legal Services		2,666	
Maintenance and Repair Services - Office Equipment		801	
Postal Charges		350	
Travel		16,166	
Office Supplies		1,200	
Other Supplies and Materials		820	
Specialized Medical Treatment		430	
Other Charges		95	
Office Equipment		30	
Total County Commission			\$ 252,743

Board of Equalization

Board and Committee Members Fees	\$	3,360	
Travel		845	
Total Board of Equalization			4,205

County Mayor/Executive

County Official/Administrative Officer	\$	79,276	
Assistant(s)		58,278	
Deputy(ies)		38,726	
Other Salaries and Wages		2,000	
Social Security		10,449	
State Retirement		11,606	
Life Insurance		260	
Medical Insurance		26,655	
Employer Medicare		2,444	
Communication		5,977	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

County Mayor/Executive (Cont.)

Data Processing Services	\$	165	
Dues and Memberships		2,680	
Legal Notices, Recording, and Court Costs		1,048	
Maintenance and Repair Services - Office Equipment		2,105	
Maintenance and Repair Services - Vehicles		1,269	
Postal Charges		682	
Travel		3,845	
Data Processing Supplies		192	
Office Supplies		2,283	
Premiums on Corporate Surety Bonds		175	
In Service/Staff Development		2,097	
Specialized Medical Treatment		138	
Other Charges		1,081	
Total County Mayor/Executive			\$ 253,431

County Attorney

County Official/Administrative Officer	\$	26,945	
Social Security		1,345	
State Retirement		1,754	
Life Insurance		71	
Medical Insurance		14,069	
Employer Medicare		315	
Legal Notices, Recording, and Court Costs		3,000	
Specialized Medical Treatment		36	
Total County Attorney			47,535

Election Commission

County Official/Administrative Officer	\$	63,177	
Supervisor/Director		30,768	
Data Processing Personnel		26,397	
Overtime Pay		15,440	
Election Commission		30,410	
Election Workers		62,742	
Social Security		7,938	
State Retirement		8,839	
Life Insurance		162	
Medical Insurance		15,401	
Employer Medicare		1,856	
Communication		4,414	
Data Processing Services		13,415	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Dues and Memberships	\$	400	
Legal Notices, Recording, and Court Costs		7,380	
Maintenance and Repair Services - Office Equipment		5,291	
Postal Charges		8,209	
Rentals		2,050	
Transportation - Other than Students		2,761	
Travel		12,822	
Office Supplies		7,937	
Utilities		6,002	
Other Supplies and Materials		7,382	
Specialized Medical Treatment		108	
Office Equipment		8,751	
Voting Machines		9,528	
Total Election Commission			\$ 359,580

Register of Deeds

County Official/Administrative Officer	\$	68,635	
Deputy(ies)		37,662	
Data Processing Personnel		56,388	
Social Security		9,163	
State Retirement		10,591	
Life Insurance		282	
Medical Insurance		43,637	
Employer Medicare		2,143	
Communication		3,019	
Dues and Memberships		573	
Maintenance and Repair Services - Office Equipment		163	
Postal Charges		1,905	
Rentals		9,478	
Data Processing Supplies		616	
Office Supplies		4,765	
Premiums on Corporate Surety Bonds		100	
Specialized Medical Treatment		144	
Office Equipment		469	
Total Register of Deeds			249,733

County Buildings

Supervisor/Director	\$	39,993	
Custodial Personnel		60,533	
Social Security		5,683	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

State Retirement	\$	6,544	
Life Insurance		244	
Medical Insurance		29,114	
Employer Medicare		1,329	
Communication		2,137	
Contracts with Private Agencies		1,328	
Maintenance and Repair Services - Buildings		21,708	
Maintenance and Repair Services - Equipment		8,562	
Custodial Supplies		9,972	
Electricity		17,481	
Uniforms		2,818	
Water and Sewer		6,021	
Specialized Medical Treatment		135	
Total County Buildings			\$ 213,602

Other Facilities

Other Salaries and Wages	\$	7,524	
Social Security		466	
State Retirement		122	
Employer Medicare		109	
Maintenance and Repair Services - Buildings		200	
Utilities		6,435	
Building and Contents Insurance		655	
Total Other Facilities			15,511

Preservation of Records

Part-time Personnel	\$	2,994	
Social Security		186	
Employer Medicare		43	
Communication		270	
Postal Charges		56	
Rentals		4,800	
Office Supplies		1,038	
Total Preservation of Records			9,387

Finance

Accounting and Budgeting

Supervisor/Director	\$	87,045	
Accountants/Bookkeepers		513,874	
Overtime Pay		731	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Social Security	\$	34,990	
State Retirement		37,811	
Life Insurance		877	
Medical Insurance		88,017	
Employer Medicare		8,183	
Communication		10,498	
Data Processing Services		6,240	
Dues and Memberships		71	
Legal Services		2,200	
Maintenance and Repair Services - Equipment		4,504	
Postal Charges		8,029	
Travel		4,278	
Data Processing Supplies		7,919	
Office Supplies		3,705	
Premiums on Corporate Surety Bonds		175	
Specialized Medical Treatment		530	
Office Equipment		12,477	
Total Accounting and Budgeting			\$ 832,154

Property Assessor's Office

County Official/Administrative Officer	\$	70,196
Assessment Personnel		166,288
Salary Supplements		1,000
Other Salaries and Wages		3,575
Social Security		14,199
State Retirement		15,693
Life Insurance		512
Medical Insurance		40,278
Employer Medicare		3,321
Communication		6,867
Consultants		9,875
Contracts with Government Agencies		7,179
Data Processing Services		1,238
Dues and Memberships		1,495
Maintenance and Repair Services - Office Equipment		3,861
Maintenance and Repair Services - Vehicles		4,563
Postal Charges		1,148
Travel		3,483
Gasoline		3,084
Office Supplies		1,964

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Vehicle and Equipment Insurance	\$	1,183	
Specialized Medical Treatment		250	
Other Charges		109	
Total Property Assessor's Office			\$ 361,361

Reappraisal Program

Assessment Personnel	\$	25,272	
Social Security		1,389	
State Retirement		1,645	
Employer Medicare		325	
Other Charges		341	
Total Reappraisal Program			28,972

County Trustee's Office

County Official/Administrative Officer	\$	68,635	
Supervisor/Director		30,606	
Deputy(ies)		37,662	
Data Processing Personnel		27,854	
Clerical Personnel		23,798	
Other Salaries and Wages		3,575	
Social Security		11,128	
State Retirement		12,507	
Life Insurance		356	
Medical Insurance		39,197	
Employer Medicare		2,603	
Communication		3,078	
Contracts with Private Agencies		300	
Data Processing Services		5,466	
Dues and Memberships		657	
Legal Notices, Recording, and Court Costs		171	
Maintenance and Repair Services - Office Equipment		894	
Postal Charges		9,700	
Rentals		750	
Travel		981	
Office Supplies		2,899	
Premiums on Corporate Surety Bonds		7,953	
Specialized Medical Treatment		182	
Office Equipment		425	
Total County Trustee's Office			291,377

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office

County Official/Administrative Officer	\$	68,635	
Supervisor/Director		95,077	
Deputy(ies)		40,416	
Data Processing Personnel		54,455	
Clerical Personnel		79,676	
Other Salaries and Wages		25,193	
Social Security		21,304	
State Retirement		21,256	
Life Insurance		573	
Medical Insurance		49,849	
Employer Medicare		4,982	
Communication		7,897	
Data Processing Services		7,555	
Dues and Memberships		662	
Maintenance and Repair Services - Buildings		300	
Maintenance and Repair Services - Office Equipment		9,226	
Postal Charges		6,180	
Rentals		6,000	
Travel		4,622	
Office Supplies		4,431	
Utilities		2,188	
Premiums on Corporate Surety Bonds		350	
Specialized Medical Treatment		338	
Office Equipment		1,775	
Total County Clerk's Office			\$ 512,940

Other Finance

Contracts with Government Agencies	\$	16,904
Data Processing Services		9,323
Legal Notices, Recording, and Court Costs		9,442
Maintenance and Repair Services - Office Equipment		7,265
Printing, Stationery, and Forms		1,699
Rentals		4,800
Data Processing Supplies		20,782
Utilities		3,695
Other Supplies and Materials		632
Building and Contents Insurance		14,717
Liability Insurance		50,162
Trustee's Commission		139,815
Other Charges		1,155

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Other Finance (Cont.)

Office Equipment	\$ 7,047	
Total Other Finance		\$ 287,438

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$ 68,635	
Supervisor/Director	150,534	
Deputy(ies)	37,662	
Data Processing Personnel	50,745	
Clerical Personnel	32,391	
Part-time Personnel	30,646	
Overtime Pay	2,579	
Other Salaries and Wages	580	
Jury and Witness Expense	19,523	
Social Security	22,315	
State Retirement	20,234	
Life Insurance	576	
Medical Insurance	40,037	
Employer Medicare	5,219	
Communication	7,914	
Data Processing Services	3,225	
Dues and Memberships	748	
Operating Lease Payments	4,830	
Maintenance and Repair Services - Office Equipment	9,680	
Postal Charges	8,146	
Travel	1,549	
Office Supplies	8,165	
Premiums on Corporate Surety Bonds	350	
Specialized Medical Treatment	462	
Office Equipment	11,110	
Total Circuit Court		537,855

General Sessions Court

Judge(s)	\$ 138,675
Assistant(s)	27,352
Social Security	8,021
State Retirement	10,808
Life Insurance	125
Employer Medicare	2,407
Communication	2,725

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court (Cont.)

Dues and Memberships	\$	565	
Maintenance and Repair Services - Office Equipment		238	
Postal Charges		125	
Travel		1,143	
Library Books/Media		37	
Office Supplies		1,021	
Specialized Medical Treatment		72	
Total General Sessions Court			\$ 193,314

Drug Court

Other Salaries and Wages	\$	36,868	
Social Security		2,243	
State Retirement		2,031	
Life Insurance		47	
Employer Medicare		525	
Communication		4,334	
Contracts with Private Agencies		12,010	
Maintenance and Repair Services - Office Equipment		285	
Postal Charges		220	
Printing, Stationery, and Forms		150	
Rentals		700	
Travel		12,321	
Drugs and Medical Supplies		8,109	
Office Supplies		806	
Other Supplies and Materials		1,027	
Workers' Compensation Insurance		123	
In Service/Staff Development		436	
Specialized Medical Treatment		6	
Total Drug Court			82,241

Chancery Court

County Official/Administrative Officer	\$	68,635
Supervisor/Director		31,110
Deputy(ies)		37,662
Data Processing Personnel		53,848
Part-time Personnel		1,399
Overtime Pay		1,401
Other Salaries and Wages		3,575
Social Security		11,203
State Retirement		12,775

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Life Insurance	\$	323	
Medical Insurance		39,627	
Employer Medicare		2,620	
Communication		2,219	
Dues and Memberships		622	
Postal Charges		1,800	
Travel		111	
Office Supplies		1,907	
Premiums on Corporate Surety Bonds		350	
Specialized Medical Treatment		182	
Office Equipment		1,376	
Total Chancery Court			\$ 272,745

District Attorney General

Clerical Personnel	\$	23,959	
Social Security		1,426	
State Retirement		1,560	
Life Insurance		45	
Medical Insurance		1,366	
Employer Medicare		334	
Specialized Medical Treatment		30	
Total District Attorney General			28,720

Office of Public Defender

Contracts with Government Agencies	\$	20,412	
Total Office of Public Defender			20,412

Other Administration of Justice

Rentals	\$	600	
Office Equipment		1,000	
Total Other Administration of Justice			1,600

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	75,500	
Assistant(s)		14,397	
Supervisor/Director		65,008	
Deputy(ies)		382,387	
Detective(s)		246,450	
Sergeant(s)		127,389	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Data Processing Personnel	\$	25,898	
Part-time Personnel		27,235	
Overtime Pay		82,726	
Other Salaries and Wages		23,665	
Other Per Diem and Fees		25,802	
Social Security		62,041	
State Retirement		66,715	
Life Insurance		1,774	
Medical Insurance		290,081	
Employer Medicare		14,510	
Communication		26,043	
Contracts with Private Agencies		220	
Dues and Memberships		2,050	
Evaluation and Testing		980	
Legal Notices, Recording, and Court Costs		917	
Maintenance and Repair Services - Equipment		2,135	
Maintenance and Repair Services - Vehicles		51,443	
Pest Control		348	
Postal Charges		1,420	
Rentals		4,345	
Tow-in Services		1,955	
Travel		4,179	
Gasoline		156,915	
Law Enforcement Supplies		2,276	
Office Supplies		1,442	
Uniforms		10,450	
Liability Insurance		21,870	
Premiums on Corporate Surety Bonds		3,300	
Vehicle and Equipment Insurance		29,083	
In Service/Staff Development		3,220	
Specialized Medical Treatment		977	
Communication Equipment		4,831	
Motor Vehicles		21,493	
Other Capital Outlay		700	
Total Sheriff's Department			\$ 1,884,170

Special Patrols

School Resource Officer	\$	132,007
Social Security		7,195
State Retirement		8,594

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Special Patrols (Cont.)

Life Insurance	\$	318	
Medical Insurance		51,055	
Employer Medicare		1,683	
Gasoline		5,396	
Law Enforcement Supplies		7,490	
Uniforms		3,583	
In Service/Staff Development		4,600	
Specialized Medical Treatment		157	
Motor Vehicles		898	
Total Special Patrols			\$ 222,976

Traffic Control

Contracts with Private Agencies	\$	650	
Electricity		111	
Total Traffic Control			761

Administration of the Sexual Offender Registry

Remittance of Revenue Collected	\$	450	
Other Charges		1,278	
Total Administration of the Sexual Offender Registry			1,728

Jail

Assistant(s)	\$	14,397	
Captain(s)		51,440	
Sergeant(s)		42,166	
Data Processing Personnel		25,898	
Guards		630,532	
Cafeteria Personnel		22,375	
Part-time Personnel		27,747	
Overtime Pay		36,865	
Other Salaries and Wages		24,116	
Other Per Diem and Fees		27,599	
Social Security		51,094	
State Retirement		55,713	
Life Insurance		1,820	
Medical Insurance		257,220	
Employer Medicare		11,950	
Communication		4,407	
Data Processing Services		3,960	
Evaluation and Testing		1,395	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Maintenance and Repair Services - Buildings	\$	18,294	
Maintenance and Repair Services - Equipment		1,191	
Maintenance and Repair Services - Office Equipment		1,946	
Medical and Dental Services		416,268	
Pest Control		1,066	
Postal Charges		456	
Travel		4,021	
Electricity		100,326	
Food Preparation Supplies		49,035	
Food Supplies		172,953	
Natural Gas		28,093	
Office Supplies		5,891	
Prisoners Clothing		1,790	
Uniforms		7,674	
Water and Sewer		58,075	
Other Supplies and Materials		8,404	
Building and Contents Insurance		11,470	
Liability Insurance		118,604	
Vehicle and Equipment Insurance		3,231	
Workers' Compensation Insurance		29,770	
In Service/Staff Development		1,090	
Specialized Medical Treatment		1,093	
Communication Equipment		1,745	
Office Equipment		10,145	
Total Jail			\$ 2,343,325

Juvenile Services

Probation Officer(s)	\$	1,405	
Youth Service Officer(s)		17,699	
Overtime Pay		30	
Social Security		1,186	
State Retirement		5	
Employer Medicare		277	
Contracts with Government Agencies		3,268	
Office Supplies		500	
Specialized Medical Treatment		36	
Total Juvenile Services			24,406

Fire Prevention and Control

Contributions	\$	81,650	
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(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Fire Prevention and Control (Cont.)

Building and Contents Insurance	\$	9,001	
Liability Insurance		4,350	
Vehicle and Equipment Insurance		34,774	
Workers' Compensation Insurance		13,282	
Total Fire Prevention and Control			\$ 143,057

Civil Defense

Supervisor/Director	\$	25,000	
Part-time Personnel		8,480	
Social Security		2,076	
State Retirement		1,628	
Employer Medicare		485	
Communication		3,443	
Consultants		4,875	
Licenses		68	
Maintenance and Repair Services - Equipment		6	
Maintenance and Repair Services - Vehicles		1,317	
Postal Charges		11	
Printing, Stationery, and Forms		754	
Travel		270	
Diesel Fuel		308	
Gasoline		4,004	
Law Enforcement Supplies		14,528	
Office Supplies		643	
Uniforms		1,567	
Other Supplies and Materials		8,341	
Vehicle and Equipment Insurance		3,641	
Other Charges		51,931	
Building Improvements		517	
Communication Equipment		4,100	
Other Equipment		2,135	
Total Civil Defense			140,128

Rescue Squad

Contributions	\$	30,000	
Building and Contents Insurance		6,910	
Liability Insurance		1,526	
Vehicle and Equipment Insurance		17,153	
Workers' Compensation Insurance		1,490	
Total Rescue Squad			57,079

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management

Communication	\$	1,500	
Contracts with Government Agencies		186,956	
Total Other Emergency Management			\$ 188,456

County Coroner/Medical Examiner

County Official/Administrative Officer	\$	11,088	
Social Security		494	
Life Insurance		71	
Medical Insurance		10,986	
Employer Medicare		115	
Contracts with Private Agencies		29,074	
Contracts with Vehicle Owners		9,250	
Premiums on Corporate Surety Bonds		340	
Specialized Medical Treatment		36	
Total County Coroner/Medical Examiner			61,454

Other Public Safety

Deputy(ies)	\$	14,087	
Salary Supplements		13,200	
Guards		191,695	
Overtime Pay		23,935	
Other Salaries and Wages		10	
Social Security		14,927	
State Retirement		2,017	
Employer Medicare		3,491	
Communication		222	
Evaluation and Testing		3,550	
Postal Charges		8,773	
Travel		942	
Law Enforcement Supplies		5,720	
Office Supplies		247	
Other Supplies and Materials		3,008	
Specialized Medical Treatment		10	
Law Enforcement Equipment		4,820	
Total Other Public Safety			290,654

Public Health and Welfare

Local Health Center

Custodial Personnel	\$	13,530	
Social Security		645	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

State Retirement	\$	881	
Life Insurance		71	
Medical Insurance		10,986	
Employer Medicare		151	
Communication		5,204	
Dues and Memberships		375	
Operating Lease Payments		2,904	
Legal Notices, Recording, and Court Costs		404	
Maintenance and Repair Services - Buildings		3,321	
Maintenance and Repair Services - Office Equipment		3,857	
Pest Control		420	
Postal Charges		100	
Custodial Supplies		4,004	
Drugs and Medical Supplies		668	
Electricity		16,919	
Natural Gas		2,728	
Office Supplies		4,023	
Water and Sewer		1,992	
Building and Contents Insurance		2,297	
Specialized Medical Treatment		36	
Building Improvements		14,960	
Office Equipment		90	
Total Local Health Center			\$ 90,566

Rabies and Animal Control

Supervisor/Director	\$	19,546
Deputy(ies)		28,492
Attendants		23,327
Overtime Pay		237
Other Per Diem and Fees		211
Social Security		4,123
State Retirement		3,156
Life Insurance		125
Medical Insurance		16,120
Employer Medicare		964
Communication		2,344
Licenses		370
Maintenance and Repair Services - Buildings		594
Maintenance and Repair Services - Equipment		709
Maintenance and Repair Services - Vehicles		1,043

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

Postal Charges	\$	50	
Disposal Fees		1,124	
Custodial Supplies		1,349	
Diesel Fuel		279	
Drugs and Medical Supplies		2,425	
Gasoline		5,791	
Law Enforcement Supplies		729	
Office Supplies		596	
Uniforms		242	
Utilities		11,925	
Building and Contents Insurance		693	
Vehicle and Equipment Insurance		1,335	
In Service/Staff Development		100	
Specialized Medical Treatment		180	
Other Equipment		1,899	
Total Rabies and Animal Control			\$ 130,078

Dental Health Program

Drugs and Medical Supplies	\$	7,076	
Total Dental Health Program			7,076

Alcohol and Drug Programs

Contracts with Private Agencies	\$	8,351	
Total Alcohol and Drug Programs			8,351

Crippled Children Services

Contributions	\$	2,764	
Total Crippled Children Services			2,764

Other Local Health Services

Social Workers	\$	135,269	
Medical Personnel		168,341	
Clerical Personnel		68,354	
Overtime Pay		66	
Other Salaries and Wages		14	
Social Security		20,919	
State Retirement		22,511	
Life Insurance		757	
Medical Insurance		100,411	
Employer Medicare		4,892	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Local Health Services (Cont.)

Travel	\$	16,685	
Other Contracted Services		2,550	
Other Supplies and Materials		6,547	
Liability Insurance		671	
Workers' Compensation Insurance		1,612	
Specialized Medical Treatment		430	
Other Charges		400	
Total Other Local Health Services			\$ 550,429

Appropriation to State

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

General Welfare Assistance

Pauper Burials	\$	10,628	
Other Charges		58,897	
Total General Welfare Assistance			69,525

Sanitation Education/Information

Deputy(ies)	\$	56,174	
Other Salaries and Wages		4,788	
Other Per Diem and Fees		109	
Social Security		3,514	
State Retirement		3,695	
Life Insurance		147	
Medical Insurance		21,455	
Employer Medicare		822	
Communication		2,052	
Maintenance and Repair Services - Vehicles		737	
Gasoline		11,193	
Instructional Supplies and Materials		2,500	
Uniforms		432	
Other Supplies and Materials		1,194	
Specialized Medical Treatment		74	
Total Sanitation Education/Information			108,886

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Assistant(s)	\$	23,537	
Social Security		1,459	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Senior Citizens Assistance (Cont.)

Employer Medicare	\$	341	
Contributions		15,300	
Office Supplies		952	
Specialized Medical Treatment		64	
Total Senior Citizens Assistance			\$ 41,653

Libraries

Contributions	\$	38,000	
Total Libraries			38,000

Other Social, Cultural, and Recreational

Attendants	\$	20,685	
Other Per Diem and Fees		252	
Social Security		1,064	
State Retirement		1,363	
Life Insurance		71	
Medical Insurance		11,475	
Employer Medicare		249	
Communication		541	
Contributions		14,600	
Maintenance and Repair Services - Equipment		237	
Custodial Supplies		605	
Gasoline		143	
Office Supplies		368	
Utilities		3,741	
Specialized Medical Treatment		36	
Other Charges		41	
Other Equipment		880	
Other Capital Outlay		12,915	
Total Other Social, Cultural, and Recreational			69,266

Agriculture and Natural Resources

Agriculture Extension Service

Communication	\$	3,412	
Contracts with Government Agencies		44,291	
Dues and Memberships		255	
Maintenance and Repair Services - Office Equipment		971	
Postal Charges		135	
Travel		2,227	
Office Equipment		800	
Total Agriculture Extension Service			52,091

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation

Communication	\$	85	
Contributions		4,304	
Dues and Memberships		250	
Total Soil Conservation			\$ 4,639

Other Operations

Airport

Supervisor/Director	\$	20,400	
Medical Insurance		5,182	
Communication		1,355	
Contracts with Private Agencies		4,800	
Legal Notices, Recording, and Court Costs		454	
Licenses		85	
Maintenance and Repair Services - Buildings		25,663	
Travel		112	
Electricity		10,669	
Water and Sewer		326	
Liability Insurance		2,600	
Total Airport			71,646

Veterans' Services

Supervisor/Director	\$	39,618	
Secretary(ies)		25,058	
Clerical Personnel		13,355	
Social Security		4,742	
State Retirement		5,080	
Life Insurance		212	
Medical Insurance		25,055	
Employer Medicare		1,109	
Communication		2,460	
Data Processing Services		700	
Maintenance and Repair Services - Office Equipment		1,141	
Postal Charges		1,050	
Travel		5,272	
Office Supplies		1,302	
Uniforms		88	
Specialized Medical Treatment		108	
Office Equipment		543	
Total Veterans' Services			126,893

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Contributions to Other Agencies

Contributions	\$ 77,007	
Other Supplies and Materials	5,822	
Total Contributions to Other Agencies	\$ 82,829	\$ 82,829

Employee Benefits

Salary Supplements	\$ 1,900	
Other Salaries and Wages	46,515	
Social Security	3,020	
State Retirement	404	
Medical Insurance	12,587	
Unemployment Compensation	84,363	
Employer Medicare	702	
Data Processing Services	1,895	
Judgments	67	
Premiums on Corporate Surety Bonds	100	
Workers' Compensation Insurance	42,426	
Total Employee Benefits	193,979	193,979

ARRA Grant No. 2

Assistant(s)	\$ 29,850	
Social Security	1,839	
State Retirement	1,943	
Life Insurance	54	
Employer Medicare	430	
Rentals	1,500	
Other Supplies and Materials	4,194	
Specialized Medical Treatment	18	
Total ARRA Grant No. 2	39,828	39,828

ARRA Grant No. 3

Probation Officer(s)	\$ 5,617	
Social Security	348	
State Retirement	20	
Life Insurance	3	
Employer Medicare	81	
Specialized Medical Treatment	1	
Total ARRA Grant No. 3	6,070	6,070

Miscellaneous

Part-time Personnel	\$ 26,621	
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(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Miscellaneous (Cont.)

Social Security	\$	1,651	
Employer Medicare		386	
Travel		59	
Other Supplies and Materials		848	
Other Charges		2,782	
Office Equipment		7,100	
Total Miscellaneous			\$ 39,447

Highways

Employee Benefits

Medical Insurance	\$	7,241	
Total Employee Benefits			7,241

Total General Fund

\$ 11,980,807

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Supervisor/Director	\$	55,451	
Data Processing Personnel		38,067	
Overtime Pay		151	
Other Per Diem and Fees		81	
Social Security		5,455	
State Retirement		5,218	
Life Insurance		171	
Medical Insurance		23,292	
Unemployment Compensation		6,791	
Employer Medicare		1,276	
Communication		117	
Maintenance and Repair Services - Office Equipment		423	
Medical and Dental Services		632	
Postal Charges		300	
Disposal Fees		37,037	
Office Supplies		270	
Uniforms		669	
Building and Contents Insurance		2,715	
Liability Insurance		16,231	
Trustee's Commission		43,487	
Vehicle and Equipment Insurance		27,065	
Workers' Compensation Insurance		68,602	

(Continued)

Exhibit J-7

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

<u>Solid Waste/Sanitation Fund (Cont.)</u>		
<u>Public Health and Welfare (Cont.)</u>		
<u>Sanitation Management (Cont.)</u>		
Specialized Medical Treatment	\$ 82	
Total Sanitation Management		\$ 333,583
<u>Sanitation Education/Information</u>		
Uniforms	\$ 148	
Total Sanitation Education/Information		148
<u>Convenience Centers</u>		
Foremen	\$ 17,491	
Mechanic(s)	11,848	
Truck Drivers	127,257	
Laborers	706	
Attendants	327,207	
Overtime Pay	11,076	
Other Salaries and Wages	14,447	
Other Per Diem and Fees	15,412	
Social Security	30,304	
State Retirement	31,563	
Life Insurance	1,507	
Medical Insurance	131,920	
Employer Medicare	7,087	
Communication	8,134	
Contracts with Private Agencies	429,425	
Maintenance and Repair Services - Buildings	1,164	
Maintenance and Repair Services - Equipment	4,049	
Maintenance and Repair Services - Vehicles	31,955	
Rentals	7,250	
Custodial Supplies	806	
Diesel Fuel	83,950	
Electricity	8,605	
Gasoline	1,409	
Office Supplies	210	
Uniforms	11,230	
Specialized Medical Treatment	913	
Solid Waste Equipment	2,400	
Total Convenience Centers		1,319,325
<u>Transfer Stations</u>		
Foremen	\$ 5,033	
Equipment Operators	24,665	

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)  
Public Health and Welfare (Cont.)  
Transfer Stations (Cont.)

Overtime Pay	\$	3,351	
Other Salaries and Wages		49	
Other Per Diem and Fees		1,853	
Social Security		1,900	
State Retirement		2,275	
Life Insurance		51	
Medical Insurance		11,784	
Employer Medicare		444	
Licenses		1,500	
Maintenance and Repair Services - Equipment		696	
Maintenance and Repair Services - Vehicles		1,700	
Rentals		660	
Uniforms		571	
Specialized Medical Treatment		39	
Building Improvements		30,214	
Total Transfer Stations			\$ 86,785

Recycling Center

Foremen	\$	25,331
Equipment Operators		28,310
Truck Drivers		51,302
Laborers		40,102
Overtime Pay		1,897
Other Salaries and Wages		205
Other Per Diem and Fees		1,603
Social Security		8,433
State Retirement		9,677
Life Insurance		395
Medical Insurance		53,709
Employer Medicare		1,972
Communication		2,615
Maintenance and Repair Services - Buildings		399
Maintenance and Repair Services - Equipment		9,377
Maintenance and Repair Services - Vehicles		14,215
Pest Control		360
Custodial Supplies		817
Diesel Fuel		14,306
Electricity		7,735
Gasoline		3,421
Natural Gas		11,279

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Recycling Center (Cont.)

Office Supplies	\$	722	
Uniforms		4,749	
Water and Sewer		331	
Specialized Medical Treatment		228	
Total Recycling Center			\$ 293,490

Other Waste Disposal

Foremen	\$	27,415	
Equipment Operators		38,424	
Nightwatchmen		28,134	
Overtime Pay		2,592	
Other Salaries and Wages		4,743	
Other Per Diem and Fees		2,355	
Social Security		5,619	
State Retirement		6,748	
Life Insurance		309	
Medical Insurance		38,797	
Employer Medicare		1,314	
Licenses		1,006	
Electricity		3,371	
Uniforms		1,140	
In Service/Staff Development		275	
Specialized Medical Treatment		180	
Total Other Waste Disposal			162,422

Other Operations

Employee Benefits

Other Salaries and Wages	\$	15,487	
Social Security		960	
Employer Medicare		225	
Total Employee Benefits			16,672

Total Solid Waste/Sanitation Fund \$ 2,212,425

Ambulance Service Fund

Public Health and Welfare

Ambulance/Emergency Medical Services

Supervisor/Director	\$	64,556	
Medical Personnel		531,101	
Paraprofessionals		99,643	

(Continued)

Exhibit J-7

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

Ambulance Service Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Assessment Personnel	\$	74,595
Clerical Personnel		47,488
Attendants		60,056
Maintenance Personnel		7,540
Overtime Pay		142,291
Other Salaries and Wages		35,573
In-Service Training		4,076
Other Per Diem and Fees		22,126
Social Security		63,629
State Retirement		60,269
Life Insurance		1,971
Medical Insurance		196,360
Unemployment Compensation		12,986
Employer Medicare		14,881
Advertising		2,885
Communication		12,525
Contracts with Government Agencies		56,031
Data Processing Services		14,405
Dues and Memberships		430
Licenses		2,500
Maintenance and Repair Services - Buildings		2,988
Maintenance and Repair Services - Equipment		3,951
Maintenance and Repair Services - Office Equipment		971
Maintenance and Repair Services - Vehicles		39,246
Medical and Dental Services		18,000
Postal Charges		4,018
Rentals		720
Travel		1,052
Custodial Supplies		2,066
Diesel Fuel		77,321
Drugs and Medical Supplies		34,190
Electricity		14,259
Gasoline		3,880
Natural Gas		5,460
Office Supplies		4,448
Uniforms		9,485
Water and Sewer		2,308
Chemicals		4,625
Building and Contents Insurance		1,237
Liability Insurance		15,617

(Continued)

Exhibit J-7

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

Ambulance Service Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Refunds	\$	599	
Trustee's Commission		21,144	
Vehicle and Equipment Insurance		6,554	
Workers' Compensation Insurance		86,829	
In Service/Staff Development		1,682	
Specialized Medical Treatment		1,089	
Other Charges		620	
Building Improvements		175	
Motor Vehicles		58,000	
Office Equipment		4,934	
Health Equipment		7,444	
Total Ambulance/Emergency Medical Services	\$		1,962,829

Regional Mental Health Center

Other Charges	\$	17	
Total Regional Mental Health Center			17

Other Operations

Employee Benefits

Other Salaries and Wages	\$	4,570	
Social Security		283	
Employer Medicare		66	
Total Employee Benefits			4,919

Principal on Debt

General Government

Principal on Notes	\$	42,500	
Total General Government			42,500

Interest on Debt

General Government

Interest on Notes	\$	1,469	
Total General Government			1,469

Total Ambulance Service Fund \$ 2,011,734

Industrial/Economic Development Fund

General Government

Development

Board and Committee Members Fees	\$	4,624	
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(Continued)

Exhibit J-7

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

Industrial/Economic Development Fund (Cont.)

General Government (Cont.)

Development (Cont.)

Social Security	\$	104	
State Retirement		140	
Employer Medicare		24	
Travel		334	
Other Contracted Services		5,000	
Other Supplies and Materials		1,795	
Other Charges		1,025	
Total Development			\$ 13,046

Planning

Board and Committee Members Fees	\$	7,600	
Social Security		140	
State Retirement		62	
Employer Medicare		33	
Contributions		14,062	
Engineering Services		1,600	
Legal Services		6,012	
Other Charges		50	
Total Planning			29,559

Other Facilities

Contracts with Private Agencies	\$	11,685	
Maintenance and Repair Services - Buildings		939	
Maintenance and Repair Services - Equipment		125	
Custodial Supplies		552	
Total Other Facilities			13,301

Other Operations

Tourism

Contributions	\$	45,000	
Total Tourism			45,000

Industrial Development

Communication	\$	800	
Contributions		52,000	
Data Processing Services		6,150	
Dues and Memberships		4,056	
Other Contracted Services		1,525	
Utilities		5,911	
Building and Contents Insurance		5,844	

(Continued)

Exhibit J-7

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

Industrial/Economic Development Fund (Cont.)

Other Operations (Cont.)

Industrial Development (Cont.)

Trustee's Commission	\$	5,167	
Other Charges		4,016	
Other Capital Outlay		5,000	
Total Industrial Development			\$ 90,469

Other Economic and Community Development

Part-time Personnel	\$	15,968	
Other Salaries and Wages		6,175	
Social Security		1,373	
Employer Medicare		321	
Fiscal Agent Charges		3,130	
Postal Charges		200	
Travel		236	
Specialized Medical Treatment		9	
Other Charges		13,472	
Total Other Economic and Community Development			40,884

Other Charges

Part-time Personnel	\$	8,454	
Other Salaries and Wages		3,244	
Social Security		734	
Employer Medicare		172	
Fiscal Agent Charges		756	
Total Other Charges			13,360

Total Industrial/Economic Development Fund \$ 245,619

Drug Control Fund

Public Safety

Drug Enforcement

Detective(s)	\$	6,075	
Overtime Pay		10,049	
Other Salaries and Wages		7,807	
Social Security		1,484	
State Retirement		1,558	
Employer Medicare		347	
Communication		3,257	
Confidential Drug Enforcement Payments		3,919	
Maintenance and Repair Services - Equipment		3,211	
Maintenance and Repair Services - Vehicles		5,598	

(Continued)

Exhibit J-7

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

Drug Control Fund (Cont.)

Public Safety (Cont.)

Drug Enforcement (Cont.)

Postal Charges	\$	65	
Rentals		1,375	
Tow-in Services		1,796	
Travel		700	
Animal Food and Supplies		884	
Diesel Fuel		631	
Gasoline		3,416	
Law Enforcement Supplies		2,388	
Workers' Compensation Insurance		493	
In Service/Staff Development		1,200	
Law Enforcement Equipment		14,500	
Motor Vehicles		22,000	
Total Drug Enforcement			\$ 92,753

Total Drug Control Fund \$ 92,753

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	33,000	
Total Chancery Court			\$ 33,000

Total Constitutional Officers - Fees Fund 33,000

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	75,500	
Assistant(s)		64,297	
Social Security		8,304	
State Retirement		9,101	
Life Insurance		179	
Medical Insurance		19,604	
Employer Medicare		1,942	
Dues and Memberships		3,971	
Postal Charges		150	
Printing, Stationery, and Forms		318	
Travel		1,320	
Office Supplies		892	
Specialized Medical Treatment		108	
Total Administration			\$ 185,686

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance

Supervisor/Director	\$	43,466	
Foremen		58,965	
Equipment Operators		138,253	
Truck Drivers		154,999	
Laborers		153,150	
Overtime Pay		36,328	
Other Salaries and Wages		1,214	
Other Per Diem and Fees		1,915	
Social Security		33,874	
State Retirement		37,946	
Life Insurance		1,282	
Medical Insurance		149,152	
Employer Medicare		7,922	
Contracts with Private Agencies		66,812	
Asphalt - Hot Mix		275,085	
Asphalt - Liquid		32,607	
Concrete		222	
Fertilizer, Lime, and Seed		1,038	
General Construction Materials		1,050	
Pipe - Metal		16,324	
Road Signs		8,319	
Refunds		131,795	
Specialized Medical Treatment		736	
Other Charges		4,349	
Total Highway and Bridge Maintenance			\$ 1,356,803

Operation and Maintenance of Equipment

Mechanic(s)	\$	49,109
Laborers		50,581
Overtime Pay		2,286
Other Salaries and Wages		313
Other Per Diem and Fees		153
Social Security		5,483
State Retirement		6,009
Life Insurance		237
Medical Insurance		40,886
Employer Medicare		1,282
Contracts with Private Agencies		2,380
Maintenance and Repair Services - Office Equipment		3,842
Diesel Fuel		341,506

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Equipment and Machinery Parts	\$	113,312	
Garage Supplies		574	
Gasoline		317,238	
Lubricants		8,553	
Natural Gas		4,050	
Tires and Tubes		29,734	
Specialized Medical Treatment		126	
Total Operation and Maintenance of Equipment			\$ 977,654

Quarry Operations

Foremen	\$	28,397	
Truck Drivers		24,304	
Laborers		48,003	
Overtime Pay		5,826	
Other Salaries and Wages		378	
Other Per Diem and Fees		324	
Social Security		5,900	
State Retirement		6,981	
Life Insurance		282	
Medical Insurance		37,510	
Employer Medicare		1,380	
Explosive and Drilling Services		26,737	
Licenses		7,618	
Diesel Fuel		20,412	
Electricity		32,971	
Specialized Medical Treatment		144	
Highway Equipment		10,807	
Total Quarry Operations			257,974

Other Charges

Communication	\$	14,983	
Electricity		5,643	
Uniforms		17,735	
Water and Sewer		1,304	
Building and Contents Insurance		2,338	
Liability Insurance		28,732	
Trustee's Commission		33,640	
Vehicle and Equipment Insurance		23,719	
Total Other Charges			128,094

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Employee Benefits

Other Salaries and Wages	\$	12,969	
Social Security		804	
Unemployment Compensation		3,910	
Employer Medicare		188	
Medical and Dental Services		687	
Workers' Compensation Insurance		54,939	
Total Employee Benefits			\$ 73,497

Capital Outlay

Engineering Services	\$	20,045	
Bridge Construction		239,145	
Highway Equipment		235,003	
Maintenance Equipment		1,800	
State Aid Projects		173,052	
Total Capital Outlay			669,045

Total Highway/Public Works Fund \$ 3,648,753

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	1,405	
Principal on Notes		125,000	
Principal on Other Loans		306,900	
Total General Government			\$ 433,305

Education

Principal on Bonds	\$	323,595	
Principal on Notes		166,667	
Principal on Other Loans		793,100	
Total Education			1,283,362

Interest on Debt

General Government

Interest on Bonds	\$	280,911	
Interest on Notes		27,675	
Interest on Other Loans		156,224	
Total General Government			464,810

(Continued)

Exhibit J-7

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

General Debt Service Fund (Cont.)

Interest on Debt (Cont.)

Education

Interest on Bonds	\$	979,547	
Interest on Notes		64,489	
Interest on Other Loans		403,715	
Total Education			\$ 1,447,751

Other Debt Service

General Government

Trustee's Commission	\$	26,413	
Underwriter's Discount		54,177	
Other Debt Issuance Charges		150,622	
Other Debt Service		504	
Total General Government			<u>231,716</u>

Total General Debt Service Fund \$ 3,860,944

General Capital Projects Fund

Capital Projects

General Administration Projects

Engineering Services	\$	5,625	
Trustee's Commission		9,457	
Building Improvements		114,316	
Site Development		74,615	
Total General Administration Projects			\$ 204,013

Public Safety Projects

Motor Vehicles	\$	67,500	
Total Public Safety Projects			67,500

Public Health and Welfare Projects

Architects	\$	17,700	
Building Improvements		184,187	
Site Development		1,686	
Total Public Health and Welfare Projects			203,573

Social, Cultural, and Recreation Projects

Other Charges	\$	9,364	
Building Construction		3,899	
Site Development		7,900	
Other Capital Outlay		8,678	
Total Social, Cultural, and Recreation Projects			29,841

(Continued)

Exhibit J-7

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

General Capital Projects Fund (Cont.)

Capital Projects (Cont.)

Other General Government Projects

Consultants	\$	3,000	
Engineering Services		22,000	
Building Improvements		35,263	
Total Other General Government Projects			\$ 60,263

Highway and Street Capital Projects

Asphalt - Hot Mix	\$	18,083	
Bridge Construction		123,979	
Site Development		14,850	
Total Highway and Street Capital Projects			156,912

Education Capital Projects

Contributions	\$	620,000	
Total Education Capital Projects			620,000

Total General Capital Projects Fund \$ 1,342,102

Other Capital Projects Fund

Other Debt Service

General Government

Underwriter's Discount	\$	179,076	
Other Debt Issuance Charges		130,003	
Total General Government			\$ 309,079

Capital Projects

Public Safety Projects

Architects	\$	278,917	
Engineering Services		11,335	
Permits		15,998	
Other Charges		15,827	
Solid Waste Equipment		150,000	
Total Public Safety Projects			472,077

Public Health and Welfare Projects

Engineering Services	\$	9,850	
Other Charges		6,998	
Building Improvements		5,386	
Office Equipment		1,963	
Site Development		18,230	
Other Equipment		17,050	

(Continued)

Exhibit J-7

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

<u>Other Capital Projects Fund (Cont.)</u>		
<u>Capital Projects (Cont.)</u>		
<u>Public Health and Welfare Projects (Cont.)</u>		
Other Capital Outlay	\$ 332,381	
Total Public Health and Welfare Projects		\$ 391,858
 <u>Education Capital Projects</u>		
Architects	\$ 229,302	
Other Charges	13,657	
Building Improvements	1,935,908	
Other Construction	24,786	
Total Education Capital Projects		<u>2,203,653</u>
 Total Other Capital Projects Fund		 <u>\$ 3,376,667</u>
 Total Governmental Funds - Primary Government		 <u><u>\$ 28,804,804</u></u>

Exhibit J-8

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 9,768,316	
Career Ladder Program	177,452	
Career Ladder Extended Contracts	59,500	
Homebound Teachers	41,348	
Educational Assistants	380,526	
Other Salaries and Wages	141,400	
Certified Substitute Teachers	122,046	
Non-certified Substitute Teachers	254,688	
Social Security	635,089	
State Retirement	921,213	
Life Insurance	23,111	
Medical Insurance	2,037,288	
Unemployment Compensation	12,895	
Employer Medicare	148,504	
Operating Lease Payments	1,644	
Instructional Supplies and Materials	206,886	
Textbooks	507,280	
Other Supplies and Materials	5,985	
Regular Instruction Equipment	14,999	
Total Regular Instruction Program		\$ 15,460,170

Alternative Instruction Program

Teachers	\$ 85,347	
Educational Assistants	10,079	
Social Security	5,446	
State Retirement	8,105	
Life Insurance	112	
Medical Insurance	16,879	
Employer Medicare	1,274	
Total Alternative Instruction Program		127,242

Special Education Program

Teachers	\$ 1,240,202
Career Ladder Program	18,600
Career Ladder Extended Contracts	2,000
Homebound Teachers	30,802
Educational Assistants	56,678
Non-certified Substitute Teachers	26,950
Social Security	79,805

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

State Retirement	\$	118,779	
Life Insurance		2,932	
Medical Insurance		275,057	
Employer Medicare		18,659	
Contracts with Private Agencies		51,274	
Instructional Supplies and Materials		8,743	
Special Education Equipment		7,818	
Total Special Education Program			\$ 1,938,299

Vocational Education Program

Teachers	\$	953,702	
Career Ladder Program		11,000	
Career Ladder Extended Contracts		2,000	
Non-certified Substitute Teachers		21,230	
Social Security		58,148	
State Retirement		86,976	
Life Insurance		2,145	
Medical Insurance		169,484	
Employer Medicare		13,599	
Maintenance and Repair Services - Equipment		5,309	
Instructional Supplies and Materials		25,000	
Vocational Instruction Equipment		25,000	
Total Vocational Education Program			1,373,593

Adult Education Program

Teachers	\$	34,641	
Other Salaries and Wages		20,132	
Social Security		3,354	
Employer Medicare		784	
Other Supplies and Materials		745	
Other Charges		2,696	
Total Adult Education Program			62,352

Support Services

Attendance

Supervisor/Director	\$	40,643	
Career Ladder Program		3,000	
Clerical Personnel		14,456	
Social Security		3,555	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Attendance (Cont.)

State Retirement	\$	4,729	
Life Insurance		82	
Medical Insurance		2,320	
Employer Medicare		831	
Data Processing Services		15,099	
Travel		750	
Total Attendance			\$ 85,465

Health Services

Medical Personnel	\$	156,445	
Other Salaries and Wages		54,245	
Social Security		12,315	
State Retirement		16,721	
Life Insurance		627	
Medical Insurance		37,053	
Employer Medicare		2,880	
Travel		3,625	
Other Supplies and Materials		29,973	
Total Health Services			313,884

Other Student Support

Career Ladder Program	\$	5,750	
Guidance Personnel		545,786	
Social Workers		17,737	
Attendants		49,742	
Other Salaries and Wages		166,250	
Social Security		46,307	
State Retirement		65,532	
Life Insurance		1,295	
Medical Insurance		118,482	
Employer Medicare		10,830	
Evaluation and Testing		20,977	
Other Contracted Services		154,663	
Other Supplies and Materials		200	
Total Other Student Support			1,203,551

Regular Instruction Program

Supervisor/Director	\$	132,325	
Career Ladder Program		15,510	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Career Ladder Extended Contracts	\$	2,000	
Librarians		402,009	
Materials Supervisor		43,695	
Instructional Computer Personnel		68,087	
Secretary(ies)		59,614	
Educational Assistants		55,958	
Other Salaries and Wages		7,573	
Social Security		46,679	
State Retirement		65,522	
Life Insurance		1,398	
Medical Insurance		104,798	
Employer Medicare		10,917	
Maintenance and Repair Services - Equipment		37,364	
Travel		22,316	
Library Books/Media		43,049	
Other Supplies and Materials		7,801	
In Service/Staff Development		13,188	
Other Charges		95,591	
Other Equipment		153,821	
Total Regular Instruction Program			\$ 1,389,215

Alternative Instruction Program

Supervisor/Director	\$	59,934	
Social Security		3,347	
State Retirement		5,424	
Life Insurance		86	
Medical Insurance		10,944	
Employer Medicare		783	
Total Alternative Instruction Program			80,518

Special Education Program

Supervisor/Director	\$	77,712	
Career Ladder Program		3,000	
Psychological Personnel		50,534	
Assessment Personnel		101,822	
Clerical Personnel		57,558	
Social Security		17,622	
State Retirement		24,839	
Life Insurance		413	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Medical Insurance	\$	18,562	
Employer Medicare		4,121	
Maintenance and Repair Services - Equipment		1,110	
Travel		17,130	
Other Supplies and Materials		799	
Other Charges		10,258	
Total Special Education Program			\$ 385,480

Vocational Education Program

Supervisor/Director	\$	70,882	
Career Ladder Program		2,000	
Secretary(ies)		28,913	
Social Security		6,084	
State Retirement		7,709	
Life Insurance		143	
Medical Insurance		15,679	
Employer Medicare		1,423	
Travel		12,935	
Other Charges		2,094	
Total Vocational Education Program			147,862

Adult Programs

Clerical Personnel	\$	28,431	
Social Security		1,550	
State Retirement		1,851	
Life Insurance		71	
Medical Insurance		6,180	
Employer Medicare		363	
Travel		3,303	
In Service/Staff Development		1,353	
Other Charges		12,589	
Total Adult Programs			55,691

Other Programs

On-Behalf Payments to OPEB	\$	308,675	
Total Other Programs			308,675

Board of Education

Secretary to Board	\$	7,178	
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(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Other Salaries and Wages	\$	20,582	
Board and Committee Members Fees		63,032	
Social Security		5,343	
State Retirement		3,023	
Life Insurance		416	
Medical Insurance		197,648	
Employer Medicare		1,250	
Audit Services		12,000	
Dues and Memberships		6,368	
Legal Services		59,404	
Travel		27,666	
Liability Insurance		72,906	
Premiums on Corporate Surety Bonds		350	
Trustee's Commission		201,788	
Workers' Compensation Insurance		240,903	
Criminal Investigation of Applicants - TBI		10,056	
Other Charges		12,100	
Total Board of Education			\$ 942,013

Director of Schools

County Official/Administrative Officer	\$	90,217	
Career Ladder Program		1,000	
Secretary(ies)		29,235	
Clerical Personnel		28,192	
Social Security		8,988	
State Retirement		11,994	
Life Insurance		212	
Medical Insurance		7,420	
Unemployment Compensation		10,707	
Employer Medicare		2,102	
Communication		18,082	
Dues and Memberships		2,239	
Maintenance and Repair Services - Equipment		1,475	
Postal Charges		3,576	
Travel		6,932	
Office Supplies		3,769	
Total Director of Schools			226,140

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal

Principals	\$	801,605	
Career Ladder Program		18,500	
Accountants/Bookkeepers		5,646	
Assistant Principals		553,731	
Secretary(ies)		412,959	
Other Salaries and Wages		72,756	
Social Security		109,297	
State Retirement		156,814	
Life Insurance		3,035	
Medical Insurance		288,017	
Employer Medicare		25,562	
Communication		800	
Operating Lease Payments		4,808	
Other Charges		13,213	
Total Office of the Principal			\$ 2,466,743

Fiscal Services

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

Operation of Plant

Custodial Personnel	\$	901,056	
Other Salaries and Wages		2,704	
Social Security		50,333	
State Retirement		58,651	
Life Insurance		2,820	
Medical Insurance		272,696	
Employer Medicare		11,771	
Other Contracted Services		14,974	
Custodial Supplies		93,665	
Electricity		1,451,163	
Natural Gas		179,035	
Water and Sewer		191,931	
Other Supplies and Materials		7,402	
Building and Contents Insurance		215,614	
Other Charges		28,000	
Total Operation of Plant			3,481,815

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant

Supervisor/Director	\$	45,024	
Maintenance Personnel		289,868	
Social Security		19,222	
State Retirement		22,178	
Life Insurance		709	
Medical Insurance		77,897	
Employer Medicare		4,495	
Maintenance and Repair Services - Buildings		120,813	
Maintenance and Repair Services - Vehicles		3,744	
Other Contracted Services		8,180	
Gasoline		11,305	
Other Supplies and Materials		5,945	
Maintenance Equipment		9,900	
Total Maintenance of Plant			\$ 619,280

Transportation

Supervisor/Director	\$	39,246	
Bus Drivers		32,186	
Clerical Personnel		14,456	
Other Salaries and Wages		8,940	
Social Security		5,820	
State Retirement		4,540	
Life Insurance		239	
Medical Insurance		23,639	
Employer Medicare		1,361	
Contracts with Vehicle Owners		1,148,944	
Maintenance and Repair Services - Vehicles		1,763	
Medical and Dental Services		2,541	
Travel		297	
Diesel Fuel		1,500	
Gasoline		6,736	
Vehicle and Equipment Insurance		65,930	
Other Charges		1,395	
Total Transportation			1,359,533

Central and Other

Other Contracted Services	\$	36,000	
Other Supplies and Materials		796	
Building Improvements		13,305	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Central and Other (Cont.)

Data Processing Equipment	\$ 81,887	
Total Central and Other		\$ 131,988

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$ 48,406	
Part-time Personnel	23,369	
Other Salaries and Wages	316,532	
Non-certified Substitute Teachers	2,090	
Social Security	23,719	
State Retirement	18,879	
Life Insurance	141	
Medical Insurance	25,055	
Employer Medicare	5,547	
Travel	13,882	
Other Contracted Services	660	
Instructional Supplies and Materials	3,424	
Other Supplies and Materials	89,376	
In Service/Staff Development	3,000	
Other Charges	4,024	
Total Community Services		578,104

Early Childhood Education

Teachers	\$ 432,750	
Career Ladder Program	6,000	
Educational Assistants	109,622	
Other Salaries and Wages	4,000	
Non-certified Substitute Teachers	7,342	
Social Security	32,515	
State Retirement	45,830	
Life Insurance	1,628	
Medical Insurance	118,734	
Employer Medicare	7,605	
Travel	6,009	
Other Supplies and Materials	170,866	
In Service/Staff Development	8,233	
Other Charges	108	
Other Equipment	26,528	
Total Early Childhood Education		977,770

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Capital Outlay

Regular Capital Outlay

Architects	\$	37,829	
Engineering Services		4,000	
Building Construction		590,700	
Building Improvements		119,090	
Land		50,000	
Site Development		9,880	
Other Capital Outlay		<u>845,582</u>	
Total Regular Capital Outlay	\$		1,657,081

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	<u>1,571,482</u>	
Total Education			<u>1,571,482</u>

Total General Purpose School Fund \$ 37,064,013

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	2,252,426	
Educational Assistants		200,687	
Other Salaries and Wages		12,532	
Non-certified Substitute Teachers		11,165	
Social Security		145,670	
State Retirement		208,766	
Life Insurance		5,325	
Medical Insurance		363,032	
Employer Medicare		34,091	
Instructional Supplies and Materials		418,428	
Other Supplies and Materials		7,087	
Regular Instruction Equipment		<u>509,869</u>	
Total Regular Instruction Program	\$		4,169,078

Special Education Program

Teachers	\$	359,139	
Educational Assistants		365,582	
Other Salaries and Wages		15,615	
Non-certified Substitute Teachers		3,520	
Social Security		42,071	

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

State Retirement	\$	51,280	
Life Insurance		2,052	
Medical Insurance		220,175	
Employer Medicare		9,844	
Contracts with Private Agencies		72,474	
Instructional Supplies and Materials		78,736	
Textbooks		34,705	
Other Supplies and Materials		78,868	
Special Education Equipment		93,029	
Total Special Education Program			\$ 1,427,090

Vocational Education Program

Educational Assistants	\$	23,978	
Social Security		1,214	
State Retirement		1,561	
Life Insurance		125	
Medical Insurance		13,513	
Employer Medicare		284	
Other Contracted Services		8,000	
Instructional Supplies and Materials		35,399	
Other Supplies and Materials		37,013	
Vocational Instruction Equipment		42,855	
Total Vocational Education Program			163,942

Support Services

Health Services

Medical Personnel	\$	13,321	
Social Security		821	
State Retirement		867	
Life Insurance		9	
Medical Insurance		1,837	
Employer Medicare		192	
Total Health Services			17,047

Other Student Support

Social Workers	\$	17,737	
Other Salaries and Wages		28,431	
Social Security		2,752	
State Retirement		3,005	

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Life Insurance	\$	125	
Medical Insurance		9,360	
Employer Medicare		644	
Contracts with Other School Systems		38,549	
Evaluation and Testing		19,500	
Other Contracted Services		1,692	
Other Supplies and Materials		1,188	
In Service/Staff Development		810	
Other Charges		<u>62,067</u>	
Total Other Student Support	\$		185,860

Regular Instruction Program

Supervisor/Director	\$	74,952	
Secretary(ies)		27,490	
Other Salaries and Wages		410,809	
In-Service Training		9,765	
Non-certified Substitute Teachers		2,942	
Social Security		31,284	
State Retirement		42,921	
Life Insurance		850	
Medical Insurance		84,021	
Employer Medicare		7,316	
Consultants		42,922	
Maintenance and Repair Services - Equipment		853	
Travel		21,125	
Other Contracted Services		11,800	
Other Supplies and Materials		12,988	
In Service/Staff Development		212,591	
Other Charges		62,570	
Other Equipment		<u>76,260</u>	
Total Regular Instruction Program			1,133,459

Special Education Program

Psychological Personnel	\$	55,096	
Clerical Personnel		28,913	
Social Security		4,954	
State Retirement		1,882	
Life Insurance		70	
Medical Insurance		9,584	

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Employer Medicare	\$	1,158	
Maintenance and Repair Services - Equipment		5,944	
Travel		783	
Other Supplies and Materials		7,983	
In Service/Staff Development		30,691	
Total Special Education Program			\$ 147,058

Vocational Education Program

Other Salaries and Wages	\$	4,000	
In-Service Training		4,500	
Social Security		527	
State Retirement		680	
Employer Medicare		123	
Travel		47,853	
Other Supplies and Materials		4,217	
In Service/Staff Development		10,142	
Total Vocational Education Program			72,042

Transportation

Bus Drivers	\$	51,786	
Other Salaries and Wages		16,317	
Social Security		4,222	
State Retirement		926	
Employer Medicare		988	
Contracts with Vehicle Owners		2,540	
Maintenance and Repair Services - Vehicles		8,666	
Travel		2,233	
Diesel Fuel		2,276	
Gasoline		26,654	
Transportation Equipment		112,880	
Total Transportation			229,488

Operation of Non-Instructional Services

Early Childhood Education

Teachers	\$	35,865	
Educational Assistants		11,570	
Social Security		2,712	
State Retirement		3,999	
Life Insurance		165	

(Continued)

Exhibit J-8

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

<u>School Federal Projects Fund (Cont.)</u>		
<u>Operation of Non-Instructional Services (Cont.)</u>		
<u>Early Childhood Education (Cont.)</u>		
Medical Insurance	\$ 11,430	
Employer Medicare	634	
Total Early Childhood Education		\$ <u>66,375</u>
Total School Federal Projects Fund		\$ 7,611,439
<u>Central Cafeteria Fund</u>		
<u>Operation of Non-Instructional Services</u>		
<u>Food Service</u>		
Supervisor/Director	\$ 75,042	
Accountants/Bookkeepers	25,061	
Clerical Personnel	51,816	
Cafeteria Personnel	925,000	
Other Salaries and Wages	70,683	
Social Security	65,588	
State Retirement	63,547	
Life Insurance	4,167	
Medical Insurance	256,666	
Employer Medicare	15,339	
Communication	10,139	
Maintenance and Repair Services - Equipment	19,382	
Travel	4,716	
Other Contracted Services	21,641	
Food Preparation Supplies	132,130	
Food Supplies	1,118,707	
Uniforms	7,535	
USDA - Commodities	118,960	
Other Supplies and Materials	8,493	
In Service/Staff Development	8,486	
Other Charges	49,933	
Food Service Equipment	140,254	
Total Food Service		\$ <u>3,193,285</u>
Total Central Cafeteria Fund		<u>3,193,285</u>
Total Governmental Funds - Campbell County School Department		\$ <u><u>47,868,737</u></u>

Exhibit J-9

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

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 3,081,303
Total Cash Receipts	<u>\$ 3,081,303</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 3,050,490
Trustee's Commission	<u>30,813</u>
Total Cash Disbursements	<u>\$ 3,081,303</u>
 Excess of Cash Receipts Over (Under)	
Cash Disbursements	\$ 0
Cash Balance, July 1, 2010	<u>0</u>
 Cash Balance, June 30, 2011	<u><u>\$ 0</u></u>

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## **SINGLE AUDIT SECTION**

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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*

January 27, 2012

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

To the County Mayor and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Campbell County, Tennessee, as of and for the year ended June 30, 2011, which collectively comprise Campbell County's basic financial statements and have issued our report thereon dated January 27, 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 Campbell County Emergency Communications District as described in our report on Campbell County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Campbell County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Campbell County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Campbell County's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a

deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

#### Compliance and Other Matters

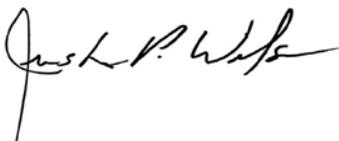
As part of obtaining reasonable assurance about whether Campbell County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items 11.01, 11.02, and 11.03(B).

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

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

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

Very truly yours,



Justin P. Wilson  
Comptroller of the Treasury

JPW/sb



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

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

January 27, 2012

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

To the County Mayor and Board of County Commissioners:

Compliance

We have audited the compliance of Campbell County with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. Campbell County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Campbell County's management. Our responsibility is to express an opinion on Campbell County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Campbell County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We

believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Campbell County's compliance with those requirements.

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

#### Internal Control Over Compliance

The management of Campbell County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Campbell County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Campbell County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

#### Schedule of Expenditures of Federal Awards

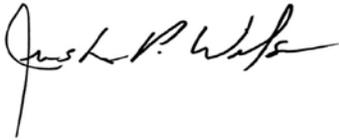
We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Campbell County as of and for the year ended June 30, 2011, and have issued our report thereon dated January 27, 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.

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

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

Very truly yours,

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/sb

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	\$ 118,960 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	586,826
National School Lunch Program	10.555	N/A	1,781,480 (3)
Fresh Fruit and Vegetable Program	10.582	N/A	20,200
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GE7-16-09	300,000
Total U.S. Department of Agriculture			<u>\$ 2,807,466</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/States Program	14.288	GG-08-24777-00	\$ 70,839
Total U.S. Department of Housing and Urban Development			<u>\$ 70,839</u>
U.S. Department of Justice:			
Passed-through State Office of Criminal Justice Programs:			
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories	16.803	(2)	\$ 43,178
Total U.S. Department of Justice			<u>\$ 43,178</u>
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	22715	\$ 100,000
Total U.S. Department of Energy			<u>\$ 100,000</u>
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	N/A	\$ 97,469
Passed-through State Department of Education:			
Title I Cluster:			
Title I Grants to Local Educational Agencies	84.010	N/A	2,428,540
Title I Grants to Local Educational Agencies, Recovery Act	84.389	N/A	856,246
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,544,052
Special Education - Grants to States, Recovery Act	84.391	N/A	243,816
Special Education - Preschool Grants	84.173	N/A	50,780
Special Education - Preschool Grants, Recovery Act	84.392	N/A	14,379
Career and Technical Education - Basic Grants to States	84.048	N/A	225,054
State Grants for Innovative Programs	84.298	N/A	42,425
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	N/A	126,718
Rural Education	84.358	N/A	166,565
Improving Literacy through School Libraries	84.364	(2)	30,159
Improving Teacher Quality State Grants	84.367	N/A	465,819
Education of Homeless Children and Youth, Recovery Act	84.387	N/A	2,802
State Fiscal Stabilization Cluster:			
State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	N/A	2,761,037
State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	84.397	N/A	280,400
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	254,759
Education Jobs Fund	84.410	N/A	1,360,357
Total U.S. Department of Education			<u>\$ 10,951,377</u>

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
U.S. Department of Health and Human Services:			
Direct Program:			
Early Retiree Reinsurance Program	93.546	N/A	\$ 66,480
Passed-through State Department of Education:			
Temporary Assistance for Needy Families, Recovery Act	93.558	N/A	70,000
Total U.S. Department of Health and Human Services			<u>\$ 136,480</u>
Corporation for National and Community Service:			
Passed-through State Department of Education:			
Learn and Serve America - Higher Education	94.005	N/A	\$ 10,930
Total Corporation for National and Community Service			<u>\$ 10,930</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance	97.036	N/A	\$ 46,633
Homeland Security Grant Program	97.067	GG-08-241148-00	2,679
Total U.S. Department of Homeland Security			<u>\$ 49,312</u>
Total Expenditures of Federal Awards			<u>\$ 14,169,582</u>
<u>State Grants</u>			
Waste Tire Program - State Department of Environment and Conservation	N/A	(2)	\$ 13,782
Local Parks and Recreation Fund Grant - State Department of Environment and Conservation	N/A	(2)	116,049
Litter Program - State Department of Transportation	N/A	(2)	27,848
Airport Maintenance - State Department of Transportation	N/A	(2)	11,197
Aging Program - State Commission on Aging	N/A	(2)	10,827
Juvenile Service Program - State Commission on Children and Youth	N/A	(2)	9,000
Energy Efficient Schools Initiative	N/A	(2)	128,050
Early Childhood Education Program - State Department of Education	N/A	(2)	682,986
Drug Grant - State Department of Finance and Administration	N/A	(2)	49,383
Lottery for Education: After School Program - State Department of Education	N/A	(2)	284,618
Total State Grants			<u>\$ 1,333,740</u>

CFDA - Catalog of Federal Domestic Assistance

N/A - Not Applicable

(1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.

(2) Information not available.

(3) Total for CFDA No. 10.555 is \$1,900,440.

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

*Government Auditing Standards* require auditors to report the status of uncorrected findings from prior audits. Presented below is the finding from the Annual Financial Report for Campbell County, Tennessee, for the year ended June 30, 2010, which has not been corrected.

**OTHER FINDING**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
10.03	192	Duties were not segregated adequately in the Offices of County Clerk, Clerk and Master, and Register

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**CAMPBELL COUNTY, TENNESSEE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2011**

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**PART I, SUMMARY OF AUDITOR'S RESULTS**

1. Our report on the financial statements of Campbell County is unqualified.
2. The audit of the financial statements of Campbell County disclosed significant deficiencies in internal control. None of these deficiencies was considered to be a material weakness.
3. The audit disclosed one instance of noncompliance that is material to the financial statements of Campbell County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555); the Title I Cluster: Title I Grants to Local Education Agencies and Title I Grants to Local Education Agencies – Recovery Act (CFDA Nos. 84.010 and 84.389); the Special Education Cluster: Special Education Grants to States, Special Education Grants to States – Recovery Act, Special Education Preschool Grants, Special Education Preschool Grants – Recovery Act (CFDA Nos. 84.027, 84.391, 84.173, and 84.392); Improving Teacher Quality State Grants (CFDA No. 84.367); State Fiscal Stabilization Cluster: State Fiscal Stabilization Fund – Education State Grants, Recovery Act and State Fiscal Stabilization Fund – Government Services, Recovery Act (CFDA Nos. 84.394 and 84.397); and Education Jobs Fund (CFDA No. 84.410) were determined to be major programs.
8. A \$425,087 threshold was used to distinguish between Type A and Type B federal programs.
9. Campbell County did not qualify as a low-risk auditee.

## **PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS**

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

### **OFFICE OF FINANCE DIRECTOR**

#### **FINDING 11.01      **COMPETITIVE BIDS WERE NOT SOLICITED PROPERLY ON A PARKING LOT PROJECT****

(Noncompliance Under *Government Auditing Standards*)

Our audit determined that competitive bids were solicited and awarded to J.B. Arnold for dirt removal totaling \$12,989. The county had anticipated that the Highway Department would provide the remaining effort to complete the parking lot; however, the Highway Department did not have the time or necessary equipment to complete the project. Instead of soliciting competitive bids for the work the Highway Department was going to perform, the county chose to hire the current contractor, J.B. Arnold, to complete the project for an additional \$26,412 bringing the total project cost to \$39,401. Therefore, competitive bids were not solicited for additional construction totaling \$26,412 necessary to complete the project. Purchasing procedures for Campbell County are governed by provisions of the County Financial Management System of 1981, which provide for purchases exceeding \$10,000 to be made on a competitive bid basis. The failure to solicit competitive bids for changes in the original contract could result in the county paying more than the most competitive price.

#### **RECOMMENDATION**

Competitive bids should be solicited for all purchases exceeding \$10,000 as required by the Financial Management System of 1981.

#### **MANAGEMENT'S RESPONSE – DIRECTOR OF FINANCE**

1. A J.B. Arnold invoice totaling \$8,875 relates to the drilling and hoe ramming of a rock outcrop, which was discovered upon removal of the dirt pile. The dirt pile removal project was competitively bid.
2. A J.B. Arnold invoice totaling \$9,677 relates to the placement of a concrete spring box and 36-inch concrete piping to facilitate the filling-in of the Dog Creek Tributary, which runs through the parking lot site. This work was originally anticipated to be performed by the Campbell County Highway Department in conformity with the action approved by the Financial Management Committee on June 7, 2011; however, the excavator owned by the Highway Department was too small to lift and place the concrete spring box and the concrete pipe, which resulted in Campbell County contracting with J.B. Arnold to perform this work since J.B. Arnold had an excavator large enough to perform this project, and since J.B. Arnold was the approved excavation subcontractor for the Campbell County

Justice Center Project, a project that was awarded through a competitive bid process inclusive of the filling-in of the Dog Creek Tributary as part of the approved Justice Center scope of work.

3. A J.B. Arnold invoice totaling \$7,860 relates to the placement of a concrete manhole, concrete headwall, and an 18-inch concrete piping to facilitate the filling-in of the Dog Creek Tributary, which runs through the parking lot site. This work was originally anticipated to be performed by the Campbell County Highway Department in conformity with the action approved by the Financial Management Committee on June 7, 2011; however, the Highway Department was too busy with road projects to address the placement of the concrete manhole, concrete headwall, and concrete piping, which resulted in Campbell County contracting with J.B. Arnold to perform this work since J.B. Arnold had performed the 36-inch concrete pipe placement work, and since J.B. Arnold was the approved excavation subcontractor for the Campbell County Justice Center Project, a project awarded through a competitive bid process inclusive of the filling-in of the Dog Creek Tributary as part of the approved Justice Center approved scope of work.

As an alternative to using this processes as noted in 1., 2., and 3 above, Campbell County could have executed a formal change order with Merit Construction, the general contractor awarded the competitive bid on the Campbell County Justice Center Project inclusive of the filling-in of the Dog Creek Tributary, which runs through the parking lot site as part of the Justice Center approved scope of work, and in turn Merit Construction would have entered a subcontract with J.B. Arnold, the approved excavation contractor. However, this process would have resulted in Campbell County having to pay approximately 20 percent more for the project to cover the profit and overhead of Merit Construction (10 percent profit and 10 percent bond and insurance).

Campbell County solicits bids for all purchases in excess of \$10,000 as required by the Financial Management System Act of 1981.

#### AUDITOR'S COMMENT

Campbell County did not solicit competitive bids for work totaling \$26,412 that the Highway Department was not able to perform.

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#### FINDING 11.02     **EXPENDITURES EXCEEDED APPROPRIATIONS** (Material Noncompliance Under *Government Auditing Standards*)

General Fund expenditures exceeded appropriations approved by the County Commission in the Jail major appropriation category (the legal level of control) by \$51,659. Section 5-9-401, *Tennessee Code Annotated*, states that "All funds from whatever source derived, including, but not limited to taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs of the various departments, commissions, institutions, boards, offices and agencies of county governments shall be appropriated to such use by the county legislative bodies." This deficiency exists because management

failed to stay within the spending limits authorized by the County Commissions, which resulted in unauthorized expenditures.

RECOMMENDATION

Expenditures should be held within appropriations approved by the County Commission.

---

OFFICES OF FINANCE DIRECTOR AND DIRECTOR OF SCHOOLS

FINDING 11.03      **THE OFFICES HAD DEFICIENCIES IN PURCHASING PROCEDURES**

A. – Internal Control – Significant Deficiency Under *Government Audit Standards*; B. – Noncompliance Under *Government Audit Standards*)

Purchasing procedures for the School Department are governed by provisions of the County Financial Management System of 1981, which provides for purchases exceeding \$10,000 to be made after public advertisement and solicitation of competitive bids. We noted the following purchasing deficiencies, which can be attributed to a lack of management oversight.

- A. In some instances, purchase orders were issued after purchases were made. This practice defeats the purpose of the purchase order and makes it an approval of payment rather than an approval of the purchase. Furthermore, purchase orders were not issued for several purchases. Purchase orders should be issued for all applicable purchases. Purchase orders are necessary to control who has purchasing authority for the office and to document purchasing commitments. The failure to issue purchase orders increases the risks of unauthorized purchases.
  
- B. Competitive bids were not solicited for the removal/installation of fence totaling \$45,788 and the construction of a parking lot at Valley View Elementary School totaling \$39,160. The failure to solicit competitive bids could result in the county paying more than the most competitive price.

RECOMMENDATION

The office should ensure that purchase orders are issued for all applicable purchases. Competitive bids should be solicited for all purchases in excess of \$10,000 as required by the Financial Management System of 1981.

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## **OFFICES OF COUNTY CLERK, CLERK AND MASTER, AND REGISTER**

**FINDING 11.04**      **DUTIES WERE NOT SEGREGATED ADEQUATELY**  
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

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

### **RECOMMENDATION**

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

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### **BEST PRACTICE**

#### **CAMPBELL COUNTY SHOULD ESTABLISH AN AUDIT COMMITTEE**

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

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

There were no findings and questioned costs for federal awards.

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

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

**Office of Director of Schools – Summary Schedule of Prior-Year's Findings**

**FINDINGS 10.01 AND 10.04**

Contact Person:	Donnie Poston, Director of Schools
Corrective Action Planned:	The Campbell County School system has developed and implemented internal controls to insure that expenditures of all federal funds are compliant with all applicable federal guidelines, including but not limited to OMB Circular A-87. The school system has complied with all locally established purchasing policies and procedures, including providing documentation to support purchases from sole source providers. The final determination for the total amount of reimbursement from this finding from the General Purpose School Fund to federal funds within Title IIA and Title I has been reimbursed to the State Department of Education. This puts the school system in compliance.
Anticipated Completion Date:	FY 2010-11