



**ANNUAL FINANCIAL REPORT
TIPTON COUNTY, TENNESSEE**



FOR THE YEAR ENDED JUNE 30, 2011



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

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

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

***JAN PAGE, CPA, CFE
Audit Manager***

***HORACE B. WISEMAN, CGFM
Auditor 4***

***B. KEITH RICE, CGFM
ELISHA CROWELL, CFE
State Auditors***

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

TIPTON COUNTY, TENNESSEE

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

Scope

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

Results

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

Our audit resulted in one finding and recommendation, which we have reviewed with Tipton County management. The detailed finding and recommendation is included in the Single Audit section of this report.

Finding and Best Practice

The following is a summary of the audit finding and best practice:

OFFICE OF COUNTY MAYOR

- ◆ The office did not implement adequate controls to protect its information resources.
-

BEST PRACTICE

Tipton County does not have a central system of accounting, budgeting, and purchasing. The Division of County Audit strongly believes that the adoption of a central system of accounting, budgeting, and purchasing is a best practice that would significantly improve accountability and the quality of services provided to the citizens of Tipton County.

INTRODUCTORY SECTION

Tipton County Officials

June 30, 2011

Officials

Jeff Huffman, County Executive
Shannon Reed, Director of Public Works
Tim Fite, Director of Schools
Kristie Maxwell, Trustee
Bill Stimpson, Assessor of Property
Mary Gaither, County Clerk
Mike Forbess, Circuit, General Sessions, and Juvenile Courts Clerk
Judy Barkelew Billings, Clerk and Master
Claudia Peeler, Register
Jeffrey Chumley, Sheriff
Bruce Petty, Director of Accounts and Budget

Board of County Commissioners

Jeff Huffman, County Executive, Chairman
James Adkins
Quincy Barlow
William Bibb, Jr.
Steve Bringle
John Delancey
Thomas Dunavant
Courtney Fee
Johnnie Jones
Jeff Mason

Arnold McIntyre
Jeff Scott
Dale Smith
James Lamont Sneed
Mike Sterling
Alan Glenn Turner
Harold Twisdale
Robert Wilson
Rusty Wooten

Board of Education

Marty Haywood, Chairman
Alvis Ferrell
Chris Fisher
Susan Griffin
Patricia Jackson

Richard Ellis Joyner
Phillip Grant Shipley, Jr.
Jack Strong
Thomas Taylor

Audit Committee (effective 12-12-11)

Quincy Barlow
Arnold McIntyre
Harold Twisdale

FINANCIAL SECTION



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

INDEPENDENT AUDITOR'S REPORT

January 30, 2012

Tipton County Executive and
Board of County Commissioners
Tipton County, Tennessee

To the County Executive 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 Tipton County, Tennessee, as of and for the year ended June 30, 2011, which collectively comprise Tipton County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Tipton 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 Tipton County Emergency Communications District, which represent 2.9 percent and 1.4 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 Tipton 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 Tipton 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 30, 2012, on our consideration of Tipton 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., Tipton 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 63 through 71 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 Tipton 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 Tipton 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 Tipton 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 at the end.

Justin P. Wilson
Comptroller of the Treasury

JPW/sb

BASIC FINANCIAL STATEMENTS

Exhibit A

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

	Primary Government Governmental Activities	Component Units	
		Tipton County School Department	Emergency Communications District
<u>ASSETS</u>			
Cash	\$ 28,457	\$ 0	\$ 1,443,749
Equity in Pooled Cash and Investments	24,896,837	14,640,124	0
Accounts Receivable	151,344	0	33,240
Due from Other Governments	680,667	2,652,402	22,236
Property Taxes Receivable	12,851,135	11,597,364	0
Allowance for Uncollectible Property Taxes	(667,189)	(602,098)	0
Accrued Interest Receivable	23,289	0	3,149
Deferred Charges - Debt Issuance Costs	149,165	0	0
Capital Assets Not Depreciated:			
Land	2,228,266	3,596,156	0
Construction in Progress	1,065,053	28,250	0
Equipment Held for Future Use	0	0	75,000
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	2,712,189	35,488,674	0
Infrastructure	3,722,592	0	0
Other Capital Assets	1,163,423	3,962,067	531,116
Total Assets	<u>\$ 49,005,228</u>	<u>\$ 71,362,939</u>	<u>\$ 2,108,490</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 17,343	\$ 45,420	\$ 6,476
Accrued Payroll	0	0	24,350
Payroll Deductions Payable	154,177	2,670,380	0
Accrued Leave	0	0	8,679
Contracts Payable	170,236	0	0
Accrued Interest Payable	63,495	0	0
Deferred Compensation Payable	25	0	0
Due to State of Tennessee	2,874	0	0
Other Current Liabilities	0	0	865
Deferred Revenue - Current Property Taxes	11,765,739	10,617,861	0
Noncurrent Liabilities:			
Due Within One Year	4,589,868	322,068	0
Due in More Than One Year	34,902,219	2,210,502	0
Total Liabilities	<u>\$ 51,665,976</u>	<u>\$ 15,866,231</u>	<u>\$ 40,370</u>
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	\$ 10,373,602	\$ 0	\$ 0
Invested in Capital Assets	0	43,075,147	606,116
Restricted for:			
Solid Waste/Sanitation	810,382	0	0
Drug Control	178,816	0	0
Highway/Public Works	2,780,737	0	0

(Continued)

Exhibit A

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

	Primary Government Governmental Activities	Component Units	
		Tipton County School Department	Emergency Communications District
<u>NET ASSETS (CONT.)</u>			
Restricted for (Cont.):			
Debt Service	\$ 12,026,887	\$ 0	\$ 0
Capital Projects	104,633	1,385,534	0
Probation Officer	189,443	0	0
Automation Purposes	74,760	0	0
Industrial Development	93,021	0	0
School Federal Projects	0	171,449	0
Central Cafeteria	0	2,026,357	0
After School Program	0	175,707	0
Other Purposes	58,169	0	0
Unrestricted	<u>(29,351,198)</u>	<u>8,662,514</u>	<u>1,462,004</u>
Total Net Assets (Deficit)	<u>\$ (2,660,748)</u>	<u>\$ 55,496,708</u>	<u>\$ 2,068,120</u>

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

Exhibit B

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

Functions/Programs	Program Revenues						Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Units		
					Total Governmental Activities	Tipton County School Department	Emergency Communications District		
Primary Government:									
Governmental Activities:									
General Government	\$ 2,701,743	\$ 348,788	\$ 15,164	\$ 0	\$ (2,337,791)	\$ 0	\$ 0	\$ 0	0
Finance	1,435,159	1,174,076	0	0	(261,083)	0	0	0	0
Administration of Justice	1,679,913	1,251,151	11,470	0	(417,292)	0	0	0	0
Public Safety	8,086,352	491,417	206,296	44,655	(7,343,984)	0	0	0	0
Public Health and Welfare	2,034,273	489,130	592,227	575,879	(377,037)	0	0	0	0
Social, Cultural, and Recreational Services	325,729	21,544	87,474	39,924	(176,787)	0	0	0	0
Agriculture and Natural Resources	213,759	0	0	0	(213,759)	0	0	0	0
Other Operations	1,720,722	13,158	800	297,938	(1,408,826)	0	0	0	0
Highways/Public Works	6,183,732	3,544	1,959,347	1,906,241	(2,314,600)	0	0	0	0
Interest on Long-term Debt	409,545	0	0	0	(409,545)	0	0	0	0
Other Debt Service	223,393	0	600,000	0	376,607	0	0	0	0
Total Primary Government	\$ 25,014,320	\$ 3,792,808	\$ 3,472,778	\$ 2,864,637	\$ (14,884,097)	\$ 0	\$ 0	\$ 0	0
Component Units:									
Tipton County School Department	\$ 94,975,769	\$ 2,568,054	\$ 14,190,646	\$ 29,111	\$ 0	\$ (78,187,958)	\$ 0	\$ 0	0
Emergency Communications District	1,069,633	516,445	218,855	236,573	0	0	0	(97,760)	(97,760)
Total Component Units	\$ 96,045,402	\$ 3,084,499	\$ 14,409,501	\$ 265,684	\$ 0	\$ (78,187,958)	\$ 0	\$ (97,760)	(97,760)

(Continued)

Exhibit B

Tipton County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Component Units		
					Primary Governmental Activities	Tipton County School Department	Emergency Communications District
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes		\$ 7,996,317			\$ 10,572,482	\$ 0	0
Property Taxes Levied for Debt Service		3,701,193			0	0	0
Local Option Sales Taxes		363,892			3,921,400	0	0
Wheel Tax		3,159,482			0	0	0
Litigation Tax		243,938			0	0	0
Business Tax		174,620			159,176	0	0
Wholesale Beer Tax		198,745			0	0	0
Other Local Taxes		100,565			1,243	0	0
Grants and Contributions Not Restricted to Specific Programs		1,578,909			60,961,392	337,401	337,401
Unrestricted Investment Income		546,113			0	20,289	20,289
Miscellaneous		88,420			213,532	2,017	2,017
Loss on Disposal of Capital Assets		0			0	(52,226)	(52,226)
Total General Revenues		\$ 18,152,194			\$ 75,829,225	\$ 307,481	\$ 307,481
Change in Net Assets		\$ 3,268,097			\$ (2,358,733)	\$ 209,721	\$ 209,721
Net Assets (Deficit), July 1, 2010		(5,849,343)			57,855,441	1,858,399	1,858,399
Prior-period Adjustment		(79,502)			0	0	0
Net Assets (Deficit), June 30, 2011		\$ (2,660,748)			\$ 55,496,708	\$ 2,068,120	\$ 2,068,120

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

Exhibit C-1

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Governmental Funds	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 28,457	\$ 28,457
Equity in Pooled Cash and Investments	8,829,963	2,552,954	11,301,210	1,586,229	24,270,356
Accounts Receivable	34,586	0	0	116,758	151,344
Due from Other Governments	324,071	348,257	0	8,339	680,667
Due from Other Funds	78,303	0	0	0	78,303
Property Taxes Receivable	8,426,398	731,366	3,693,371	0	12,851,135
Allowance for Uncollectible Property Taxes	(423,225)	(37,970)	(205,994)	0	(667,189)
Accrued Interest Receivable	0	0	23,289	0	23,289
Advances to Other Funds	0	0	626,481	0	626,481
Total Assets	\$ 17,270,096	\$ 3,594,607	\$ 15,438,357	\$ 1,739,783	\$ 38,042,843
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 17,343	\$ 0	\$ 0	\$ 0	\$ 17,343
Payroll Deductions Payable	143,985	8,756	0	1,436	154,177
Contracts Payable	0	7,462	0	162,774	170,236
Accrued Interest Payable	0	0	193	0	193
Deferred Compensation Payable	25	0	0	0	25
Due to Other Funds	0	28,105	0	50,198	78,303
Due to State of Tennessee	2,874	0	0	0	2,874
Deferred Revenue - Current Property Taxes	7,748,169	669,595	3,347,975	0	11,765,739
Deferred Revenue - Delinquent Property Taxes	205,435	19,293	114,274	0	339,002
Other Deferred Revenues	60,388	171,327	0	0	231,715
Total Liabilities	\$ 8,178,219	\$ 904,538	\$ 3,462,442	\$ 214,408	\$ 12,759,607
<u>Fund Balances</u>					
Restricted:					
Restricted for General Government	\$ 37,765	\$ 0	\$ 0	\$ 0	\$ 37,765
Restricted for Administration of Justice	284,607	0	0	0	284,607
Restricted for Public Safety	0	0	0	178,816	178,816
Restricted for Other Operations	93,021	0	0	0	93,021
Restricted for Highways/Public Works	0	2,690,069	0	0	2,690,069
Restricted for Debt Service	0	0	11,975,915	0	11,975,915
Restricted for Capital Projects	0	0	0	104,633	104,633
Committed:					
Committed for Public Health and Welfare	0	0	0	1,241,926	1,241,926
Assigned:					
Assigned for General Government	36,964	0	0	0	36,964
Assigned for Public Health and Welfare	903,115	0	0	0	903,115
Unassigned	7,736,405	0	0	0	7,736,405
Total Fund Balances	\$ 9,091,877	\$ 2,690,069	\$ 11,975,915	\$ 1,525,375	\$ 25,283,236
Total Liabilities and Fund Balances	\$ 17,270,096	\$ 3,594,607	\$ 15,438,357	\$ 1,739,783	\$ 38,042,843

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

Exhibit C-2

Tipton 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)		\$ 25,283,236	
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	2,228,266	
Add: construction in progress		1,065,053	
Add: buildings and improvements net of accumulated depreciation		2,712,189	
Add: infrastructure net of accumulated depreciation		3,722,592	
Add: other capital assets net of accumulated depreciation		<u>1,163,423</u>	10,891,523
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: note payable	\$	(24,900)	
Less: other loans payable		(29,023,994)	
Less: bonds payable		(6,250,000)	
Add: deferred charges - debt issuance costs		149,165	
Less: compensated absences payable		(621,963)	
Less: landfill closure/postclosure care costs		(411,164)	
Less: other postemployment benefits liability		(3,160,066)	
Less: accrued interest on bonds		<u>(63,302)</u>	(39,406,224)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>570,717</u>
Net assets (deficit) of governmental activities (Exhibit A)			<u>\$ (2,660,748)</u>

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

Exhibit C-3

Tipton 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 Governmen- tal Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 10,232,179	\$ 2,291,795	\$ 4,042,666	\$ 8	\$ 16,566,648
Licenses and Permits	114,469	0	0	0	114,469
Fines, Forfeitures, and Penalties	407,831	0	0	94,507	502,338
Charges for Current Services	174,267	3,544	0	315,391	493,202
Other Local Revenues	148,827	8,630	607,421	133,281	898,159
Fees Received from County Officials	2,171,920	0	0	0	2,171,920
State of Tennessee	1,041,160	2,438,037	0	799,844	4,279,041
Federal Government	625,994	1,421,090	0	0	2,047,084
Other Governments and Citizens Groups	714,694	0	600,000	0	1,314,694
Total Revenues	<u>\$ 15,631,341</u>	<u>\$ 6,163,096</u>	<u>\$ 5,250,087</u>	<u>\$ 1,343,031</u>	<u>\$ 28,387,555</u>
<u>Expenditures</u>					
Current:					
General Government	\$ 1,789,534	\$ 0	\$ 0	\$ 0	\$ 1,789,534
Finance	1,438,565	0	0	0	1,438,565
Administration of Justice	1,600,681	0	0	11,555	1,612,236
Public Safety	7,692,217	0	0	89,365	7,781,582
Public Health and Welfare	966,140	0	0	0	966,140
Social, Cultural, and Recreational Services	288,021	0	0	0	288,021
Agriculture and Natural Resources	210,278	0	0	0	210,278
Other Operations	1,907,832	0	0	0	1,907,832
Highways	0	5,569,440	0	1,044,400	6,613,840
Debt Service:					
Principal on Debt	21,308	0	4,349,650	0	4,370,958
Interest on Debt	146	0	418,863	0	419,009
Other Debt Service	0	0	204,577	21,700	226,277
Capital Projects	0	0	0	1,067,804	1,067,804
Total Expenditures	<u>\$ 15,914,722</u>	<u>\$ 5,569,440</u>	<u>\$ 4,973,090</u>	<u>\$ 2,234,824</u>	<u>\$ 28,692,076</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (283,381)</u>	<u>\$ 593,656</u>	<u>\$ 276,997</u>	<u>\$ (891,793)</u>	<u>\$ (304,521)</u>
<u>Other Financing Sources (Uses)</u>					
Other Loans Issued	\$ 0	\$ 0	\$ 0	\$ 100,000	\$ 100,000
Insurance Recovery	55,372	3,751	0	0	59,123
Transfers In	105,674	0	0	300,000	405,674
Transfers Out	(300,000)	0	0	(105,674)	(405,674)
Total Other Financing Sources (Uses)	<u>\$ (138,954)</u>	<u>\$ 3,751</u>	<u>\$ 0</u>	<u>\$ 294,326</u>	<u>\$ 159,123</u>
Net Change in Fund Balances	\$ (422,335)	\$ 597,407	\$ 276,997	\$ (597,467)	\$ (145,398)
Fund Balance, July 1, 2010	9,514,212	2,092,662	11,698,918	2,122,842	25,428,634
Fund Balance, June 30, 2011	<u>\$ 9,091,877</u>	<u>\$ 2,690,069</u>	<u>\$ 11,975,915</u>	<u>\$ 1,525,375</u>	<u>\$ 25,283,236</u>

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

Exhibit C-4

Tipton 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)		\$ (145,398)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 1,402,135	
Less: current-year depreciation expense	<u>(1,280,443)</u>	121,692
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		
Less: loss on disposal of capital assets		(8,217)
(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	\$ 570,717	
Less: deferred delinquent property taxes and other deferred June 30, 2010	<u>(675,855)</u>	(105,138)
(4) The issuance of long-term debt (e.g., notes, other loans, capital leases, bonds, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Less: other loan proceeds	\$ (100,000)	
Add: change in deferred debt issuance costs	2,884	
Add: principal payments on note	12,450	
Add: principal payments on other loans	3,312,200	
Add: principal payments on capital leases	21,308	
Add: principal payments on bonds	<u>1,025,000</u>	4,273,842
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 9,464	
Change in compensated absences payable	(22,940)	
Change in landfill closure/postclosure care costs	(4,071)	
Change in other postemployment benefits liability	<u>(851,137)</u>	(868,684)
Change in net assets of governmental activities (Exhibit B)		<u>\$ 3,268,097</u>

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

Exhibit D

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 2,153,389
Due from Other Governments	<u>592,080</u>
Total Assets	<u>\$ 2,745,469</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 592,080
Due to Litigants, Heirs, and Others	<u>2,153,389</u>
Total Liabilities	<u>\$ 2,745,469</u>

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Tipton 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 Tipton County:

A. Reporting Entity

Tipton County is a public municipal corporation governed by an elected 18-member board. As required by GAAP, these financial statements present Tipton 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 Tipton County School Department operates the public school system in the county, and the voters of Tipton 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 Tipton County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Tipton County, and the Tipton 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 Tipton 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 Tipton County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Tipton County Emergency Communications District
220 Highway 51 North, Suite 4
Covington, TN 38019

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 Tipton 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 Tipton 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.

Tipton County issues all debt for the discretely presented Tipton County School Department. Tipton County did not issue any debt for 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, as are the

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

Fund financial statements of Tipton 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. Funds are organized into three major categories: governmental, proprietary, and fiduciary. However, Tipton County has no proprietary funds to report. An emphasis is placed on major funds within the governmental category.

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. Tipton 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.

Tipton County reports the following major governmental funds:

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

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

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

Additionally, Tipton County reports the following fund types:

Capital Projects Fund – The General Capital Projects Fund accounts for general capital projects of the county.

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 Tipton 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 Tipton 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.

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

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide 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 Tipton 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. Tipton 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 that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either due to/from other funds (i.e., the current portion of interfund loans) or advances to/from other funds (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as due to/from other funds.

Advances between funds, as reported in the General Debt Service Fund financial statements, are included in restricted fund balance.

All property taxes receivables are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 2.78 percent of total taxes levied.

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

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

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

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

3. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$15,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	25
Other Capital Assets	5, 10, or 12
Infrastructure:	
Roads	10 or 20
Bridges	5, 15, or 30

4. Compensated Absences

It is the county's and the discretely presented School Department's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since Tipton County and the School Department do not have a policy to pay any amounts when employees separate from service with

the government. All vacation pay is accrued when incurred in the government-wide financial statements for the county and the School Department. 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, landfill postclosure care costs, and other postemployment benefits, are recognized to the extent that the liabilities have matured (come due for payment) each period.

6. Net Assets and Fund Equity

In the government-wide financial statements, 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, Tipton County had \$34,780,973 in outstanding debt for capital purposes for the discretely presented Tipton County School Department. The debt is a liability of Tipton County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Tipton County has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county's capital assets.

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

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

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

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

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

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

7. Prior-period Adjustment

Capital assets were restated \$79,502 from the prior year due to an asset and its accumulated depreciation being recorded twice.

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 Tipton 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 Tipton 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 capital projects funds, which adopt project length budgets. All annual appropriations lapse at fiscal year end.

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

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

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

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

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
Primary Government:		
Major Fund:		
Highway/Public Works	Bridge Construction	\$ 340,000
"	Road Construction	107,503
School Department:		
Major Fund:		
General Purpose School	Heating and Air Conditioning	104,267
"	Paving	160,144

B. Cash Shortages – Prior and Current Years

The audit of Tipton County for the 2007-08 year reported a cash shortage of \$4,324.95 in the county's General Fund. An investigation by the Tennessee Bureau of Investigation and the Tipton County Sheriff's Department revealed that a litter control officer used a county fuel card to purchase gasoline for his personal vehicles. On May 4, 2009, the former employee pled guilty to theft charges, received judicial diversion, and was ordered to pay restitution of \$4,324.95 within 20 months. As of June 30, 2011, the former employee had paid restitution of \$4,324.95, liquidating the cash shortage.

On September 22, 2010, our office issued a special report on the Tipton County School Department for the period September 13, 2002, through August 13, 2010. This report disclosed a cash shortage from improper payroll disbursements initiated by a School Department supervisor totaling \$27,357. This report is available at www.tn.gov/comptroller. The supervisor retired from the School Department on June 30, 2010, and in October 2010, liquidated the cash shortage. On April 19, 2011, the former supervisor pled guilty to theft charges and received probation with judicial diversion.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Tipton County and the Tipton 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

	* Restated			
	Balance			Balance
	7-1-10	Increases	Decreases	6-30-11
	<hr/>			
Capital Assets Not Depreciated:				
Land	\$ 2,228,266	\$ 0	\$ 0	\$ 2,228,266
Construction in Progress	0	1,065,053	0	1,065,053
Total Capital Assets Not Depreciated	<hr/>			
	\$ 2,228,266	\$ 1,065,053	\$ 0	\$ 3,293,319
	<hr/>			
Capital Assets Depreciated:				
Buildings and Improvements	\$ 5,716,768	\$ 86,869	\$ 0	\$ 5,803,637
Infrastructure	21,576,278	0	0	21,576,278
Other Capital Assets	7,429,108	250,213	(368,958)	7,310,363
Total Capital Assets Depreciated	<hr/>			
	\$ 34,722,154	\$ 337,082	\$ (368,958)	\$ 34,690,278
	<hr/>			
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 2,896,644	\$ 194,804	\$ 0	\$ 3,091,448
Infrastructure	17,329,899	523,787	0	17,853,686
Other Capital Assets	5,945,829	561,852	(360,741)	6,146,940
Total Accumulated Depreciation	<hr/>			
	\$ 26,172,372	\$ 1,280,443	\$ (360,741)	\$ 27,092,074
	<hr/>			
Total Capital Assets Depreciated, Net	<hr/>			
	\$ 8,549,782	\$ (943,361)	\$ (8,217)	\$ 7,598,204
	<hr/>			
Governmental Activities Capital Assets, Net	<hr/>			
	\$ 10,778,048	\$ 121,692	\$ (8,217)	\$ 10,891,523
	<hr/>			

* See Note I.D.7. for prior-period adjustment.

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

Governmental Activities:

General Government	\$ 128,490
Finance	4,155
Administration of Justice	52,586
Public Safety	415,122
Public Health and Welfare	17,208
Social, Cultural, and Recreational Services	28,771
Other Operations	4,444
Highways/Public Works	<u>629,667</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 1,280,443</u></u>

Discretely Presented Tipton County School Department

Governmental Activities:

	Balance 7-1-10	Increases	Decreases	Balance 6-30-11
Capital Assets Not Depreciated:				
Land	\$ 3,596,156	\$ 0	\$ 0	\$ 3,596,156
Construction in Progress	28,250	0	0	28,250
Total Capital Assets Not Depreciated	<u>\$ 3,624,406</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,624,406</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 113,826,794	\$ 0	\$ 0	\$ 113,826,794
Other Capital Assets	9,767,091	481,356	(328,115)	9,920,332
Total Capital Assets Depreciated	<u>\$ 123,593,885</u>	<u>\$ 481,356</u>	<u>\$ (328,115)</u>	<u>\$ 123,747,126</u>

Governmental Activities (Cont.):

	Balance 7-1-10	Increases	Decreases	Balance 6-30-11
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 75,484,389	\$ 2,853,731	\$ 0	\$ 78,338,120
Other Capital Assets	5,639,154	647,226	(328,115)	5,958,265
Total Accumulated Depreciation	<u>\$ 81,123,543</u>	<u>\$ 3,500,957</u>	<u>\$ (328,115)</u>	<u>\$ 84,296,385</u>
Total Capital Assets Depreciated, Net	<u>\$ 42,470,342</u>	<u>\$ (3,019,601)</u>	<u>\$ 0</u>	<u>\$ 39,450,741</u>
Governmental Activities Capital Assets, Net	<u>\$ 46,094,748</u>	<u>\$ (3,019,601)</u>	<u>\$ 0</u>	<u>\$ 43,075,147</u>

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

Governmental Activities:

Instruction	\$ 2,467,390
Support Services	784,485
Operation of Non-Instructional Services	<u>249,082</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 3,500,957</u>

C. Interfund Receivables, Payables, and Transfers

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

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
General	Highway/Public Works	\$ 28,105
"	Nonmajor governmental	50,198

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 Loans to/from Other Funds:

Receivable Fund	Payable Fund	Amount
General Debt Service	Highway/Public Works	\$ 626,481

The balance of \$626,481 due to the General Debt Service Fund from the Highway/Public Works Fund resulted from an advance to the Highway/Public Works Fund for emergency restoration of flood-damaged county infrastructure. This amount was in-transit from the Highway/Public Works Fund to the General Debt Service Fund at June 30, 2011.

Interfund Transfers:

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

Primary Government

Transfers Out	Transfers In	
	General Fund	Nonmajor Governmental Funds
General Fund	\$ 0	\$ 300,000
Nonmajor governmental funds	105,674	0
Total	<u>\$ 105,674</u>	<u>\$ 300,000</u>

Discretely Presented Tipton County School Department

Transfer Out	Transfer In
	General Purpose School Fund
School Federal Projects Fund	\$ 4,602

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

D. Long-term Debt

Primary Government

General Obligation Bonds, Notes, and Other Loans

The county issues general obligation bonds and other loans to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds have been issued to refund other general obligation bonds. 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 20 years for bonds, up to seven years for notes, and up to 20 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.

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

<u>Type</u>	<u>Interest Rate</u>	<u>Original Amount of Issue</u>	<u>Balance 6-30-11</u>
General Obligation Bonds	2.5 to 4.625 %	\$ 9,000,000	\$ 6,250,000
Other Loans	Variable	43,059,594	29,023,994
Capital Outlay Note	0	87,150	24,900

During the 1998-99 year, Tipton County entered into two loan agreements with the Montgomery County Public Building Authority. Under these two loan agreements, the authority loaned Tipton County a total of \$10,897,089. These loans are repayable at a variable interest rate based on the weekly Bank of America Thursday National Non-AMT Index (BOA). In addition, the county pays various other fees (administration, debt remarketing, etc.) in connection with these loans. At June 30, 2011, the variable interest rate was .22 percent based on the BOA rate and other fees totaled approximately .4 percent of the outstanding loan principal.

During the 2002-03 year, Tipton County entered into a loan agreement with the Montgomery County Public Building Authority. This loan agreement provided for the authority to make \$5,100,000 available for loan to Tipton County on an as-needed basis for various capital projects. As of June 30, 2011, Tipton County had borrowed \$4,733,905. This loan is

repayable at a variable interest rate based on the daily London Interbank Offer Rate (LIBOR). In addition, the county pays various other fees (administration, debt remarketing, etc.) in connection with this loan. At June 30, 2011, the variable interest rate was .12 percent based on the LIBOR rate and other fees totaled approximately .5 percent of the outstanding loan principal.

During the 2004-05 year, Tipton County entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority loaned \$5,100,000 to Tipton County for school construction. This loan is repayable at a variable interest rate based on the daily LIBOR. In addition, the county pays various other fees (administration, debt remarketing, etc.) in connection with this loan. At June 30, 2011, the variable interest rate was .12 percent based on the LIBOR rate and other fees totaled approximately .5 percent of the outstanding loan principal.

During the 2006-07 year, Tipton County entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority loaned \$16,000,000 to Tipton County for school construction. This loan is repayable at a variable interest rate based on the daily LIBOR. In addition, the county pays various other fees (administration, debt remarketing, etc.) in connection with this loan. At June 30, 2011, the variable interest rate was .12 percent based on the LIBOR rate and other fees totaled approximately .45 percent of the outstanding loan principal.

During the 2008-09 year, Tipton County entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority loaned \$6,228,600 to Tipton County for refinancing debt. This loan is repayable at a variable interest rate based on the daily LIBOR. In addition, the county pays various other fees (administration, debt remarketing, etc.) in connection with this loan. At June 30, 2011, the variable interest rate was .12 percent based on the LIBOR rate and other fees totaled approximately .3 percent of the outstanding loan principal.

During the 2010-11 year, Tipton County entered into a loan agreement with the Montgomery County Public Building Authority. This loan agreement provided for the authority to make \$3,100,000 available for loan to Tipton County on an as-needed basis for various capital projects. As of June 30, 2011, Tipton County had borrowed \$100,000. This loan is repayable at a variable interest rate based on the daily LIBOR. In addition, the county pays various other fees (administration, debt remarketing, etc.) in connection with this loan. At June 30, 2011, the variable interest rate was .83 percent based on the LIBOR rate and other fees totaled approximately .15 percent of the outstanding loan principal.

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

Year Ending June 30	Bond		
	Principal	Interest	Total
2012	\$ 500,000	\$ 256,725	\$ 756,725
2013	500,000	239,475	739,475
2014	500,000	221,475	721,475
2015	500,000	202,975	702,975
2016	525,000	183,725	708,725
2017-2021	3,025,000	570,775	3,595,775
2022	700,000	32,375	732,375
Total	\$ 6,250,000	\$ 1,707,525	\$ 7,957,525

Year Ending June 30	Note		
	Principal	Interest	Total
2012	\$ 12,450	\$ 0	\$ 12,450
2013	12,450	0	12,450
Total	\$ 24,900	\$ 0	\$ 24,900

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2012	\$ 3,660,205	\$ 42,536	\$ 125,155	\$ 3,827,896
2013	3,047,300	37,514	110,740	3,195,554
2014	3,169,300	32,957	99,175	3,301,432
2015	1,762,100	28,204	86,954	1,877,258
2016	2,036,000	25,589	79,194	2,140,783
2017-2021	8,746,089	77,904	263,709	9,087,702
2022-2026	5,423,000	26,573	105,545	5,555,118
2027	1,180,000	1,416	6,294	1,187,710
Total	\$ 29,023,994	\$ 272,693	\$ 876,766	\$ 30,173,453

There is \$11,975,915 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$102, based on the 2010 federal census. Debt per capita, including bonds, notes, and other loans totaled \$578, based on the 2010 federal census.

Changes in Long-term Liabilities

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

Governmental Activities:

	Bonds	Note	Other Loans
Balance, July 1, 2010	\$ 7,275,000	\$ 37,350	\$ 32,236,194
Additions	0	0	100,000
Deductions	(1,025,000)	(12,450)	(3,312,200)
Balance, June 30, 2011	<u>\$ 6,250,000</u>	<u>\$ 24,900</u>	<u>\$ 29,023,994</u>
Balance Due Within One Year	<u>\$ 500,000</u>	<u>\$ 12,450</u>	<u>\$ 3,660,205</u>

	Capital Leases	Compensated Absences
Balance, July 1, 2010	\$ 21,308	\$ 599,023
Additions	0	508,772
Deductions	(21,308)	(485,832)
Balance, June 30, 2011	<u>\$ 0</u>	<u>\$ 621,963</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 411,313</u>

	Landfill Postclosure Care Costs	Other Postemployment Benefits
Balance, July 1, 2010	\$ 407,093	\$ 2,308,929
Additions	4,071	890,486
Deductions	0	(39,349)
Balance, June 30, 2011	<u>\$ 411,164</u>	<u>\$ 3,160,066</u>
Balance Due Within One Year	<u>\$ 5,900</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2011	\$ 39,492,087
Less: Balance Due Within One Year	<u>(4,589,868)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 34,902,219</u>

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

Discretely Presented Tipton County School Department

Changes in Long-term Liabilities

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

Governmental Activities:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2010	\$ 536,082	\$ 1,624,906
Additions	247,592	1,165,861
Deductions	<u>(274,556)</u>	<u>(767,315)</u>
Balance, June 30, 2011	<u>\$ 509,118</u>	<u>\$ 2,023,452</u>
Balance Due Within One Year	<u>\$ 322,068</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2011	\$ 2,532,570
Less: Balance Due Within One Year	<u>(322,068)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 2,210,502</u>

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

E. On-Behalf Payments

Primary Government

The State of Tennessee pays health insurance premiums for some retired employees on-behalf of Tipton County. These payments are made by the state to the Medicare Supplement Plan. This plan is administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Medicare Supplement Plan for the year ended June 30, 2011, were \$731. The county has recognized these on-behalf payments as revenues and expenditures in the General Fund.

Discretely Presented Tipton County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Tipton 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 \$131,310 and \$30,319 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

Liability, Property, and Casualty

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

Workers' Compensation Insurance

Tipton County participates in the Local Government Workers' Compensation Fund (LGWCF), a public entity risk pool established under the provisions of Section 29-20-401, *Tennessee Code Annotated (TCA)*, by the Tennessee County Services Association to provide a program of workers' compensation coverage to employees of local governments. The county pays annual

premiums to the LGWCF for its workers' compensation insurance coverage. The LGWCF is to be self-sustaining through member premiums. The LGWCF reinsures through commercial insurance companies for claims exceeding \$300,000.

Employee Health Insurance

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

Discretely Presented Tipton County School Department

Liability, Property, and Casualty

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

Workers' Compensation Insurance

The School Department does not provide workers' compensation insurance coverage for its employees.

Employee Health Insurance

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

B. Accounting Change

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

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

C. Subsequent Events

On June 30, 2011, Tim Fite left the Office of Director of Schools and was succeeded by Dr. William Bibb, Jr.

Bill Stimpson, the assessor of property, died on July 6, 2011. The County Commission has not appointed an individual to fill this vacant position.

On December 12, 2011, the County Commission adopted a resolution establishing an Audit Committee for Tipton County.

Bruce Petty, the director of accounts and budgets, died on January 21, 2012. This position is vacant as of the date of this report.

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. Change in Administration

On August 31, 2010, Pam Deen White left the Office of County Clerk and was succeeded by Mary Gaither.

F. Landfill Closure/Postclosure Care Costs

Tipton County has active permits on file with the state Department of Environment and Conservation for a sanitary landfill and a demolition landfill. The county has provided financial assurances for estimated

postclosure liabilities as required by the State of Tennessee. These financial assurances are on file with the Department of Environment and Conservation.

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Tipton County closed its sanitary landfill in 1998. The \$411,164 reported as postclosure care liability at June 30, 2011, represents amounts based on what it would cost to perform all postclosure care in 2011. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

G. Joint Venture

The Twenty-fifth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twenty-fifth Judicial District, Fayette, Hardeman, Lauderdale, McNairy and Tipton counties, and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Complete financial statements for the DTF can be obtained from its administrative office at the following address:

Administrative Office:

Office of District Attorney General
Twenty-fifth Judicial District Drug Task Force
121 North Main
Ripley, TN 38063

H. Retirement Commitments

Plan Description

Employees of Tipton 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 Tipton 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

Tipton 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 9.65 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2011, the county's annual pension cost of \$1,797,982 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 13 years. An actuarial valuation was performed as of July 1, 2009, which established contribution rates effective July 1, 2010.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-11	\$1,797,982	100%	\$0
6-30-10	1,738,124	100	0
6-30-09	1,663,591	100	0

Funded Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the plan was 79.52 percent funded. The actuarial accrued liability for benefits was \$41 million, and the actuarial value of assets was \$33 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$8 million. The covered payroll (annual payroll of active employees covered by the plan) was \$17 million, and the ratio of the UAAL to the covered payroll was 49.01 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 Tipton County School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the

member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979, are vested after five years of service. Members joining prior to July 1, 1979, are vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. Cost of living adjustments (COLA) are provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

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

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2011, was 9.05 percent of annual covered payroll. The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2011, 2010, and 2009, were \$3,992,167, \$2,659,253, and \$2,649,400, respectively, equal to the required contributions for each year.

I. Other Postemployment Benefits (OPEB)

Plan Description

Tipton County and the School Department participate in the state-administered Local Education Group Insurance Plan and the Local Government Group Insurance Plan for healthcare benefits. For accounting purposes, the plans are agent multiple-employer defined benefit OPEB plans. Benefits are established and amended by an insurance committee created by Section 8-27-302, *Tennessee Code Annotated (TCA)*, for local education employees and Section 8-27-207, *TCA*, for local governments. In previous fiscal years, prior to reaching the age of 65, all members had the option of

choosing a preferred provider organization (PPO), point of service (POS), or health maintenance organization (HMO) plan for healthcare benefits. However, as of January 1, 2010, the insurance plan structure was changed, and as a result all members now have the option of choosing between the standard or partnership preferred provider organization (PPO) plan for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://tn.gov/finance/act/cafr.html>.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop a contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants; however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. The required contribution for retired county employees is currently \$60 a month, and these benefits are provided to retirees for a maximum of two years. The required contribution rate for retired teachers is \$78 for single coverage and \$130 for family coverage for certified teachers. This contribution continues until retirees reach age 65 and are Medicare eligible. During the year, expenditures totaling \$39,349 (Tipton County) and \$767,315 (School Department) were recognized for postemployment health care.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	Local Government Group Plan
ARC	\$ 1,162,000	\$ 885,000
Interest on the NPO	73,121	103,902
Adjustment to the ARC	(69,260)	(98,416)
Annual OPEB cost	\$ 1,165,861	\$ 890,486
Less: Amount of contribution	(767,315)	(39,349)
Increase/decrease in NPO	\$ 398,546	\$ 851,137
Net OPEB obligation, 7-1-10	1,624,906	2,308,929
Net OPEB obligation, 6-30-11	\$ 2,023,452	\$ 3,160,066

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	\$ 1,228,613	40%	\$ 1,251,000
6-30-10	"	1,128,972	67	1,624,906
6-30-11	"	1,165,861	66	2,023,452
6-30-09	Local Government Group	761,853	6	1,426,044
6-30-10	"	917,388	4	2,308,929
6-30-11	"	890,486	4	3,160,066

Funded Status and Funding Progress

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

	Local Education Group Plan	Local Government Group Plan
Actuarial valuation date	7-1-10	7-1-10
Actuarial accrued liability (AAL)	\$ 9,544,000	\$ 6,557,000
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 9,544,000	\$ 6,557,000
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 52,433,105	\$ 7,964,525
UAAL as a % of covered payroll	18%	82%

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

Actuarial Methods and Assumptions

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

are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

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

J. Purchasing Laws

Office of County Executive

Purchasing procedures for the County Executive's Office are governed by provisions of Chapter 518, Private Acts of 1941, as amended. This act provides for the Purchasing Committee to make all purchases estimated to exceed \$10,000. Purchases estimated to be \$10,000 or less may be made by the county executive or other county officials. This act also requires that competitive bids be solicited by the Purchasing Committee through advertisement in a local newspaper on all purchases estimated to exceed \$10,000.

Office of Director of Public Works

Purchasing procedures for the Public Works Department are governed by provisions of Chapter 114, Private Acts of 1973, as amended, and the Uniform Road Law, Section 54-7-113, *Tennessee Code Annotated (TCA)*. These statutes provide for the Public Works Committee to make all purchases, and all purchases exceeding \$10,000 are to be made on a competitive basis solicited through public advertisement.

Office of Director of Schools

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

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

A. **Organization and Reporting Entity**

The Tipton County Emergency Communications District is a component unit of Tipton County, Tennessee, the primary government unit. The district is considered a component unit of Tipton County because Tipton County appoints a majority of the district's board of directors, and there is potential for provision of specific financial benefits to the primary government. The financial statements present only the financial position and changes in financial position of the district and are not intended to present fairly the financial position of Tipton County, Tennessee, and the changes in its financial position in conformity with U.S. generally accepted accounting principles (GAAP).

The district was formed by the Tipton County Legislature under provisions of Tennessee law on June 30, 1988. As such, it is a public corporation authorized to maintain and operate an emergency communications system providing 911 service within the boundaries of Tipton County, Tennessee. Under law it is a body politic, without powers of taxation, governed by an appointed nine-member board of directors. It is funded by monthly user fees or tariff rates charged on each resident and business telephone within the county, contributions from participating governments, and by funding from the Tennessee Emergency Communications Board.

B. **Summary of Significant Accounting Policies**

The district complies with accounting principles generally accepted in the United States of America. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The district applies all applicable GASB pronouncements (including all NCGA Statements and Interpretations currently in effect) as well as Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The district has elected not to apply FASB ASC pronouncements issued after November 30, 1989.

1. **Basis of Presentation**

The financial statements of the district are organized into a fund, which is considered to be a separate accounting entity. The fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, fund equity, revenues, and expenses.

Proprietary Fund

Enterprise Fund – An enterprise fund is used to account for business-like activities that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis will be financed or recovered primarily through user charges. The enterprise fund accounts for the operations of the emergency communications system. Operating revenues are derived principally from service charges and funding from the Tennessee Emergency Communications Board.

2. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe which transactions are recorded within the financial statements.

The proprietary fund is accounted for using the economic resources measurement focus. Accordingly, all assets and liabilities (whether current or noncurrent) are included in the Statement of Net Assets.

Operating revenues in the proprietary fund are those revenues that are generated from the primary operations of the fund. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are recorded as nonoperating expenses.

Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied. Proprietary funds utilize the accrual basis of accounting, whereby revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

3. Deposits and Investments

Custodial credit risk is the risk that in the event of a bank failure, the district's deposits may not be returned to it. Although the district has not formally adopted a policy regarding collateralization of deposits, the district follows collateralization requirements of state statutes.

State statutes authorize the district to invest in obligations of the U.S. Treasury, agencies, instrumentalities and obligations guaranteed as to principal and interest of the United States or any of its agencies, repurchase agreements, the Tennessee Local Government Investment Pool, certificates of deposit at state and federally chartered banks and savings and loan associations, and money market funds approved by the state Comptroller's Office.

Investments with a remaining maturity of more than one year at the time of purchase are reported at fair value as determined by quoted market prices. Short-term investments are reported at amortized cost, which approximates fair value.

4. **Accounts Receivable**

Accounts receivable result principally from unpaid user fees or tariff rates. Accounts receivable are reported net of any necessary allowance for uncollectible accounts, and revenues are reported net of uncollectibles. Allowances, or any need thereof, are based on past history of uncollectible accounts and management's analysis of current accounts. There was no allowance for uncollectible accounts at June 30, 2011, nor any uncollectible amounts netted with charges for user fees or tariffs for the year ended June 30, 2011.

5. **Capital Assets**

Capital assets include property and equipment. The district has adopted a formal capitalization policy whereby assets with an individual cost of at least \$5,000 and an estimated useful life in excess of one year are capitalized. The district's assets are capitalized at historical cost or estimated historical cost. Gifts or contributions of capital assets are recorded at fair value when received. 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.

A provision for depreciation is made on a basis considered adequate to amortize costs over the assets' estimated useful lives using the straight-line method. Useful lives are estimated at 5-10 years.

6. **Restricted Resources**

The district elects to use restricted assets before unrestricted assets when the situation arises where either can be used.

7. **Net Assets**

Equity is classified as net assets and displayed in the following three components:

- a. Invested in Capital Assets – Consists of capital assets, net of accumulated depreciation.
- b. Restricted – Consists of net assets for which constraints are placed thereon by outside sources or external parties, such as lenders, grantors, contributors, laws, regulations and enabling legislation, including self-imposed legal mandates, less any related liabilities.

- c. Unrestricted – All other net assets that do not meet the description of the above categories.

8. Cash Flows

For purposes of reporting cash flows, cash consists of cash on hand and on deposit with banks. All highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents. Certificates of deposit with original maturities of three months or more when purchased are classified as investments.

9. Retirement Plan

Costs of the retirement plan are computed by the entry age actuarial cost method, including a cost-of-living provision and amortization of prior service costs. Pension costs are funded as accrued.

10. Compensated Absences

Vacation pay for employees is accrued as an expense at the time the employees have a vested right to receive it. Sick leave is not accrued as the employees never have a vested right to receive it.

11. Budgets

The district prepares a budget for management monitoring and control and to comply with state law. The budget, which is prepared at the line-item level, is approved by the Board of Directors and is on a basis generally consistent with GAAP. Appropriations lapse at the end of the year.

C. Capital Assets

Capital assets activity during the year was as follows:

	Balance 7-1-10	Increases	Decreases	Balance 6-30-11
Capital Assets Not Depreciated:				
Equipment Held for Future Use	\$ 75,000	\$ 0	\$ 0	\$ 75,000
Total Capital Assets Not Depreciated	\$ 75,000	\$ 0	\$ 0	\$ 75,000

Capital Assets (Cont.)	Balance 7-1-10	Increases	Decreases	Balance 6-30-11
Other Capital Assets:				
Communication				
Equipment	\$ 1,047,977	\$ 236,001	\$ (175,768)	\$ 1,108,210
Furniture	19,095	0	0	19,095
Vehicle	22,750	0	0	22,750
Leasehold				
Improvements	64,535	0	(31,075)	33,460
Total Other Capital Assets at Historical Cost	\$ 1,154,357	\$ 236,001	\$ (206,843)	\$ 1,183,515
Less Accumulated				
Depreciation:				
Communication				
Equipment	\$ 619,804	\$ 111,833	\$ (123,542)	\$ 608,095
Furniture	13,470	1,351	0	14,821
Vehicle	22,750	0	0	22,750
Leasehold				
Improvements	36,267	1,541	(31,075)	6,733
Total Accumulated Depreciation	\$ 692,291	\$ 114,725	\$ (154,617)	\$ 652,399
Other Capital Assets, Net	\$ 462,066	\$ 121,276	\$ (52,226)	\$ 531,116
Capital Assets, Net	\$ 537,066	\$ 121,276	\$ (52,226)	\$ 606,116

Depreciation expense for the year ended June 30, 2011, was \$114,725. The district occupies a space in a county-owned building at no expense.

D. Risk Financing Activities

It is the policy of the district to purchase commercial insurance for the risks of losses to which it is exposed. These risks include general liability, property and casualty, employment practices, public officials' liability, worker's compensation and employee health and accident. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

E. Retirement 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 age 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979, become vested after five years of service, and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as the district 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 Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at www.treasury.state.tn.us/tcrs/ps.

Funding Policy

The district has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll.

The district is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2011, was 8.88 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the district is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ending June 30, 2011, the district's annual pension cost of \$49,301 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 postretirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The 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 Contributed	Net Pension Obligation
6-30-11	\$ 49,301	100 %	\$ 0
6-30-10	53,346	100	0
6-30-09	51,957	100	0

Funded Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the plan was 100 percent funded. The actuarial accrued liability for benefits was \$.4 million, and the actuarial value of assets was \$.4 million, resulting in an unfunded actuarial accrued liability (UAAL) of zero. The covered payroll (annual payroll of active employees covered by the plan) was \$.5 million, and the ratio of the UAAL to the covered payroll was zero 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.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

Tipton 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	\$ 10,232,179	\$ 0	0	\$ 10,232,179	\$ 9,884,194	\$ 9,884,194	\$ 347,985
Licenses and Permits	114,469	0	0	114,469	130,000	130,000	(15,531)
Fines, Forfeitures, and Penalties	407,831	0	0	407,831	470,231	470,231	(62,400)
Charges for Current Services	174,267	0	0	174,267	196,380	96,443	77,824
Other Local Revenues	148,827	0	0	148,827	126,700	148,200	627
Fees Received from County Officials	2,171,920	0	0	2,171,920	2,278,000	2,278,000	(106,080)
State of Tennessee	1,041,160	0	0	1,041,160	1,083,297	1,120,790	(79,630)
Federal Government	625,994	0	0	625,994	156,000	1,303,840	(677,846)
Other Governments and Citizens Groups	714,694	0	0	714,694	154,440	179,430	535,264
Total Revenues	\$ 15,631,341	\$ 0	0	\$ 15,631,341	\$ 14,479,242	\$ 15,611,128	\$ 20,213
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 153,853	\$ (826)	0	\$ 153,027	\$ 147,420	\$ 182,420	\$ 29,393
Beer Board	1,046	0	0	1,046	4,994	4,994	3,948
County Mayor/Executive	283,856	(30)	0	283,826	310,725	310,725	26,899
Election Commission	331,088	(1,542)	0	329,546	395,131	395,131	65,585
Register of Deeds	290,858	(1,041)	1,273	291,090	310,829	310,829	19,739
Planning	271,244	0	0	271,244	274,021	287,521	16,277
Building	295,520	(463)	0	295,057	369,323	369,323	74,266
Codes Compliance	9,790	0	0	9,790	14,928	14,928	5,138
Geographical Information Systems	95,520	0	0	95,520	96,045	97,351	1,831
County Buildings	56,759	(124)	0	56,635	75,340	75,340	18,705
<u>Finance</u>							
Accounting and Budgeting	207,864	0	0	207,864	234,410	234,410	26,546

(Continued)

Exhibit E-1

Tipton 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>							
Property Assessor's Office	\$ 434,648	\$ 0	0	\$ 434,648	\$ 470,929	\$ 470,929	\$ 36,281
Reappraisal Program	41,028	0	0	41,028	66,884	66,884	25,856
County Trustee's Office	317,525	(223)	549	317,851	329,039	329,039	11,188
County Clerk's Office	437,500	(121)	0	437,379	509,865	509,865	72,486
<u>Administration of Justice</u>							
Circuit Court	638,746	(43)	0	638,703	676,337	676,337	37,634
Criminal Court	46,429	(31)	0	46,398	49,243	49,243	2,845
General Sessions Court	275,850	0	0	275,850	270,431	277,105	1,255
Drug Court	14,854	0	0	14,854	0	14,855	1
Chancery Court	326,439	(187)	0	326,252	351,061	351,061	24,809
Juvenile Court	116,637	(763)	0	115,874	138,767	138,767	22,893
Probate Court	102,339	0	0	102,339	114,226	114,226	11,887
Other Administration of Justice	44,818	0	0	44,818	68,535	68,535	23,717
Victims Assistance Programs	34,569	0	0	34,569	38,000	38,000	3,431
<u>Public Safety</u>							
Sheriff's Department	4,307,364	(10,179)	75	4,297,260	4,201,680	4,413,243	115,983
Administration of the Sexual Offender Registry	5,965	0	0	5,965	8,000	8,000	2,035
Jail	2,440,204	(18,663)	3,048	2,424,589	2,512,774	2,556,639	132,050
Workhouse	150,079	0	0	150,079	380,637	380,637	230,558
Fire Prevention and Control	428,761	(35)	0	428,726	389,015	471,515	42,789
Civil Defense	171,585	0	0	171,585	188,293	188,293	16,708
Other Emergency Management	188,259	0	0	188,259	187,835	188,260	1
<u>Public Health and Welfare</u>							
Local Health Center	85,199	(350)	31,959	116,808	96,130	123,840	7,032

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Public Health and Welfare (Cont.)</u>							
Rabies and Animal Control	\$ 310,511	\$ (265)	0	\$ 310,246	\$ 295,893	\$ 318,168	\$ 7,922
Ambulance/Emergency Medical Services	124,022	0	0	124,022	123,998	124,023	1
Dental Health Program	303,349	(1,764)	0	301,585	351,973	351,973	50,388
General Welfare Assistance	32,431	0	0	32,431	33,431	33,431	1,000
Sanitation Management	110,628	(165)	0	110,463	129,857	129,857	19,394
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	62,000	0	0	62,000	62,000	62,000	0
Libraries	215,221	0	60	215,281	214,000	227,250	11,969
Parks and Fair Boards	7,300	0	0	7,300	9,300	9,300	2,000
Other Social, Cultural, and Recreational	3,500	0	0	3,500	3,500	3,500	0
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	107,012	(138)	0	106,874	134,194	138,294	31,420
Soil Conservation	103,266	(14)	0	103,252	103,092	104,234	982
<u>Other Operations</u>							
Tourism	65,000	0	0	65,000	65,000	65,000	0
Industrial Development	264,995	0	0	264,995	379,440	396,590	131,595
Other Economic and Community Development	883,449	0	0	883,449	0	1,000,000	116,551
Veterans' Services	17,105	0	0	17,105	18,245	18,245	1,140
ARRA Grant No. 1	97,080	0	0	97,080	0	100,000	2,920
Miscellaneous	580,203	0	0	580,203	646,056	685,202	104,999
<u>Principal on Debt</u>							
General Government	21,308	0	0	21,308	0	21,308	0
<u>Interest on Debt</u>							
General Government	146	0	0	146	0	146	0
Total Expenditures	\$ 15,914,722	\$ (36,967)	\$ 36,964	\$ 15,914,719	\$ 15,850,826	\$ 17,506,766	\$ 1,592,047

(Continued)

Exhibit E-1

Tipton 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	
Excess (Deficiency) of Revenues Over Expenditures	\$ (283,381) \$	36,967 \$	(36,964) \$	(283,378) \$	(1,371,584) \$	(1,895,638) \$	1,612,260
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 55,372 \$	0 \$	0 \$	55,372 \$	0 \$	54,985 \$	387
Transfers In	105,674	0	0	105,674	86,000	191,674	(86,000)
Transfers Out	(300,000)	0	0	(300,000)	0	(300,000)	0
Total Other Financing Sources (Uses)	\$ (138,954) \$	0 \$	0 \$	(138,954) \$	86,000 \$	(53,341) \$	(85,613)
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ (422,335) \$	36,967 \$	(36,964) \$	(422,332) \$	(1,285,584) \$	(1,948,979) \$	1,526,647
	9,514,212	(36,967)	0	9,477,245	8,989,858	8,989,858	487,387
Fund Balance, June 30, 2011	\$ 9,091,877 \$	0 \$	(36,964) \$	9,054,913 \$	7,704,274 \$	7,040,879 \$	2,014,034

Exhibit E-2

Tipton 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	
Revenues							
Local Taxes	\$ 2,291,795	\$ 0	\$ 0	\$ 2,291,795	\$ 2,244,060	\$ 2,244,060	\$ 47,735
Licenses and Permits	0	0	0	0	10	10	(10)
Charges for Current Services	3,544	0	0	3,544	2,500	2,500	1,044
Other Local Revenues	8,630	0	0	8,630	30,300	30,300	(21,670)
State of Tennessee	2,438,037	0	0	2,438,037	2,478,193	2,478,193	(40,156)
Federal Government	1,421,090	0	0	1,421,090	2,500,000	2,500,000	(1,078,910)
Other Governments and Citizens Groups	0	0	0	0	50,100	50,100	(50,100)
Total Revenues	\$ 6,163,096	\$ 0	\$ 0	\$ 6,163,096	\$ 7,305,163	\$ 7,305,163	\$ (1,142,067)
Expenditures							
Highways							
Administration	\$ 423,309	(1,052)	821	423,078	427,433	446,733	23,655
Highway and Bridge Maintenance	2,008,547	(24,709)	38,246	2,022,084	2,229,735	2,127,735	105,651
Operation and Maintenance of Equipment	590,767	(6,288)	393	584,872	642,309	642,309	57,437
Other Charges	1,104,156	(69,050)	0	1,035,106	1,441,101	1,311,801	276,695
Employee Benefits	763,351	(872)	795	763,274	802,348	804,348	41,074
Capital Outlay	679,310	(118,613)	447,601	1,008,298	1,856,000	2,066,000	1,057,702
Total Expenditures	\$ 5,569,440	\$ (220,584)	\$ 487,856	\$ 5,836,712	\$ 7,398,926	\$ 7,398,926	\$ 1,562,214
Excess (Deficiency) of Revenues Over Expenditures	\$ 593,656	\$ 220,584	\$ (487,856)	\$ 326,384	\$ (93,763)	\$ (93,763)	\$ 420,147
Other Financing Sources (Uses)							
Insurance Recovery	\$ 3,751	0	0	3,751	100	3,675	76
Total Other Financing Sources (Uses)	\$ 3,751	\$ 0	\$ 0	\$ 3,751	\$ 100	\$ 3,675	\$ 76
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ 597,407	\$ 220,584	\$ (487,856)	\$ 330,135	\$ (93,663)	\$ (90,088)	\$ 420,223
	2,092,662	(220,584)	0	1,872,078	2,552,701	2,552,701	(680,623)
Fund Balance, June 30, 2011	\$ 2,690,069	\$ 0	\$ (487,856)	\$ 2,202,213	\$ 2,459,038	\$ 2,462,613	\$ (260,400)

Exhibit E-3

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

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-07	\$ 28,313	\$ 34,402	\$ 6,089	82.30%	\$ 14,950	40.73%
7-1-09	32,648	41,055	8,407	79.52	17,153	49.01

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

Exhibit E-4

Tipton County, Tennessee
Schedule of Funding Progress – Pension Plan
Discretely Presented Tipton 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)
7-1-07	\$ 262	\$ 315	\$ 53	83.17%	\$ 427	12.41%
7-1-09	367	367	0	100	537	0

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

Exhibit E-5

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

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
<u>PRIMARY GOVERNMENT</u>							
Local Government Group	7-1-07	\$ 0	\$ 5,320	\$ 5,320	0%	\$ 7,195	74%
"	7-1-09	0	6,586	6,586	0	7,584	87
"	7-1-10	0	6,577	6,577	0	7,965	82
<u>DISCRETELY PRESENTED TIPTON COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	7-1-07	0	9,703	9,703	0	39,070	25
"	7-1-09	0	9,252	9,252	0	48,677	19
"	7-1-10	0	9,544	9,544	0	52,433	18

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

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Beer Board, County Mayor/ Executive, Election Commission, etc.). Management may make revisions within major categories, but only the Tipton 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, Tipton County reported the following significant encumbrances in the Highway/Public Works Fund:

<u>Description</u>	<u>Amount</u>
Bridge Construction	\$ 340,000
Road Construction	107,503

B. CASH SHORTAGE – PRIOR YEAR

The audit of Tipton County for the 2007-08 year reported a cash shortage of \$4,324.95 in the county's General Fund. As of June 30, 2011, the defendant in the case had paid restitution of \$4,324.95, liquidating the cash shortage.

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Public Library Fund – The Public Library Fund is used to account for transactions of the Tipton County Public Library, which is jointly funded by Tipton County and the City of Covington. This fund was closed during the 2010-11 year.

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

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

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

Capital Projects Fund

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

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

Exhibit F-1

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

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Constitu- tional Officers - Fees		
\$	0 \$	0 \$	28,457 \$	0 \$	28,457
Equity in Pooled Cash and Investments	1,140,006	178,816	0	267,407	1,586,229
Accounts Receivable	95,017	0	21,741	0	116,758
Due from Other Governments	8,339	0	0	0	8,339
Total Assets	\$ 1,243,362 \$	178,816 \$	50,198 \$	267,407 \$	1,739,783
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Payroll Deductions Payable	\$ 1,436 \$	0 \$	0 \$	0 \$	1,436
Contracts Payable	0	0	0	162,774	162,774
Due to Other Funds	0	0	50,198	0	50,198
Total Liabilities	\$ 1,436 \$	0 \$	50,198 \$	162,774 \$	214,408
<u>Fund Balances</u>					
<u>Restricted:</u>					
Restricted for Public Safety	\$ 0 \$	178,816 \$	0 \$	0 \$	178,816
Restricted for Capital Projects	0	0	0	104,633	104,633
<u>Committed:</u>					
Committed for Public Health and Welfare	1,241,926	0	0	0	1,241,926
Total Fund Balances	\$ 1,241,926 \$	178,816 \$	0 \$	104,633 \$	1,525,375
Total Liabilities and Fund Balances	\$ 1,243,362 \$	178,816 \$	50,198 \$	267,407 \$	1,739,783

Exhibit F-2

Tipton 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
	Public Library	Solid Waste / Sanitation	Drug Control	Constitu- tional Officers - Fees	Total	Capital Projects Fund	
<u>Revenues</u>							
Local Taxes	\$ 0	\$ 8	\$ 0	\$ 0	\$ 8	\$ 0	\$ 8
Fines, Forfeitures, and Penalties	0	0	94,507	0	94,507	0	94,507
Charges for Current Services	0	303,836	0	11,555	315,391	0	315,391
Other Local Revenues	0	133,281	0	0	133,281	0	133,281
State of Tennessee	0	799,844	0	0	799,844	0	799,844
Total Revenues	\$ 0	\$ 1,236,969	\$ 94,507	\$ 11,555	\$ 1,343,031	\$ 0	\$ 1,343,031
<u>Expenditures</u>							
Current:							
Administration of Justice	\$ 0	\$ 0	\$ 0	\$ 11,555	\$ 11,555	\$ 0	\$ 11,555
Public Safety	0	0	89,365	0	89,365	0	89,365
Highways	0	1,044,400	0	0	1,044,400	0	1,044,400
Debt Service:							
Other Debt Service	0	0	0	0	0	21,700	21,700
Capital Projects	0	0	0	0	0	1,067,804	1,067,804
Total Expenditures	\$ 0	\$ 1,044,400	\$ 89,365	\$ 11,555	\$ 1,145,320	\$ 1,089,504	\$ 2,234,824
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 192,569	\$ 5,142	\$ 0	\$ 197,711	\$ (1,089,504)	\$ (891,793)
<u>Other Financing Sources (Uses)</u>							
Other Loans Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 100,000	\$ 100,000
Transfers In	0	0	0	0	0	300,000	300,000
Transfers Out	(105,674)	0	0	0	(105,674)	0	(105,674)
Total Other Financing Sources (Uses)	\$ (105,674)	\$ 0	\$ 0	\$ 0	\$ (105,674)	\$ 400,000	\$ 294,326
Net Change in Fund Balances	\$ (105,674)	\$ 192,569	\$ 5,142	\$ 0	\$ 92,037	\$ (689,504)	\$ (597,467)
Fund Balance, July 1, 2010	105,674	1,049,357	173,674	0	1,328,705	794,137	2,122,842
Fund Balance, June 30, 2011	\$ 0	\$ 1,241,926	\$ 178,816	\$ 0	\$ 1,420,742	\$ 104,633	\$ 1,525,375

Exhibit F-3

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>	\$ 0	\$ 0	\$ 0	\$ 0
<u>Expenditures</u>	\$ 0	\$ 0	\$ 0	\$ 0
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (105,674)	\$ (105,674)	\$ (105,674)	\$ 0
Total Other Financing Sources (Uses)	\$ (105,674)	\$ (105,674)	\$ (105,674)	\$ 0
Net Change in Fund Balance	\$ (105,674)	\$ (105,674)	\$ (105,674)	\$ 0
Fund Balance, July 1, 2010	105,674	105,674	105,674	0
Fund Balance, June 30, 2011	\$ 0	\$ 0	\$ 0	\$ 0

Exhibit F-4

Tipton 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: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Encumbrances 7/1/2010	Encumbrances 6/30/2011			Original	Final	
<u>Revenues</u>								
Local Taxes	\$ 8 \$	0 \$	0 \$	8 \$	0 \$	0 \$	8	
Charges for Current Services	303,836	0	0	303,836	273,200	273,200	30,636	
Other Local Revenues	133,281	0	0	133,281	85,120	85,120	48,161	
State of Tennessee	799,844	0	0	799,844	700,500	700,500	99,344	
Total Revenues	\$ 1,236,969 \$	0 \$	0 \$	1,236,969 \$	1,058,820 \$	1,058,820 \$	178,149	
<u>Expenditures</u>								
Public Health and Welfare	\$ 0 \$	0 \$	5,900 \$	5,900 \$	20,000 \$	20,000 \$	14,100	
Postclosure Care Costs								
Highways								
Litter and Trash Collection	1,044,400	(118,317)	8,072	934,155	1,086,988	1,086,988	152,833	
Total Expenditures	\$ 1,044,400 \$	(118,317) \$	13,972 \$	940,055 \$	1,106,988 \$	1,106,988 \$	166,933	
Excess (Deficiency) of Revenues Over Expenditures	\$ 192,569 \$	118,317 \$	(13,972) \$	296,914 \$	(48,168) \$	(48,168) \$	345,082	
<u>Other Financing Sources (Uses)</u>								
Insurance Recovery	\$ 0 \$	0 \$	0 \$	0 \$	100 \$	100 \$	(100)	
Total Other Financing Sources (Uses)	\$ 0 \$	0 \$	0 \$	0 \$	100 \$	100 \$	(100)	
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ 192,569 \$	118,317 \$	(13,972) \$	296,914 \$	(48,068) \$	(48,068) \$	344,982	
	1,049,357	(118,317)	0	931,040	780,466	780,466	150,574	
Fund Balance, June 30, 2011	\$ 1,241,926 \$	0 \$	(13,972) \$	1,227,954 \$	732,398 \$	732,398 \$	495,556	

Exhibit F-5

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 94,507	\$ 99,500	\$ 99,500	\$ (4,993)
Other Local Revenues	0	1,000	1,000	(1,000)
State of Tennessee	0	500	15,180	(15,180)
Total Revenues	<u>\$ 94,507</u>	<u>\$ 101,000</u>	<u>\$ 115,680</u>	<u>\$ (21,173)</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 89,365	\$ 68,950	\$ 109,380	\$ 20,015
Total Expenditures	<u>\$ 89,365</u>	<u>\$ 68,950</u>	<u>\$ 109,380</u>	<u>\$ 20,015</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 5,142</u>	<u>\$ 32,050</u>	<u>\$ 6,300</u>	<u>\$ (1,158)</u>
Net Change in Fund Balance	\$ 5,142	\$ 32,050	\$ 6,300	\$ (1,158)
Fund Balance, July 1, 2010	<u>173,674</u>	<u>0</u>	<u>0</u>	<u>173,674</u>
Fund Balance, June 30, 2011	<u>\$ 178,816</u>	<u>\$ 32,050</u>	<u>\$ 6,300</u>	<u>\$ 172,516</u>

Major Governmental Fund

General Debt Service Fund

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

Exhibit G

Tipton 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	\$ 4,042,666	\$ 4,044,997	\$ 4,044,997	\$ (2,331)
Other Local Revenues	607,421	645,000	645,000	(37,579)
Other Governments and Citizens Groups	600,000	600,000	600,000	0
Total Revenues	\$ 5,250,087	\$ 5,289,997	\$ 5,289,997	\$ (39,910)
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,012,450	\$ 1,012,450	\$ 1,012,450	\$ 0
Education	3,337,200	3,337,200	3,337,200	0
<u>Interest on Debt</u>				
General Government	6,265	100,000	88,451	82,186
Education	412,598	1,850,243	1,742,699	1,330,101
<u>Other Debt Service</u>				
General Government	92,039	103,991	111,896	19,857
Education	112,538	60,000	171,188	58,650
Total Expenditures	\$ 4,973,090	\$ 6,463,884	\$ 6,463,884	\$ 1,490,794
Excess (Deficiency) of Revenues Over Expenditures	\$ 276,997	\$ (1,173,887)	\$ (1,173,887)	\$ 1,450,884
<u>Other Financing Sources (Uses)</u>				
Refunding Debt Issued	\$ 0	\$ 1,000,000	\$ 1,000,000	\$ (1,000,000)
Total Other Financing Sources (Uses)	\$ 0	\$ 1,000,000	\$ 1,000,000	\$ (1,000,000)
Net Change in Fund Balance	\$ 276,997	\$ (173,887)	\$ (173,887)	\$ 450,884
Fund Balance, July 1, 2010	11,698,918	10,663,112	10,663,112	1,035,806
Fund Balance, June 30, 2011	\$ 11,975,915	\$ 10,489,225	\$ 10,489,225	\$ 1,486,690

Fiduciary Funds

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

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

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

Exhibit H-1

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

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 2,153,389	\$ 2,153,389
Due from Other Governments	592,080	0	592,080
Total Assets	<u>\$ 592,080</u>	<u>\$ 2,153,389</u>	<u>\$ 2,745,469</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 592,080	\$ 0	\$ 592,080
Due to Litigants, Heirs, and Others	0	2,153,389	2,153,389
Total Liabilities	<u>\$ 592,080</u>	<u>\$ 2,153,389</u>	<u>\$ 2,745,469</u>

Exhibit H-2

Tipton 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	\$ 3,546,275	\$ 3,546,275	\$ 0
Due from Other Governments	606,201	592,080	606,201	592,080
Total Assets	<u>\$ 606,201</u>	<u>\$ 4,138,355</u>	<u>\$ 4,152,476</u>	<u>\$ 592,080</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 606,201	\$ 4,138,355	\$ 4,152,476	\$ 592,080
Total Liabilities	<u>\$ 606,201</u>	<u>\$ 4,138,355</u>	<u>\$ 4,152,476</u>	<u>\$ 592,080</u>
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,637,656	\$ 10,904,801	\$ 10,389,068	\$ 2,153,389
Total Assets	<u>\$ 1,637,656</u>	<u>\$ 10,904,801</u>	<u>\$ 10,389,068</u>	<u>\$ 2,153,389</u>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,637,656	\$ 10,904,801	\$ 10,389,068	\$ 2,153,389
Total Liabilities	<u>\$ 1,637,656</u>	<u>\$ 10,904,801</u>	<u>\$ 10,389,068</u>	<u>\$ 2,153,389</u>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,637,656	\$ 10,904,801	\$ 10,389,068	\$ 2,153,389
Equity in Pooled Cash and Investments	0	3,546,275	3,546,275	0
Due from Other Governments	606,201	592,080	606,201	592,080
Total Assets	<u>\$ 2,243,857</u>	<u>\$ 15,043,156</u>	<u>\$ 14,541,544</u>	<u>\$ 2,745,469</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 606,201	\$ 4,138,355	\$ 4,152,476	\$ 592,080
Due to Litigants, Heirs, and Others	1,637,656	10,904,801	10,389,068	2,153,389
Total Liabilities	<u>\$ 2,243,857</u>	<u>\$ 15,043,156</u>	<u>\$ 14,541,544</u>	<u>\$ 2,745,469</u>

Tipton County School Department

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

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

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

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

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

Exhibit I-1

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

Functions/Programs	Program Revenues			Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets Total Governmental Activities
	Expenses	Charges for Services	Operating Grants and Contributions		
Governmental Activities:					
Instruction	\$ 63,674,542	\$ 765,319	\$ 8,298,000	\$ 0	\$ (54,611,223)
Support Services	23,218,321	0	1,678,274	29,111	(21,510,936)
Operation of Non-Instructional Services	7,482,906	1,802,735	4,214,372	0	(1,465,799)
Other Debt Service	600,000	0	0	0	(600,000)
Total Governmental Activities	\$ 94,975,769	\$ 2,568,054	\$ 14,190,646	\$ 29,111	\$ (78,187,958)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 10,572,482
Local Option Sales Taxes					3,921,400
Business Tax					159,176
Other Local Taxes					1,243
Grants and Contributions Not Restricted to Specific Programs					60,961,392
Miscellaneous					213,532
Total General Revenues					\$ 75,829,225
Change in Net Assets					\$ (2,358,733)
Net Assets, July 1, 2010					57,855,441
Net Assets, June 30, 2011					\$ 55,496,708

Exhibit I-2

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

	<u>Major Funds</u>		<u>Nonmajor Funds</u>	<u>Total</u>
	<u>General Purpose School</u>	<u>School Federal Projects</u>	<u>Other Govern- mental Funds</u>	<u>Govern- mental Funds</u>
<u>ASSETS</u>				
Equity in Pooled Cash and Investments	\$ 11,172,885	\$ 55,348	\$ 3,411,891	\$ 14,640,124
Due from Other Governments	2,536,301	116,101	0	2,652,402
Property Taxes Receivable	11,597,364	0	0	11,597,364
Allowance for Uncollectible Property Taxes	(602,098)	0	0	(602,098)
Total Assets	\$ 24,704,452	\$ 171,449	\$ 3,411,891	\$ 28,287,792
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 45,420	\$ 0	\$ 0	\$ 45,420
Payroll Deductions Payable	2,670,380	0	0	2,670,380
Deferred Revenue - Current Property Taxes	10,617,861	0	0	10,617,861
Deferred Revenue - Delinquent Property Taxes	305,927	0	0	305,927
Other Deferred Revenues	394,125	22,407	0	416,532
Total Liabilities	\$ 14,033,713	\$ 22,407	\$ 0	\$ 14,056,120
<u>Fund Balances</u>				
Restricted:				
Restricted for Education	\$ 0	\$ 149,042	\$ 0	\$ 149,042
Restricted for Operation of Non-Instructional Services	0	0	2,026,357	2,026,357
Restricted for Capital Projects	0	0	1,385,534	1,385,534
Committed:				
Committed for Education	175,707	0	0	175,707
Assigned:				
Assigned for Education	486,604	0	0	486,604
Unassigned	10,008,428	0	0	10,008,428
Total Fund Balances	\$ 10,670,739	\$ 149,042	\$ 3,411,891	\$ 14,231,672
Total Liabilities and Fund Balances	\$ 24,704,452	\$ 171,449	\$ 3,411,891	\$ 28,287,792

Exhibit I-3

Tipton County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
Discretely Presented Tipton 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)		\$ 14,231,672
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 3,596,156	
Add: construction in progress	28,250	
Add: buildings and improvements net of accumulated depreciation	35,488,674	
Add: other capital assets net of accumulated depreciation	<u>3,962,067</u>	43,075,147
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: compensated absences payable	\$ (509,118)	
Less: other postemployment benefits liability	<u>(2,023,452)</u>	(2,532,570)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>722,459</u>
Net assets of governmental activities (Exhibit A)		<u><u>\$ 55,496,708</u></u>

Exhibit I-4

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

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>School</u>	<u>Funds</u>	
			<u>Other</u>	
	<u>Purpose</u>	<u>Federal</u>	<u>Governmental</u>	<u>Governmental</u>
	<u>School</u>	<u>Projects</u>	<u>Funds</u>	<u>Funds</u>
<u>Revenues</u>				
Local Taxes	\$ 15,170,121	\$ 0	\$ 0	\$ 15,170,121
Licenses and Permits	5,853	0	0	5,853
Fines, Forfeitures, and Penalties	2,739	0	0	2,739
Charges for Current Services	908,361	0	1,555,878	2,464,239
Other Local Revenues	282,425	0	44,081	326,506
State of Tennessee	59,150,933	0	0	59,150,933
Federal Government	206,083	11,195,722	4,056,709	15,458,514
Total Revenues	\$ 75,726,515	\$ 11,195,722	\$ 5,656,668	\$ 92,578,905
<u>Expenditures</u>				
Current:				
Instruction	\$ 50,247,770	\$ 10,030,065	\$ 0	\$ 60,277,835
Support Services	21,761,837	1,146,253	0	22,908,090
Operation of Non-Instructional Services	1,836,151	0	5,405,644	7,241,795
Capital Outlay	547,650	0	0	547,650
Debt Service:				
Other Debt Service	600,000	0	0	600,000
Capital Projects	0	0	9,216	9,216
Total Expenditures	\$ 74,993,408	\$ 11,176,318	\$ 5,414,860	\$ 91,584,586
Excess (Deficiency) of Revenues				
Over Expenditures	\$ 733,107	\$ 19,404	\$ 241,808	\$ 994,319
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 4,602	\$ 0	\$ 0	\$ 4,602
Transfers Out	0	(4,602)	0	(4,602)
Total Other Financing Sources (Uses)	\$ 4,602	\$ (4,602)	\$ 0	\$ 0
Net Change in Fund Balances				
Fund Balance, July 1, 2010	\$ 9,933,030	134,240	3,170,083	13,237,353
Fund Balance, June 30, 2011	\$ 10,670,739	\$ 149,042	\$ 3,411,891	\$ 14,231,672

Exhibit I-5

Tipton County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Tipton 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)		\$	994,319
(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	\$	481,356	
Less: current-year depreciation expense		<u>(3,500,957)</u>	(3,019,601)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Add: deferred delinquent property taxes and other deferred June 30, 2011	\$	722,459	
Less: deferred delinquent property taxes and other deferred June 30, 2010		<u>(684,328)</u>	38,131
(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in compensated absences payable	\$	26,964	
Change in other postemployment benefits liability		<u>(398,546)</u>	<u>(371,582)</u>
Change in net assets of governmental activities (Exhibit B)			<u>\$ (2,358,733)</u>

Exhibit I-6

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

	Special Revenue Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
	Central Cafeteria	Education Capital Projects	
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 2,026,357	\$ 1,385,534	\$ 3,411,891
Total Assets	<u>\$ 2,026,357</u>	<u>\$ 1,385,534</u>	<u>\$ 3,411,891</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Operation of Non-Instructional Services	\$ 2,026,357	\$ 0	\$ 2,026,357
Restricted for Capital Projects	0	1,385,534	1,385,534
Total Fund Balances	<u>\$ 2,026,357</u>	<u>\$ 1,385,534</u>	<u>\$ 3,411,891</u>

Exhibit I-7

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

	Special Revenue Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
	Central Cafeteria	Education Capital Projects	
<u>Revenues</u>			
Charges for Current Services	\$ 1,555,878	\$ 0	\$ 1,555,878
Other Local Revenues	44,081	0	44,081
Federal Government	4,056,709	0	4,056,709
Total Revenues	<u>\$ 5,656,668</u>	<u>\$ 0</u>	<u>\$ 5,656,668</u>
<u>Expenditures</u>			
Current:			
Operation of Non-Instructional Services	\$ 5,405,644	\$ 0	\$ 5,405,644
Capital Projects	0	9,216	9,216
Total Expenditures	<u>\$ 5,405,644</u>	<u>\$ 9,216</u>	<u>\$ 5,414,860</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 251,024</u>	<u>\$ (9,216)</u>	<u>\$ 241,808</u>
Net Change in Fund Balances	\$ 251,024	\$ (9,216)	\$ 241,808
Fund Balance, July 1, 2010	1,775,333	1,394,750	3,170,083
Fund Balance, June 30, 2011	<u>\$ 2,026,357</u>	<u>\$ 1,385,534</u>	<u>\$ 3,411,891</u>

Exhibit I-8

Tipton County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 Discretely Presented Tipton 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		
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 15,170,121	\$ 0	\$ 0	\$ 15,170,121	\$ 15,100,000	\$ 15,100,000	\$ 70,121
Licenses and Permits	5,853	0	0	5,853	5,000	5,000	853
Fines, Forfeitures, and Penalties	2,739	0	0	2,739	2,000	2,000	739
Charges for Current Services	908,361	0	0	908,361	760,000	835,000	73,361
Other Local Revenues	282,425	0	0	282,425	225,000	225,000	57,425
State of Tennessee	59,150,933	0	0	59,150,933	59,450,000	59,454,629	(303,696)
Federal Government	206,083	0	0	206,083	128,000	210,000	(3,917)
Total Revenues	\$ 75,726,515	\$ 0	\$ 0	\$ 75,726,515	\$ 75,670,000	\$ 75,831,629	\$ (105,114)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 39,521,292	\$ (132,302)	\$ 157,669	\$ 39,546,659	\$ 39,797,000	\$ 39,679,000	\$ 132,341
Alternative Instruction Program	735,701	0	0	735,701	745,000	755,000	19,299
Special Education Program	7,601,429	0	3,300	7,604,729	7,606,000	7,606,000	1,271
Vocational Education Program	2,355,829	0	2,431	2,358,260	2,438,000	2,438,000	79,740
Adult Education Program	33,519	0	0	33,519	36,000	36,000	2,481
<u>Support Services</u>							
Health Services	694,044	0	5,581	699,625	700,000	700,000	375
Other Student Support	1,555,750	0	1,033	1,556,783	1,552,000	1,585,000	28,217
Regular Instruction Program	1,776,047	0	0	1,776,047	1,842,000	1,842,000	65,953
Special Education Program	264,632	0	0	264,632	268,000	268,000	3,368
Vocational Education Program	120,503	0	0	120,503	121,000	121,000	497
Adult Programs	69,604	0	0	69,604	98,000	98,000	28,396
Other Programs	161,629	0	0	161,629	0	161,629	0
Board of Education	740,557	(100)	0	740,457	802,000	802,000	61,543
Director of Schools	258,596	0	0	258,596	261,000	261,000	2,404
Office of the Principal	5,461,349	0	0	5,461,349	5,508,000	5,508,000	46,651

(Continued)

Exhibit I-8

Tipton County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Tipton 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>							
Fiscal Services	\$ 428,741	\$ (1,200)	\$ 1,844	\$ 429,385	\$ 465,000	\$ 465,000	\$ 35,615
Operation of Plant	3,781,928	0	0	3,781,928	4,060,000	4,060,000	278,072
Maintenance of Plant	1,355,440	(36,945)	28,208	1,346,703	1,440,000	1,440,000	93,297
Transportation	5,093,017	(3,978)	49	5,089,088	5,091,000	5,091,000	1,912
<u>Operation of Non-Instructional Services</u>							
Food Service	157,967	0	0	157,967	160,000	160,000	2,033
Community Services	679,732	0	0	679,732	610,000	685,000	5,268
Early Childhood Education	998,452	0	0	998,452	1,000,000	1,000,000	1,548
Capital Outlay							
Regular Capital Outlay	547,650	(354,330)	286,489	479,809	500,000	500,000	20,191
<u>Other Debt Service</u>							
Education	600,000	0	0	600,000	600,000	600,000	0
Total Expenditures	\$ 74,993,408	\$ (528,855)	\$ 486,604	\$ 74,951,157	\$ 75,700,000	\$ 75,861,629	\$ 910,472
Excess (Deficiency) of Revenues Over Expenditures	\$ 733,107	\$ 528,855	\$ (486,604)	\$ 775,358	\$ (30,000)	\$ (30,000)	\$ 805,358
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,000	\$ 5,000	\$ (5,000)
Transfers In	4,602	0	0	4,602	25,000	25,000	(20,398)
Total Other Financing Sources (Uses)	\$ 4,602	\$ 0	\$ 0	\$ 4,602	\$ 30,000	\$ 30,000	\$ (25,398)
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ 737,709	\$ 528,855	\$ (486,604)	\$ 779,960	\$ 0	\$ 0	\$ 779,960
	9,933,030	(528,855)	0	9,404,175	9,018,650	9,018,650	385,525
Fund Balance, June 30, 2011	\$ 10,670,739	\$ 0	\$ (486,604)	\$ 10,184,135	\$ 9,018,650	\$ 9,018,650	\$ 1,165,485

Exhibit I-9

Tipton County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Tipton 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	\$ 11,195,722	\$ 13,585,768	\$ 13,585,768	\$ (2,390,046)
Total Revenues	\$ 11,195,722	\$ 13,585,768	\$ 13,585,768	\$ (2,390,046)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 6,178,394	\$ 6,622,630	\$ 7,293,882	\$ 1,115,488
Special Education Program	3,740,602	4,120,124	3,864,203	123,601
Vocational Education Program	111,069	113,953	111,069	0
<u>Support Services</u>				
Other Student Support	96,162	817,099	96,172	10
Regular Instruction Program	799,015	1,840,480	1,901,158	1,102,143
Special Education Program	73,277	0	115,562	42,285
Office of the Principal	37,799	41,669	37,799	0
Transportation	140,000	140,000	292,755	152,755
Total Expenditures	\$ 11,176,318	\$ 13,695,955	\$ 13,712,600	\$ 2,536,282
Excess (Deficiency) of Revenues Over Expenditures	\$ 19,404	\$ (110,187)	\$ (126,832)	\$ 146,236
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (4,602)	\$ (24,053)	\$ (7,405)	\$ 2,803
Total Other Financing Sources (Uses)	\$ (4,602)	\$ (24,053)	\$ (7,405)	\$ 2,803
Net Change in Fund Balance	\$ 14,802	\$ (134,240)	\$ (134,237)	\$ 149,039
Fund Balance, July 1, 2010	134,240	243,685	243,685	(109,445)
Fund Balance, June 30, 2011	\$ 149,042	\$ 109,445	\$ 109,448	\$ 39,594

Exhibit I-10

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 1,555,878	\$ 2,520,000	\$ 2,120,000	\$ (564,122)
Other Local Revenues	44,081	20,000	20,000	24,081
Federal Government	4,056,709	3,260,000	3,610,335	446,374
Total Revenues	<u>\$ 5,656,668</u>	<u>\$ 5,800,000</u>	<u>\$ 5,750,335</u>	<u>\$ (93,667)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 5,405,644	\$ 5,800,000	\$ 5,750,335	\$ 344,691
Total Expenditures	<u>\$ 5,405,644</u>	<u>\$ 5,800,000</u>	<u>\$ 5,750,335</u>	<u>\$ 344,691</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 251,024</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 251,024</u>
Net Change in Fund Balance	\$ 251,024	\$ 0	\$ 0	\$ 251,024
Fund Balance, July 1, 2010	<u>1,775,333</u>	<u>1,642,626</u>	<u>1,642,626</u>	<u>132,707</u>
Fund Balance, June 30, 2011	<u>\$ 2,026,357</u>	<u>\$ 1,642,626</u>	<u>\$ 1,642,626</u>	<u>\$ 383,731</u>

MISCELLANEOUS SCHEDULES

Exhibit J-1

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

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-10	Issued During Period	Paid and/or	
							Matured During Period	Outstanding 6-30-11
NOTES PAYABLE								
Payable through General Debt Service Fund								
Energy Efficiency (ECD)	\$ 87,150	0 %	7-10-06	6-30-13	\$ 37,350	\$ 0	\$ 12,450	\$ 24,900
Total Notes Payable					<u>\$ 37,350</u>	<u>\$ 0</u>	<u>\$ 12,450</u>	<u>\$ 24,900</u>
OTHER LOANS PAYABLE								
Payable through General Debt Service Fund								
School Construction	5,000,000	Variable	9-8-1998	5-25-14	\$ 2,300,000	\$ 0	\$ 500,000	\$ 1,800,000
School Construction	5,897,089	Variable	5-17-1999	5-25-19	5,397,089	0	200,000	5,197,089
Various Purposes	(1)	Variable	8-30-02	5-25-12	1,633,905	0	1,000,000	633,905
School Construction	5,100,000	Variable	7-21-04	5-25-22	3,659,000	0	267,000	3,392,000
School Construction	16,000,000	Variable	4-30-07	5-25-27	14,440,000	0	584,000	13,856,000
School Refunding	6,228,600	Variable	7-9-08	5-25-15	4,806,200	0	761,200	4,045,000
Various Purposes	(2)	Variable	3-31-11	5-25-12	0	100,000	0	100,000
Total Other Loans Payable					<u>\$ 32,236,194</u>	<u>\$ 100,000</u>	<u>\$ 3,312,200</u>	<u>\$ 29,023,994</u>
CAPITAL LEASES PAYABLE								
Payable through General Fund								
Copy Machines	21,808	3.32	6-12-06	6-24-11	\$ 4,655	\$ 0	\$ 4,655	\$ 0
Copy Machine	11,245	3.39	12-19-06	6-24-11	3,576	0	3,576	0
Copy Machines	16,456	3.83	6-23-07	6-24-11	6,683	0	6,683	0
Copy Machine	8,450	1.43	3-5-09	6-24-11	6,394	0	6,394	0
Total Capital Leases Payable					<u>\$ 21,308</u>	<u>\$ 0</u>	<u>\$ 21,308</u>	<u>\$ 0</u>
BONDS PAYABLE								
Payable through General Debt Service Fund								
School Refunding	8,960,000	2.5 to 3.35	9-1-02	4-1-11	\$ 525,000	\$ 0	\$ 525,000	\$ 0
Elementary School	9,000,000	2.5 to 4.625	9-1-02	4-1-22	6,750,000	0	500,000	6,250,000
Total Bonds Payable					<u>\$ 7,275,000</u>	<u>\$ 0</u>	<u>\$ 1,025,000</u>	<u>\$ 6,250,000</u>

(1) Total amount available is \$5,100,000, of which \$366,095 remains available for draws as of June 30, 2011.

(2) Total amount available is \$3,100,000, of which \$3,000,000 remains available for draws as of June 30, 2011.

Exhibit J-2

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

Year Ending June 30	Note		
	Principal	Interest	Total
2012	\$ 12,450	\$ 0	\$ 12,450
2013	12,450	0	12,450
Total	\$ 24,900	\$ 0	\$ 24,900

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2012	\$ 3,660,205	\$ 42,536	\$ 125,155	\$ 3,827,896
2013	3,047,300	37,514	110,740	3,195,554
2014	3,169,300	32,957	99,175	3,301,432
2015	1,762,100	28,204	86,954	1,877,258
2016	2,036,000	25,589	79,194	2,140,783
2017	2,079,000	22,146	70,378	2,171,524
2018	2,122,000	18,651	61,363	2,202,014
2019	2,065,089	15,105	52,150	2,132,344
2020	1,215,000	11,730	42,730	1,269,460
2021	1,265,000	10,272	37,088	1,312,360
2022	1,188,000	7,924	31,104	1,227,028
2023	990,000	6,498	25,637	1,022,135
2024	1,034,000	5,310	21,182	1,060,492
2025	1,081,000	4,069	16,243	1,101,312
2026	1,130,000	2,772	11,379	1,144,151
2027	1,180,000	1,416	6,294	1,187,710
Total	\$ 29,023,994	\$ 272,693	\$ 876,766	\$ 30,173,453

Year Ending June 30	Bond		
	Principal	Interest	Total
2012	\$ 500,000	\$ 256,725	\$ 756,725
2013	500,000	239,475	739,475
2014	500,000	221,475	721,475
2015	500,000	202,975	702,975
2016	525,000	183,725	708,725
2017	550,000	162,725	712,725
2018	575,000	140,175	715,175
2019	600,000	116,025	716,025
2020	650,000	90,225	740,225
2021	650,000	61,625	711,625
2022	700,000	32,375	732,375
Total	\$ 6,250,000	\$ 1,707,525	\$ 7,957,525

Exhibit J-3

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

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
Public Library	General	Close fund	\$ 105,674
General	General Capital Projects	Capital improvement projects	300,000
Total Transfers Primary Government			<u>\$ 405,674</u>
<u>DISCRETELY PRESENTED TIPTON COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	\$ 4,602
Total Transfers Discretely Presented Tipton County School Department			<u>\$ 4,602</u>

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

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Executive	Section 8-24-102, TCA	\$ 104,975 (1)	50,000	Travelers Casualty and Surety Company of America
Director of Public Works	Section 8-24-102, TCA, and Public Works Committee	91,911 (2)	100,000	"
Director of Schools	State Board of Education and County Board of Education	154,550 (3)	100,000	Hartford Fire Insurance Company
Trustee	Section 8-24-102, TCA	77,034 (4)	2,318,796	Travelers Casualty and Surety Company of America
Assessor of Property	Section 8-24-102, TCA	77,034 (4)	10,000	Hartford Fire Insurance Company
Director of Accounts and Budgets	County Commission	67,148 (5)	10,000	Travelers Casualty and Surety Company of America
County Clerk:				
Pam Deen White (7-1-10 through 8-31-10)	Section 8-24-102, TCA	12,446	50,000	Hartford Fire Insurance Company
Mary Gaither (9-1-10 through 6-30-11)	Section 8-24-102, TCA	64,588 (4)	50,000	Travelers Casualty and Surety Company of America
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, TCA	77,034 (4)	50,000	"
Clerk and Master	Section 8-24-102, TCA	77,034 (4) (6)	75,000	Hartford Fire Insurance Company
Register	Section 8-24-102, TCA	77,034 (4)	25,000	Travelers Casualty and Surety Company of America
Sheriff	Section 8-24-102, TCA	85,937 (7)	50,000	"
Employees Bonds:				
General Fund Employees and Deputies			150,000	Local Government Property and Casualty Fund
Public Works Administration			150,000	"
Sanitation			150,000	"
Education Central Office Bookkeeping Staff			150,000	"
Education Administrative Staff in each School			150,000	"

- (1) Includes a one-time bonus of \$3,211.
- (2) Includes a one-time bonus of \$2,678.
- (3) Includes a chief executive officer training supplement of \$1,000, a one-time bonus of \$4,800, accrued leave of \$29,750, and \$4,000 for serving as secretary to the Board of Education.
- (4) Includes a one-time bonus of \$2,356.
- (5) Includes fire department accountant compensation of \$5,668, \$1,250 for longevity, and a one-time bonus of \$1,851.
- (6) Does not include \$11,555 for special commissioner fees.
- (7) Includes a one-time bonus of \$2,592 and a law enforcement training supplement of \$1,200.

Exhibit J-5

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

	Special Revenue Funds					Debt Service Fund	Total
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works		
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 7,033,550	0	0	0	639,428	3,562,464	\$ 11,235,442
Trustee's Collections - Prior Year	194,321	0	0	0	18,137	89,645	302,103
Trustee's Collections - Bankruptcy	2,485	6	0	0	244	1,658	4,393
Circuit/Clerk & Master Collections - Prior Years	101,632	0	0	0	9,438	54,764	165,834
Interest and Penalty	45,690	2	0	0	4,240	23,332	75,264
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	0	1,486	1,486
Payments in-Lieu-of Taxes - Other	331,499	0	0	0	30,255	169,865	531,619
<u>County Local Option Taxes</u>							
Local Option Sales Tax	351,003	0	0	0	0	0	351,003
Hotel/Motel Tax	98,607	0	0	0	0	0	98,607
Wheel Tax	1,579,741	0	0	0	1,579,741	0	3,159,482
Litigation Tax - General	185,946	0	0	0	0	0	185,946
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	57,992	57,992
Business Tax	107,130	0	0	0	10,312	50,978	168,420
<u>Statutory Local Taxes</u>							
Bank Excise Tax	0	0	0	0	0	30,482	30,482
Wholesale Beer Tax	198,745	0	0	0	0	0	198,745
Interstate Telecommunications Tax	1,830	0	0	0	0	0	1,830
Total Local Taxes	\$ 10,232,179	8	0	0	2,291,795	4,042,666	\$ 16,566,648
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Animal Registration	\$ 52,013	0	0	0	0	0	52,013
Cable TV Franchise	25,135	0	0	0	0	0	25,135
<u>Permits</u>							
Building Permits	37,321	0	0	0	0	0	37,321
Total Licenses and Permits	\$ 114,469	0	0	0	0	0	\$ 114,469

(Continued)

Exhibit J-5

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

	Special Revenue Funds							Total
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	Debt Service Fund		
						General	Debt Service	
<u>Fines, Forfeitures, and Penalties</u>								
<u>Circuit Court</u>								
Fines	\$ 10,460	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	10,460
Officers Costs	17,743	0	0	0	0	0	0	17,743
Drug Control Fines	3,365	0	5,935	0	0	0	0	9,300
Drug Court Fees	1,922	0	0	0	0	0	0	1,922
Jail Fees	8,882	0	0	0	0	0	0	8,882
DUI Treatment Fines	2,108	0	0	0	0	0	0	2,108
Data Entry Fee - Circuit Court	1,442	0	0	0	0	0	0	1,442
Victims Assistance Assessments	4,294	0	0	0	0	0	0	4,294
<u>Criminal Court</u>								
Fines	29,077	0	0	0	0	0	0	29,077
<u>General Sessions Court</u>								
Fines	55,403	0	0	0	0	0	0	55,403
Officers Costs	73,007	0	0	0	0	0	0	73,007
Game and Fish Fines	342	0	0	0	0	0	0	342
Drug Control Fines	16,529	0	16,577	0	0	0	0	33,106
Drug Court Fees	13,012	0	0	0	0	0	0	13,012
Jail Fees	94,052	0	0	0	0	0	0	94,052
DUI Treatment Fines	10,609	0	0	0	0	0	0	10,609
Data Entry Fee - General Sessions Court	6,470	0	0	0	0	0	0	6,470
Courtroom Security Fee	1,681	0	0	0	0	0	0	1,681
Victims Assistance Assessments	28,792	0	0	0	0	0	0	28,792
<u>Juvenile Court</u>								
Fines	485	0	0	0	0	0	0	485
Officers Costs	2,394	0	0	0	0	0	0	2,394
Data Entry Fee - Juvenile Court	236	0	0	0	0	0	0	236
<u>Chancery Court</u>								
Officers Costs	1,395	0	0	0	0	0	0	1,395
Data Entry Fee - Chancery Court	4,288	0	0	0	0	0	0	4,288
<u>Other Fines, Forfeitures, and Penalties</u>								
Proceeds from Confiscated Property	19,843	0	71,995	0	0	0	0	91,838
Total Fines, Forfeitures, and Penalties	\$ 407,831	\$ 0	\$ 94,507	\$ 0	\$ 0	\$ 0	\$ 0	\$ 502,338

(Continued)

Exhibit J-5

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

	Special Revenue Funds						Debt Service Fund	Total
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service		
<u>Charges for Current Services</u>								
<u>General Service Charges</u>								
Self-Insurance Premiums/Contributions	\$ 1,041	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,041	
Other Employee Benefit Charges/Contributions	411	0	0	0	0	0	411	
Tippling Fees	0	59,275	0	0	0	0	59,275	
Solid Waste Disposal Fees	0	1,384	0	0	0	0	1,384	
Other General Service Charges	76,370	0	0	0	0	0	76,370	
<u>Fees</u>								
Copy Fees	141	0	0	0	0	0	141	
Library Fees	21,544	0	0	0	0	0	21,544	
Greenbelt Late Application Fee	200	0	0	0	0	0	200	
Telephone Commissions	33,164	0	0	0	0	0	33,164	
Vending Machine Collections	310	0	0	0	3,544	0	3,854	
Constitutional Officers' Fees and Commissions	0	0	0	11,555	0	0	11,555	
Data Processing Fee - Register	19,050	0	0	0	0	0	19,050	
Data Processing Fee - Sheriff	2,498	0	0	0	0	0	2,498	
Sexual Offender Registration Fees - Sheriff	9,250	0	0	0	0	0	9,250	
Data Processing Fee - County Clerk	4,318	0	0	0	0	0	4,318	
<u>Education Charges</u>								
TBI Criminal Background Fees	5,970	0	0	0	0	0	5,970	
<u>Other Charges for Services</u>								
Other Charges for Services	0	243,177	0	0	0	0	243,177	
Total Charges for Current Services	\$ 174,267	\$ 303,836	\$ 0	\$ 11,555	\$ 3,544	\$ 0	\$ 493,202	
<u>Other Local Revenues</u>								
<u>Recurring Items</u>								
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 607,421	\$ 607,421	
Lease/Rentals	45,007	0	0	0	0	0	45,007	
Sale of Materials and Supplies	339	0	0	0	0	0	339	
Commissary Sales	10,103	0	0	0	0	0	10,103	
Sale of Gasoline	13,158	0	0	0	0	0	13,158	
Sale of Maps	1,445	0	0	0	0	0	1,445	

(Continued)

Exhibit J-5

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

	Special Revenue Funds						Debt Service Fund	Total
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service		
<u>Other Local Revenues (Cont.)</u>								
<u>Recurring Items (Cont.)</u>								
Sale of Recycled Materials	\$ 253	\$ 133,281	\$ 0	\$ 0	\$ 0	\$ 0	\$ 133,534	
Retirees' Insurance Payments	1,585	0	0	0	0	0	1,585	
Miscellaneous Refunds	13,611	0	0	0	8,630	0	22,241	
<u>Nonrecurring Items</u>								
Revenue from Joint Ventures	27,500	0	0	0	0	0	27,500	
Sale of Property	21,778	0	0	0	0	0	21,778	
Damages Recovered from Individuals	450	0	0	0	0	0	450	
Contributions and Gifts	915	0	0	0	0	0	915	
<u>Other Local Revenues</u>								
Other Local Revenues	12,683	0	0	0	0	0	12,683	
Total Other Local Revenues	\$ 148,827	\$ 133,281	\$ 0	\$ 0	\$ 8,630	\$ 607,421	\$ 898,159	
<u>Fees Received from County Officials</u>								
<u>Fees in-Lieu-of Salary</u>								
County Clerk	\$ 489,626	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 489,626	
Circuit Court Clerk	105,329	0	0	0	0	0	105,329	
General Sessions Court Clerk	350,473	0	0	0	0	0	350,473	
Clerk and Master	236,786	0	0	0	0	0	236,786	
Juvenile Court Clerk	54,168	0	0	0	0	0	54,168	
Register	221,173	0	0	0	0	0	221,173	
Sheriff	35,819	0	0	0	0	0	35,819	
Trustee	678,546	0	0	0	0	0	678,546	
Total Fees Received from County Officials	\$ 2,171,920	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,171,920	
<u>State of Tennessee</u>								
<u>General Government Grants</u>								
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,000	
Solid Waste Grants	0	30,236	0	0	0	0	30,236	
On-Behalf Contributions for OPEB	731	0	0	0	0	0	731	

(Continued)

Exhibit J-5

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

	Special Revenue Funds						Debt Service Fund	Total
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service		
<u>State of Tennessee (Cont.)</u>								
<u>Public Safety Grants</u>								
Law Enforcement Training Programs	\$ 27,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 27,000	
Other Public Safety Grants	73,809	0	0	0	0	0	73,809	
<u>Health and Welfare Grants</u>								
Health Department Programs	337,786	0	0	0	0	0	337,786	
<u>Public Works Grants</u>								
Bridge Program	0	0	0	0	109,565	0	109,565	
State Aid Program	0	0	0	0	372,386	0	372,386	
Litter Program	35,720	0	0	0	0	0	35,720	
<u>Other State Revenues</u>								
Income Tax	149,586	0	0	0	0	0	149,586	
Beer Tax	18,724	0	0	0	0	0	18,724	
Alcoholic Beverage Tax	75,485	0	0	0	0	0	75,485	
Mixed Drink Tax	1,004	0	0	0	0	0	1,004	
State Revenue Sharing - T.V.A.	0	769,608	0	0	0	0	769,608	
Board of Jurors	2,470	0	0	0	0	0	2,470	
Contracted Prisoner Boarding	284,410	0	0	0	0	0	284,410	
Gasoline and Motor Fuel Tax	0	0	0	0	1,914,910	0	1,914,910	
Petroleum Special Tax	0	0	0	0	41,176	0	41,176	
Registrar's Salary Supplement	15,164	0	0	0	0	0	15,164	
Other State Grants	5,474	0	0	0	0	0	5,474	
Other State Revenues	4,797	0	0	0	0	0	4,797	
Total State of Tennessee	\$ 1,041,160	\$ 799,844	\$ 0	\$ 0	\$ 2,438,037	\$ 0	\$ 4,279,041	
<u>Federal Government</u>								
<u>Federal Through State</u>								
Community Development	\$ 241,157	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 241,157	
Civil Defense Reimbursement	10,522	0	0	0	0	0	10,522	
Disaster Relief	28,105	0	0	0	1,421,090	0	1,449,195	
Homeland Security Grants	6,028	0	0	0	0	0	6,028	
Other Federal through State	39,924	0	0	0	0	0	39,924	

(Continued)

Exhibit J-5

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitu- tional Officers - Fees	Highway / Public Works	
<u>Federal Government (Cont.)</u>						
<u>Direct Federal Revenue</u>						
FHA Grant	\$ 297,938	\$ 0	\$ 0	\$ 0	\$ 0	\$ 297,938
Other Direct Federal Revenue	2,320	0	0	0	0	2,320
Total Federal Government	\$ 625,994	\$ 0	\$ 0	\$ 1,421,090	\$ 0	\$ 2,047,084
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 337,922	\$ 0	\$ 0	\$ 0	\$ 0	\$ 600,000
Contracted Services	376,772	0	0	0	0	376,772
Total Other Governments and Citizens Groups	\$ 714,694	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,314,694
Total	\$ 15,631,341	\$ 1,236,969	\$ 94,507	\$ 11,555	\$ 6,163,096	\$ 5,250,087
						\$ 28,387,555

Exhibit J-6

Tipton County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Tipton 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	\$ 10,139,305	\$ 0	\$ 0	\$ 10,139,305
Trustee's Collections - Prior Year	287,588	0	0	287,588
Trustee's Collections - Bankruptcy	4,062	0	0	4,062
Circuit/Clerk & Master Collections - Prior Years	149,655	0	0	149,655
Interest and Penalty	67,252	0	0	67,252
Payments in-Lieu-of Taxes - Other	479,753	0	0	479,753
<u>County Local Option Taxes</u>				
Local Option Sales Tax	3,887,502	0	0	3,887,502
Business Tax	150,983	0	0	150,983
<u>Statutory Local Taxes</u>				
Interstate Telecommunications Tax	4,021	0	0	4,021
Total Local Taxes	\$ 15,170,121	\$ 0	\$ 0	\$ 15,170,121
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 4,797	\$ 0	\$ 0	\$ 4,797
<u>Permits</u>				
Other Permits	1,056	0	0	1,056
Total Licenses and Permits	\$ 5,853	\$ 0	\$ 0	\$ 5,853
<u>Fines, Forfeitures, and Penalties</u>				
<u>Juvenile Court</u>				
Fines	\$ 2,739	\$ 0	\$ 0	\$ 2,739
Total Fines, Forfeitures, and Penalties	\$ 2,739	\$ 0	\$ 0	\$ 2,739
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Tuition - Regular Day Students	\$ 22,000	\$ 0	\$ 0	\$ 22,000
Tuition - Summer School	3,100	0	0	3,100
Tuition - Other	732,905	0	0	732,905
Lunch Payments - Children	0	0	1,166,746	1,166,746
Lunch Payments - Adults	0	0	155,087	155,087
Income from Breakfast	0	0	91,486	91,486
A la carte Sales	0	0	140,000	140,000
Receipts from Individual Schools	150,356	0	0	150,356
<u>Other Charges for Services</u>				
Other Charges for Services	0	0	2,559	2,559
Total Charges for Current Services	\$ 908,361	\$ 0	\$ 1,555,878	\$ 2,464,239
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 0	\$ 0	\$ 16,860	\$ 16,860
Refund of Telecommunication and Internet Fees (E-Rate)	96,501	0	0	96,501
Miscellaneous Refunds	147,024	0	27,221	174,245

(Continued)

Exhibit J-6

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

	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Other Local Revenues (Cont.)</u>				
<u>Nonrecurring Items</u>				
Sale of Equipment	\$ 16,740	\$ 0	\$ 0	\$ 16,740
Sale of Property	17,750	0	0	17,750
Damages Recovered from Individuals	4,410	0	0	4,410
Total Other Local Revenues	\$ 282,425	\$ 0	\$ 44,081	\$ 326,506
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-Behalf Contributions for OPEB	\$ 161,629	\$ 0	\$ 0	\$ 161,629
<u>State Education Funds</u>				
Basic Education Program	50,605,522	0	0	50,605,522
Basic Education Program - ARRA	5,983,476	0	0	5,983,476
Early Childhood Education	1,005,613	0	0	1,005,613
School Food Service	61,495	0	0	61,495
Energy Efficient School Initiative	29,111	0	0	29,111
Driver Education	5,764	0	0	5,764
Other State Education Funds	6,469	0	0	6,469
Coordinated School Health - ARRA	129,630	0	0	129,630
Internet Connectivity - ARRA	35,264	0	0	35,264
Family Resource Centers - ARRA	66,600	0	0	66,600
Career Ladder Program	389,646	0	0	389,646
Career Ladder - Extended Contract - ARRA	78,280	0	0	78,280
Other Vocational	165	0	0	165
<u>Other State Revenues</u>				
Mixed Drink Tax	14,629	0	0	14,629
Other State Grants	507,140	0	0	507,140
Safe Schools - ARRA	70,500	0	0	70,500
Total State of Tennessee	\$ 59,150,933	\$ 0	\$ 0	\$ 59,150,933
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 2,583,543	\$ 2,583,543
USDA - Commodities	0	0	350,335	350,335
Breakfast	0	0	888,954	888,954
USDA - Other	0	0	233,877	233,877
Adult Education State Grant Program	102,118	0	0	102,118
Vocational Education - Basic Grants to States	0	153,691	0	153,691
Title I Grants to Local Education Agencies	0	2,870,780	0	2,870,780
Special Education - Grants to States	6,065	3,988,024	0	3,994,089
Special Education Preschool Grants	0	108,378	0	108,378
Safe and Drug-free Schools - State Grants	0	353,750	0	353,750
Education for Homeless Children and Youth	0	1,561	0	1,561
Eisenhower Professional Development State Grants	0	421,503	0	421,503
Disaster Relief	4,141	0	0	4,141
Race to the Top - ARRA	0	513,560	0	513,560
Other Federal through State	93,759	2,784,475	0	2,878,234
Total Federal Government	\$ 206,083	\$ 11,195,722	\$ 4,056,709	\$ 15,458,514
Total	\$ 75,726,515	\$ 11,195,722	\$ 5,656,668	\$ 92,578,905

Exhibit J-7

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

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	66,300	
Social Security		5,225	
State Retirement		475	
Audit Services		15,381	
Consultants		404	
Dues and Memberships		7,990	
Legal Services		45,708	
Legal Notices, Recording, and Court Costs		4,401	
Travel		4,828	
Liability Insurance		3,025	
Workers' Compensation Insurance		116	
Total County Commission			\$ 153,853

Beer Board

Board and Committee Members Fees	\$	900	
Social Security		69	
Office Supplies		77	
Total Beer Board			1,046

County Mayor/Executive

County Official/Administrative Officer	\$	101,764
Accountants/Bookkeepers		36,517
Secretary(ies)		36,518
Part-time Personnel		10,081
Longevity Pay		2,000
Social Security		13,035
State Retirement		17,367
Employee and Dependent Insurance		39,893
Unemployment Compensation		345
Communication		3,277
Maintenance and Repair Services - Office Equipment		443
Printing, Stationery, and Forms		379
Travel		5,696
Other Contracted Services		1,478
Office Supplies		3,567
Utilities		4,550
Other Supplies and Materials		557
Building and Contents Insurance		506
Liability Insurance		637
Premiums on Corporate Surety Bonds		341

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

County Mayor/Executive (Cont.)

Vehicle and Equipment Insurance	\$	289	
Workers' Compensation Insurance		1,248	
Other Charges		1,154	
Office Equipment		2,214	
Total County Mayor/Executive			\$ 283,856

Election Commission

County Official/Administrative Officer	\$	67,931	
Secretary(ies)		35,800	
Clerical Personnel		16,200	
Part-time Personnel		14,173	
Longevity Pay		3,450	
Overtime Pay		2,364	
Election Commission		16,300	
Election Workers		46,416	
Social Security		11,851	
State Retirement		10,215	
Employee and Dependent Insurance		28,704	
Unemployment Compensation		624	
Audit Services		15,746	
Communication		2,666	
Dues and Memberships		2,650	
Janitorial Services		4,440	
Legal Notices, Recording, and Court Costs		3,449	
Maintenance and Repair Services - Buildings		3,836	
Maintenance and Repair Services - Equipment		10,168	
Postal Charges		4,351	
Printing, Stationery, and Forms		5,744	
Rentals		950	
Travel		3,461	
Custodial Supplies		971	
Duplicating Supplies		777	
Office Supplies		5,068	
Utilities		7,637	
Building and Contents Insurance		554	
Liability Insurance		1,433	
Workers' Compensation Insurance		692	
Other Charges		240	
Data Processing Equipment		2,227	
Total Election Commission			331,088

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds

County Official/Administrative Officer	\$	74,678	
Clerical Personnel		106,118	
Longevity Pay		1,700	
Social Security		13,109	
State Retirement		17,445	
Employee and Dependent Insurance		37,689	
Unemployment Compensation		327	
Communication		1,904	
Dues and Memberships		135	
Travel		1,899	
Office Supplies		1,839	
Utilities		6,637	
Building and Contents Insurance		738	
Liability Insurance		637	
Premiums on Corporate Surety Bonds		325	
Workers' Compensation Insurance		832	
Data Processing Equipment		23,385	
Office Equipment		1,461	
Total Register of Deeds			\$ 290,858

Planning

Supervisor/Director	\$	58,179
Secretary(ies)		1,300
Clerical Personnel		33,660
Longevity Pay		2,100
Other Salaries and Wages		77,116
Board and Committee Members Fees		5,250
Social Security		13,263
State Retirement		16,452
Employee and Dependent Insurance		18,449
Unemployment Compensation		432
Communication		2,493
Maintenance and Repair Services - Buildings		10
Maintenance and Repair Services - Vehicles		1,516
Travel		2,055
Tuition		1,704
Other Contracted Services		13,932
Gasoline		4,964
Office Supplies		2,343
Utilities		3,543

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Planning (Cont.)

Building and Contents Insurance	\$	739	
Liability Insurance		1,358	
Vehicle and Equipment Insurance		1,430	
Workers' Compensation Insurance		8,444	
Data Processing Equipment		512	
Total Planning			\$ 271,244

Building

Custodial Personnel	\$	56,291	
Maintenance Personnel		71,566	
Longevity Pay		2,250	
Social Security		9,833	
State Retirement		12,598	
Employee and Dependent Insurance		37,040	
Unemployment Compensation		432	
Communication		3,435	
Contracts with Private Agencies		6,635	
Janitorial Services		11,259	
Maintenance and Repair Services - Buildings		9,253	
Maintenance and Repair Services - Vehicles		12,963	
Custodial Supplies		7,472	
Gasoline		13,567	
Small Tools		3,993	
Uniforms		5,925	
Utilities		12,643	
Building and Contents Insurance		436	
Liability Insurance		339	
Vehicle and Equipment Insurance		2,026	
Workers' Compensation Insurance		6,704	
Building Improvements		308	
Maintenance Equipment		8,552	
Total Building			295,520

Codes Compliance

Secretary(ies)	\$	3,605	
Other Salaries and Wages		4,688	
Social Security		628	
State Retirement		801	
Unemployment Compensation		68	
Total Codes Compliance			9,790

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Geographical Information Systems

Supervisor/Director	\$	48,590	
Longevity Pay		300	
Social Security		3,422	
State Retirement		4,695	
Employee and Dependent Insurance		14,297	
Unemployment Compensation		108	
Communication		845	
Maintenance and Repair Services - Buildings		82	
Maintenance and Repair Services - Office Equipment		11,809	
Maintenance and Repair Services - Vehicles		806	
Travel		2,563	
Gasoline		876	
Office Supplies		3,037	
Liability Insurance		85	
Workers' Compensation Insurance		216	
Data Processing Equipment		3,789	
Total Geographical Information Systems			\$ 95,520

County Buildings

Communication	\$	1,886	
Contracts with Private Agencies		6,419	
Janitorial Services		13,758	
Maintenance and Repair Services - Buildings		15,374	
Other Contracted Services		8,789	
Custodial Supplies		3,763	
Utilities		607	
Building Improvements		6,163	
Total County Buildings			56,759

Finance

Accounting and Budgeting

Supervisor/Director	\$	58,379
Secretary(ies)		27,383
Clerical Personnel		34,295
Longevity Pay		3,050
Social Security		9,124
State Retirement		11,293
Employee and Dependent Insurance		16,927
Unemployment Compensation		296
Communication		1,982

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Maintenance and Repair Services - Office Equipment	\$	8,402	
Postal Charges		22,069	
Travel		1,863	
Duplicating Supplies		409	
Office Supplies		4,988	
Utilities		4,291	
Building and Contents Insurance		477	
Liability Insurance		478	
Premiums on Corporate Surety Bonds		325	
Workers' Compensation Insurance		588	
Data Processing Equipment		840	
Office Equipment		405	
Total Accounting and Budgeting			\$ 207,864

Property Assessor's Office

County Official/Administrative Officer	\$	74,678	
Secretary(ies)		142,947	
Clerical Personnel		36,517	
Longevity Pay		4,050	
Other Salaries and Wages		1,096	
Social Security		18,920	
State Retirement		24,891	
Employee and Dependent Insurance		61,329	
Unemployment Compensation		530	
Communication		3,768	
Contracts with Private Agencies		24,840	
Data Processing Services		17,792	
Dues and Memberships		1,716	
Maintenance and Repair Services - Office Equipment		1,100	
Transportation - Other than Students		4,200	
Travel		502	
Duplicating Supplies		515	
Office Supplies		2,165	
Utilities		8,564	
Building and Contents Insurance		953	
Liability Insurance		955	
Workers' Compensation Insurance		1,456	
Data Processing Equipment		1,164	
Total Property Assessor's Office			434,648

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program

Longevity Pay	\$	750	
Other Salaries and Wages		25,200	
Social Security		1,985	
Unemployment Compensation		197	
Data Processing Services		5,194	
Maintenance and Repair Services - Vehicles		448	
Travel		43	
Gasoline		1,760	
Liability Insurance		319	
Vehicle and Equipment Insurance		716	
Workers' Compensation Insurance		4,416	
Total Reappraisal Program			\$ 41,028

County Trustee's Office

County Official/Administrative Officer	\$	74,678	
Clerical Personnel		129,331	
Longevity Pay		2,150	
In-Service Training		600	
Social Security		14,960	
State Retirement		19,672	
Employee and Dependent Insurance		35,217	
Unemployment Compensation		432	
Advertising		552	
Communication		1,653	
Dues and Memberships		250	
Maintenance and Repair Services - Office Equipment		5,911	
Travel		3,413	
Office Supplies		5,340	
Utilities		6,944	
Building and Contents Insurance		773	
Liability Insurance		796	
Premiums on Corporate Surety Bonds		12,670	
Workers' Compensation Insurance		964	
Data Processing Equipment		1,099	
Office Equipment		120	
Total County Trustee's Office			317,525

County Clerk's Office

County Official/Administrative Officer	\$	74,678
Clerical Personnel		201,150

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Longevity Pay	\$	3,850	
Social Security		20,279	
State Retirement		26,360	
Employee and Dependent Insurance		54,459	
Unemployment Compensation		591	
Communication		3,456	
Dues and Memberships		410	
Maintenance and Repair Services - Office Equipment		16,381	
Postal Charges		15,647	
Printing, Stationery, and Forms		1,984	
Travel		2,307	
Duplicating Supplies		1,054	
Office Supplies		7,065	
Utilities		3,919	
Building and Contents Insurance		815	
Liability Insurance		1,274	
Premiums on Corporate Surety Bonds		325	
Workers' Compensation Insurance		1,496	
Total County Clerk's Office			\$ 437,500

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	74,678
Clerical Personnel		334,819
Longevity Pay		7,450
Other Salaries and Wages		471
Jury and Witness Expense		22,538
Social Security		29,727
State Retirement		37,320
Employee and Dependent Insurance		69,269
Unemployment Compensation		1,194
Communication		4,372
Dues and Memberships		490
Maintenance and Repair Services - Office Equipment		10,763
Postal Charges		17,512
Travel		3,821
Duplicating Supplies		37
Office Supplies		16,141
Utilities		1,561
Building and Contents Insurance		1,699

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Liability Insurance	\$	1,911	
Premiums on Corporate Surety Bonds		325	
Workers' Compensation Insurance		1,504	
Data Processing Equipment		684	
Office Equipment		460	
Total Circuit Court			\$ 638,746

Criminal Court

Supervisor/Director	\$	33,372	
Longevity Pay		200	
Social Security		2,421	
State Retirement		3,225	
Employee and Dependent Insurance		6,052	
Unemployment Compensation		108	
Communication		406	
Office Supplies		225	
Workers' Compensation Insurance		148	
Office Equipment		272	
Total Criminal Court			46,429

General Sessions Court

Judge(s)	\$	154,320	
Assistant(s)		45,993	
Longevity Pay		900	
Social Security		12,144	
State Retirement		19,354	
Employee and Dependent Insurance		28,615	
Unemployment Compensation		108	
Communication		4,835	
Dues and Memberships		755	
Transportation - Other than Students		650	
Travel		1,590	
Office Supplies		652	
Utilities		1,611	
Building and Contents Insurance		1,752	
Liability Insurance		319	
Workers' Compensation Insurance		916	
Data Processing Equipment		936	
Office Equipment		400	
Total General Sessions Court			275,850

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Drug Court

Remittance of Revenue Collected	\$ 14,854	
Total Drug Court		\$ 14,854

Chancery Court

County Official/Administrative Officer	\$ 74,678	
Clerical Personnel	138,800	
Longevity Pay	2,650	
Social Security	15,452	
State Retirement	20,628	
Employee and Dependent Insurance	41,342	
Unemployment Compensation	540	
Communication	2,629	
Dues and Memberships	95	
Maintenance and Repair Services - Office Equipment	7,075	
Travel	1,452	
Office Supplies	7,856	
Utilities	1,693	
Building and Contents Insurance	1,848	
Liability Insurance	796	
Workers' Compensation Insurance	964	
Data Processing Equipment	7,894	
Furniture and Fixtures	47	
Total Chancery Court		326,439

Juvenile Court

Youth Service Officer(s)	\$ 42,784
Clerical Personnel	10,994
Part-time Personnel	7,795
Longevity Pay	1,000
Social Security	4,651
State Retirement	5,015
Employee and Dependent Insurance	2,775
Unemployment Compensation	240
Communication	3,518
Dues and Memberships	45
Maintenance and Repair Services - Office Equipment	2,963
Maintenance and Repair Services - Vehicles	812
Printing, Stationery, and Forms	1,591
Travel	1,430
Other Contracted Services	22,660

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

Gasoline	\$	923	
Office Supplies		4,662	
Utilities		303	
Building and Contents Insurance		347	
Liability Insurance		319	
Workers' Compensation Insurance		620	
Data Processing Equipment		1,190	
Total Juvenile Court			\$ 116,637

Probate Court

Probation Officer(s)	\$	44,529	
Clerical Personnel		26,556	
Longevity Pay		1,950	
Social Security		5,265	
State Retirement		2,566	
Employee and Dependent Insurance		12,461	
Unemployment Compensation		216	
Communication		408	
Contracts with Other Public Agencies		3,600	
Office Supplies		3,506	
Utilities		316	
Building and Contents Insurance		347	
Liability Insurance		319	
Workers' Compensation Insurance		300	
Total Probate Court			102,339

Other Administration of Justice

Communication	\$	1,503	
Janitorial Services		17,678	
Maintenance and Repair Services - Buildings		12,250	
Maintenance and Repair Services - Equipment		423	
Custodial Supplies		1,809	
Utilities		3,887	
Building and Contents Insurance		811	
Building Improvements		6,271	
Furniture and Fixtures		186	
Total Other Administration of Justice			44,818

Victims Assistance Programs

Remittance of Revenue Collected	\$	34,569	
Total Victims Assistance Programs			34,569

(Continued)

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

General Fund (Cont.)

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	82,145
Assistant(s)		117,657
Deputy(ies)		1,125,980
Investigator(s)		321,379
Captain(s)		53,481
Lieutenant(s)		58,829
Sergeant(s)		171,138
Accountants/Bookkeepers		27,335
Medical Personnel		119,477
Salary Supplements		54,000
Clerical Personnel		123,221
Part-time Personnel		43,218
Longevity Pay		16,400
Overtime Pay		122,983
Other Salaries and Wages		65,754
In-Service Training		25,093
Social Security		170,624
State Retirement		217,315
Employee and Dependent Insurance		545,465
Unemployment Compensation		7,623
Communication		30,299
Dues and Memberships		7,997
Evaluation and Testing		2,768
Maintenance and Repair Services - Equipment		3,829
Maintenance and Repair Services - Office Equipment		993
Maintenance and Repair Services - Vehicles		88,700
Transportation - Other than Students		3,749
Travel		2,533
Duplicating Supplies		1,178
Gasoline		203,418
Office Supplies		23,166
Uniforms		32,745
Utilities		3,052
Other Supplies and Materials		9,941
Building and Contents Insurance		3,470
Liability Insurance		69,590
Premiums on Corporate Surety Bonds		341
Vehicle and Equipment Insurance		28,369
Workers' Compensation Insurance		79,172
Data Processing Equipment		7,768

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Law Enforcement Equipment	\$	22,461	
Motor Vehicles		204,228	
Office Equipment		7,216	
Other Equipment		1,264	
Total Sheriff's Department			\$ 4,307,364

Administration of the Sexual Offender Registry

In-Service Training	\$	2,316	
Remittance of Revenue Collected		2,300	
Office Supplies		1,349	
Total Administration of the Sexual Offender Registry			5,965

Jail

Captain(s)	\$	48,133	
Lieutenant(s)		42,784	
Sergeant(s)		149,745	
Medical Personnel		41,538	
Guards		756,072	
Cafeteria Personnel		81,567	
Part-time Personnel		15,416	
Longevity Pay		6,300	
Overtime Pay		17,499	
Other Salaries and Wages		69,210	
In-Service Training		5,985	
Social Security		89,485	
State Retirement		105,046	
Employee and Dependent Insurance		263,374	
Unemployment Compensation		2,570	
Communication		4,440	
Evaluation and Testing		1,613	
Maintenance and Repair Services - Equipment		6,839	
Maintenance and Repair Services - Office Equipment		220	
Transportation - Other than Students		219	
Travel		3,312	
Custodial Supplies		19,796	
Drugs and Medical Supplies		221,844	
Food Supplies		130,588	
Office Supplies		6,174	
Prisoners Clothing		15,198	
Uniforms		15,734	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Utilities	\$	158,544	
Building and Contents Insurance		3,939	
Liability Insurance		80,134	
Vehicle and Equipment Insurance		2,147	
Workers' Compensation Insurance		42,764	
Building Construction		4,400	
Data Processing Equipment		17,341	
Food Service Equipment		3,795	
Office Equipment		5,063	
Other Equipment		1,376	
Total Jail			\$ 2,440,204

Workhouse

Guards	\$	47,817	
Longevity Pay		1,550	
In-Service Training		50	
Social Security		2,909	
Unemployment Compensation		373	
Communication		847	
Janitorial Services		33,730	
Maintenance and Repair Services - Buildings		39,482	
Maintenance and Repair Services - Equipment		9,717	
Custodial Supplies		5,243	
Uniforms		1,825	
Liability Insurance		478	
Workers' Compensation Insurance		2,430	
Building Construction		3,549	
Office Equipment		79	
Total Workhouse			150,079

Fire Prevention and Control

Accountants/Bookkeepers	\$	5,668	
Salary Supplements		2,500	
Longevity Pay		200	
Other Salaries and Wages		44,496	
Social Security		3,600	
State Retirement		4,848	
Employee and Dependent Insurance		12,592	
Unemployment Compensation		118	
Communication		440	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Fire Prevention and Control (Cont.)

Contributions	\$	244,000	
Dues and Memberships		514	
Maintenance and Repair Services - Buildings		1,052	
Maintenance and Repair Services - Vehicles		426	
Matching Share		83,855	
Travel		180	
Other Contracted Services		1,700	
Gasoline		2,140	
Uniforms		72	
Utilities		14,043	
Building and Contents Insurance		495	
Liability Insurance		159	
Vehicle and Equipment Insurance		974	
Workers' Compensation Insurance		4,480	
Other Equipment		209	
Total Fire Prevention and Control			\$ 428,761

Civil Defense

Supervisor/Director	\$	32,400	
Clerical Personnel		12,900	
Longevity Pay		200	
In-Service Training		1,131	
Social Security		3,328	
State Retirement		2,956	
Unemployment Compensation		132	
Communication		4,118	
Contracts with Other Public Agencies		3,800	
Dues and Memberships		115	
Maintenance and Repair Services - Equipment		2,749	
Maintenance and Repair Services - Vehicles		466	
Matching Share		2,500	
Pest Control		330	
Gasoline		2,680	
Office Supplies		58	
Liability Insurance		319	
Vehicle and Equipment Insurance		4,140	
Workers' Compensation Insurance		236	
Other Equipment		97,027	
Total Civil Defense			171,585

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management

Communication	\$	160,000	
Utilities		26,925	
Building and Contents Insurance		1,334	
Total Other Emergency Management			\$ 188,259

Public Health and Welfare

Local Health Center

Communication	\$	2,482	
Contracts with Government Agencies		26,080	
Janitorial Services		22,857	
Maintenance and Repair Services - Buildings		6,649	
Postal Charges		269	
Custodial Supplies		973	
Drugs and Medical Supplies		1,420	
Office Supplies		2,188	
Utilities		20,834	
Building and Contents Insurance		1,447	
Total Local Health Center			85,199

Rabies and Animal Control

Clerical Personnel	\$	12,245	
Longevity Pay		3,100	
Overtime Pay		4,464	
Other Salaries and Wages		153,058	
Social Security		12,245	
State Retirement		15,501	
Employee and Dependent Insurance		36,197	
Unemployment Compensation		648	
Communication		868	
Maintenance and Repair Services - Buildings		1,885	
Maintenance and Repair Services - Equipment		676	
Maintenance and Repair Services - Vehicles		1,288	
Travel		2,344	
Veterinary Services		731	
Animal Food and Supplies		1,341	
Custodial Supplies		3,056	
Office Supplies		1,959	
Uniforms		1,456	
Utilities		13,835	
Other Supplies and Materials		1,521	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

Building and Contents Insurance	\$	254	
Refunds		6,462	
Workers' Compensation Insurance		3,488	
Other Charges		23	
Building Improvements		11,100	
Motor Vehicles		20,197	
Office Equipment		569	
Total Rabies and Animal Control			\$ 310,511

Ambulance/Emergency Medical Services

Contracts with Private Agencies	\$	123,998	
Maintenance and Repair Services - Buildings		24	
Total Ambulance/Emergency Medical Services			124,022

Dental Health Program

Medical Personnel	\$	117,605	
Clerical Personnel		105,219	
Longevity Pay		1,800	
Social Security		15,985	
State Retirement		19,841	
Employee and Dependent Insurance		29,063	
Unemployment Compensation		658	
Travel		4,420	
Drugs and Medical Supplies		4,869	
Liability Insurance		2,613	
Workers' Compensation Insurance		1,276	
Total Dental Health Program			303,349

General Welfare Assistance

Bus Drivers	\$	14,000	
Contracts with Government Agencies		10,740	
Dues and Memberships		7,691	
Total General Welfare Assistance			32,431

Sanitation Management

Supervisor/Director	\$	21,777	
Guards		32,088	
Part-time Personnel		5,493	
Longevity Pay		1,100	
Social Security		4,187	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Management (Cont.)

State Retirement	\$	5,210	
Employee and Dependent Insurance		13,199	
Unemployment Compensation		290	
Advertising		5,067	
Communication		539	
Contributions		2,654	
Dues and Memberships		997	
Maintenance and Repair Services - Vehicles		1,015	
Postal Charges		56	
Transportation - Other than Students		181	
Travel		851	
Gasoline		7,142	
Office Supplies		292	
Uniforms		500	
Utilities		457	
Other Supplies and Materials		2,540	
Liability Insurance		478	
Vehicle and Equipment Insurance		579	
Workers' Compensation Insurance		2,272	
Office Equipment		1,284	
Other Equipment		380	
Total Sanitation Management			\$ 110,628

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$	48,000	
Dues and Memberships		7,000	
Other Contracted Services		7,000	
Total Senior Citizens Assistance			62,000

Libraries

Supervisor/Director	\$	27,795	
Accountants/Bookkeepers		6,243	
Librarians		69,847	
Custodial Personnel		3,570	
Social Security		7,800	
State Retirement		3,239	
Employee and Dependent Insurance		5,761	
Unemployment Compensation		1,068	
Audit Services		4,400	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Communication	\$	3,873	
Contributions		19,000	
Maintenance and Repair Services - Buildings		1,514	
Maintenance and Repair Services - Equipment		884	
Matching Share		10,950	
Postal Charges		2,526	
Rentals		12,000	
Travel		944	
Library Books/Media		18,815	
Office Supplies		4,711	
Utilities		9,091	
Building and Contents Insurance		447	
Workers' Compensation Insurance		389	
Other Equipment		354	
Total Libraries			\$ 215,221

Parks and Fair Boards

Contributions	\$	5,300	
Maintenance Agreements		2,000	
Total Parks and Fair Boards			7,300

Other Social, Cultural, and Recreational

Contributions	\$	3,500	
Total Other Social, Cultural, and Recreational			3,500

Agriculture and Natural Resources

Agriculture Extension Service

Salary Supplements	\$	58,809	
Social Security		643	
Unemployment Compensation		91	
Other Fringe Benefits		10,834	
Communication		2,571	
Dues and Memberships		797	
Janitorial Services		4,040	
Maintenance and Repair Services - Buildings		1,202	
Custodial Supplies		92	
Office Supplies		9,562	
Utilities		4,939	
Building and Contents Insurance		343	
Building Improvements		10,375	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agriculture Extension Service (Cont.)

Office Equipment	\$ 2,714	
Total Agriculture Extension Service		\$ 107,012

Soil Conservation

Secretary(ies)	\$ 33,663	
Longevity Pay	1,500	
Other Salaries and Wages	36,989	
Other Per Diem and Fees	1,166	
Social Security	5,339	
State Retirement	6,827	
Employee and Dependent Insurance	12,504	
Unemployment Compensation	216	
Dues and Memberships	1,080	
Travel	2,000	
Office Supplies	1,156	
Building and Contents Insurance	29	
Liability Insurance	319	
Workers' Compensation Insurance	320	
Office Equipment	158	
Total Soil Conservation		103,266

Other Operations

Tourism

Contributions	\$ 65,000	
Total Tourism		65,000

Industrial Development

Bonus Payments	\$ 10,000	
Other Salaries and Wages	124,168	
Social Security	8,879	
State Retirement	12,963	
Employee and Dependent Insurance	14,297	
Unemployment Compensation	108	
Contributions	6,000	
Other Contracted Services	87,669	
Workers' Compensation Insurance	911	
Total Industrial Development		264,995

Other Economic and Community Development

Other Contracted Services	\$ 883,449	
Total Other Economic and Community Development		883,449

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services

Clerical Personnel	\$	12,461	
Social Security		953	
Unemployment Compensation		119	
Communication		566	
Postal Charges		1,000	
Travel		503	
Office Supplies		270	
Data Processing Equipment		1,233	
Total Veterans' Services	\$		17,105

ARRA Grant No. 1

Other Contracted Services	\$	97,080	
Total ARRA Grant No. 1			97,080

Miscellaneous

Bonus Payments	\$	188,004	
Social Security		14,385	
On-Behalf Payments to OPEB		731	
Communication		1,459	
Contracts with Private Agencies		1,585	
Contributions		56,046	
Dues and Memberships		52,152	
Maintenance and Repair Services - Buildings		9,450	
Other Contracted Services		28,424	
Gasoline		12,427	
Testing		4,109	
Refunds		23,939	
Trustee's Commission		183,836	
Other Charges		146	
Data Processing Equipment		3,510	
Total Miscellaneous			580,203

Principal on Debt

General Government

Principal on Capital Leases	\$	21,308	
Total General Government			21,308

Interest on Debt

General Government

Interest on Capital Leases	\$	146	
Total General Government			146

Total General Fund \$ 15,914,722

(Continued)

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

Solid Waste/Sanitation Fund

Highways

Litter and Trash Collection

Foremen	\$	36,040
Equipment Operators		150,709
Laborers		69,404
Part-time Personnel		2,785
Longevity Pay		2,950
Overtime Pay		13,119
Bonus Payments		7,852
Social Security		20,099
State Retirement		23,420
Employee and Dependent Insurance		79,233
Unemployment Compensation		987
Other Fringe Benefits		2,215
Advertising		288
Communication		1,872
Dues and Memberships		450
Engineering Services		2,217
Maintenance Agreements		75
Maintenance and Repair Services - Equipment		9,000
Maintenance and Repair Services - Office Equipment		1,083
Postal Charges		400
Printing, Stationery, and Forms		1,693
Travel		854
Disposal Fees		250,646
Other Contracted Services		49,461
Crushed Stone		4,500
Diesel Fuel		62,619
Electricity		2,787
Equipment and Machinery Parts		15,000
Fertilizer, Lime, and Seed		487
Fuel Oil		250
Lubricants		1,552
Office Supplies		1,854
Road Signs		456
Small Tools		326
Tires and Tubes		10,000
Uniforms		3,908
Water and Sewer		248
Fencing		6,670
Trustee's Commission		8,344
Other Charges		1,500

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)

Highways (Cont.)

Litter and Trash Collection (Cont.)

Office Equipment	\$	927	
Site Development		171,220	
Solid Waste Equipment		22,400	
Other Equipment		2,500	
Total Litter and Trash Collection			\$ 1,044,400

Total Solid Waste/Sanitation Fund \$ 1,044,400

Drug Control Fund

Public Safety

Drug Enforcement

Communication	\$	1,437	
Confidential Drug Enforcement Payments		15,000	
Maintenance and Repair Services - Office Equipment		39	
Maintenance and Repair Services - Vehicles		7,154	
Matching Share		14,679	
Rentals		9,540	
Transportation - Other than Students		98	
Other Contracted Services		13,273	
Office Supplies		491	
Utilities		2,178	
Other Supplies and Materials		7,045	
Trustee's Commission		212	
Data Processing Equipment		9,164	
Other Capital Outlay		9,055	
Total Drug Enforcement			\$ 89,365

Total Drug Control Fund 89,365

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Constitutional Officers' Operating Expenses	\$	11,555	
Total Chancery Court			\$ 11,555

Total Constitutional Officers - Fees Fund 11,555

(Continued)

Exhibit J-7

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

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	89,233	
Supervisor/Director		55,620	
Accountants/Bookkeepers		34,766	
Secretary(ies)		34,766	
Clerical Personnel		32,238	
Custodial Personnel		24,020	
Temporary Personnel		1,395	
Overtime Pay		5,719	
Other Salaries and Wages		40,835	
Board and Committee Members Fees		9,450	
Advertising		1,906	
Communication		15,000	
Confidential Drug Enforcement Payments		1,935	
Dues and Memberships		23,807	
Maintenance and Repair Services - Buildings		3,257	
Maintenance and Repair Services - Equipment		2,077	
Maintenance and Repair Services - Office Equipment		6,869	
Postal Charges		1,133	
Printing, Stationery, and Forms		1,291	
Rentals		461	
Travel		2,802	
Other Contracted Services		2,489	
Custodial Supplies		2,045	
Electricity		9,403	
Natural Gas		3,403	
Office Supplies		16,042	
Water and Sewer		347	
Other Charges		1,000	
Total Administration			\$ 423,309

Highway and Bridge Maintenance

Foremen	\$	240,177
Equipment Operators		133,685
Equipment Operators - Light		271,010
Truck Drivers		182,029
Laborers		167,245
Overtime Pay		27,411
Rentals		4,000
Other Contracted Services		25,817
Asphalt - Cold Mix		12,352

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Asphalt - Hot Mix	\$	523,611	
Concrete		654	
Crushed Stone		227,110	
Fertilizer, Lime, and Seed		50,255	
General Construction Materials		4,966	
Other Road Supplies		30,676	
Pipe - Metal		64,704	
Road Signs		16,968	
Small Tools		2,543	
Wood Products		9,253	
Gravel and Chert		12,199	
Other Supplies and Materials		1,882	
Total Highway and Bridge Maintenance			\$ 2,008,547

Operation and Maintenance of Equipment

Foremen	\$	38,542	
Mechanic(s)		140,217	
Overtime Pay		5,458	
Licenses		17	
Maintenance and Repair Services - Buildings		2,715	
Maintenance and Repair Services - Equipment		65,123	
Tow-in Services		750	
Diesel Fuel		147,191	
Equipment and Machinery Parts		74,996	
Garage Supplies		5,567	
Gasoline		55,073	
Lubricants		8,500	
Small Tools		3,813	
Tires and Tubes		40,721	
Other Charges		2,084	
Total Operation and Maintenance of Equipment			590,767

Other Charges

Other Contracted Services	\$	654,169	
Other Supplies and Materials		212,997	
Building and Contents Insurance		2,485	
Liability Insurance		15,395	
Trustee's Commission		51,348	
Vehicle and Equipment Insurance		22,046	
Workers' Compensation Insurance		141,336	

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges (Cont.)

Fines, Assessments, and Penalties	\$ 4,380	
Total Other Charges		\$ 1,104,156

Employee Benefits

Longevity Pay	\$ 20,900	
Bonus Payments	44,434	
Social Security	113,381	
State Retirement	142,708	
Employee and Dependent Insurance	412,650	
Unemployment Compensation	4,369	
Other Fringe Benefits	7,514	
Uniforms	17,395	
Total Employee Benefits		763,351

Capital Outlay

Bridge Construction	\$ 179,015	
Communication Equipment	4,980	
Furniture and Fixtures	300	
Highway Equipment	59,949	
Maintenance Equipment	11,154	
Motor Vehicles	22,000	
Office Equipment	6,920	
State Aid Projects	394,992	
Total Capital Outlay		679,310

Total Highway/Public Works Fund		\$ 5,569,440
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General Debt Service Fund

Principal on Debt

General Government

Principal on Notes	\$ 12,450	
Principal on Other Loans	1,000,000	
Total General Government		\$ 1,012,450

Education

Principal on Bonds	\$ 1,025,000	
Principal on Other Loans	2,312,200	
Total Education		3,337,200

(Continued)

Exhibit J-7

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

General Debt Service Fund (Cont.)

Interest on Debt

General Government

Interest on Other Loans	\$ 6,265	
Total General Government		\$ 6,265

Education

Interest on Bonds	\$ 291,062	
Interest on Other Loans	121,536	
Total Education		412,598

Other Debt Service

General Government

Trustee's Commission	\$ 84,134	
Other Debt Service	7,905	
Total General Government		92,039

Education

Other Debt Issuance Charges	\$ 1,350	
Other Debt Service	111,188	
Total Education		112,538

Total General Debt Service Fund		\$ 4,973,090
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General Capital Projects Fund

Other Debt Service

General Government

Legal Services	\$ 4,100	
Other Debt Issuance Charges	17,600	
Total General Government		\$ 21,700

Capital Projects

Social, Cultural, and Recreation Projects

Architects	\$ 21,862	
Asphalt	34,552	
Water and Sewer	2,751	
Other Construction	1,008,639	
Total Social, Cultural, and Recreation Projects		1,067,804

Total General Capital Projects Fund		1,089,504
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Total Governmental Funds - Primary Government		<u>\$ 28,692,076</u>
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Exhibit J-8

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 26,704,997	
Career Ladder Program	192,168	
Career Ladder Extended Contracts	76,110	
Educational Assistants	985,335	
Other Salaries and Wages	35,992	
Non-certified Substitute Teachers	307,364	
Social Security	1,679,648	
State Retirement	2,493,475	
Medical Insurance	3,898,170	
Unemployment Compensation	27,037	
Employer Medicare	394,646	
Travel	9,080	
Other Contracted Services	470,261	
Instructional Supplies and Materials	421,527	
Textbooks	854,994	
Other Supplies and Materials	138,051	
Fee Waivers	127,677	
Other Charges	54,911	
Regular Instruction Equipment	649,849	
Total Regular Instruction Program		\$ 39,521,292

Alternative Instruction Program

Teachers	\$ 444,185	
Career Ladder Program	6,188	
Clerical Personnel	25,860	
Educational Assistants	1,260	
Other Salaries and Wages	87,601	
Social Security	31,063	
State Retirement	47,719	
Medical Insurance	54,393	
Unemployment Compensation	865	
Employer Medicare	7,995	
Travel	4,616	
Other Contracted Services	12,262	
Other Supplies and Materials	2,375	
Other Equipment	9,319	
Total Alternative Instruction Program		735,701

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program

Teachers	\$	4,000,817	
Career Ladder Program		36,970	
Homebound Teachers		211,162	
Clerical Personnel		61,200	
Educational Assistants		584,539	
Speech Pathologist		603,186	
Other Salaries and Wages		34,840	
Non-certified Substitute Teachers		50,670	
Social Security		327,789	
State Retirement		492,438	
Medical Insurance		760,699	
Unemployment Compensation		9,844	
Employer Medicare		77,861	
Contracts with Private Agencies		638	
Travel		8,373	
Other Contracted Services		159,602	
Instructional Supplies and Materials		121,914	
Other Charges		14,811	
Special Education Equipment		44,076	
Total Special Education Program	\$		7,601,429

Vocational Education Program

Teachers	\$	1,654,546	
Career Ladder Program		15,998	
Other Salaries and Wages		5,317	
Non-certified Substitute Teachers		33,210	
Social Security		101,782	
State Retirement		151,088	
Medical Insurance		220,897	
Unemployment Compensation		2,543	
Employer Medicare		23,804	
Travel		25,275	
Other Contracted Services		19,610	
Instructional Supplies and Materials		69,632	
Textbooks		10,934	
Other Supplies and Materials		47	
Other Charges		1,803	
Vocational Instruction Equipment		19,343	
Total Vocational Education Program			2,355,829

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Adult Education Program

Teachers	\$	23,643	
Social Security		1,763	
State Retirement		662	
Unemployment Compensation		229	
Employer Medicare		479	
Travel		100	
Other Supplies and Materials		6,643	
Total Adult Education Program			\$ 33,519

Support Services

Health Services

Other Salaries and Wages	\$	78,382	
Social Security		4,640	
State Retirement		6,144	
Medical Insurance		10,639	
Unemployment Compensation		201	
Employer Medicare		1,085	
Travel		2,879	
Other Contracted Services		533,015	
Other Supplies and Materials		48,836	
Other Charges		8,223	
Total Health Services			694,044

Other Student Support

Career Ladder Program	\$	11,000	
Guidance Personnel		885,435	
Psychological Personnel		107,420	
School Resource Officer		7,200	
Other Salaries and Wages		98,333	
Social Security		66,866	
State Retirement		99,943	
Medical Insurance		102,236	
Unemployment Compensation		1,411	
Employer Medicare		15,638	
Contracts with Government Agencies		86,400	
Evaluation and Testing		64,434	
Travel		9,382	
Other Contracted Services		52	
Total Other Student Support			1,555,750

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program

Supervisor/Director	\$	408,275	
Career Ladder Program		23,195	
Career Ladder Extended Contracts		19,600	
Librarians		663,381	
Materials Supervisor		29,964	
Instructional Computer Personnel		71,972	
Clerical Personnel		35,208	
Other Salaries and Wages		43,848	
Social Security		74,092	
State Retirement		111,942	
Medical Insurance		123,288	
Unemployment Compensation		1,603	
Employer Medicare		18,207	
Communication		1,578	
Dues and Memberships		40	
Travel		29,754	
Other Contracted Services		1,000	
Library Books/Media		97,842	
Other Supplies and Materials		14,167	
In Service/Staff Development		6,851	
Other Charges		240	
Total Regular Instruction Program	\$		1,776,047

Special Education Program

Supervisor/Director	\$	158,913	
Career Ladder Program		2,000	
Social Security		9,710	
State Retirement		14,563	
Medical Insurance		14,157	
Unemployment Compensation		149	
Employer Medicare		2,271	
Travel		33,498	
In Service/Staff Development		29,000	
Other Charges		371	
Total Special Education Program			264,632

Vocational Education Program

Supervisor/Director	\$	72,044	
Career Ladder Program		3,000	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Vocational Education Program (Cont.)

Career Ladder Extended Contracts	\$	4,000	
Social Security		4,749	
State Retirement		7,154	
Medical Insurance		12,057	
Unemployment Compensation		75	
Employer Medicare		1,111	
Travel		2,559	
In Service/Staff Development		13,754	
Total Vocational Education Program			\$ 120,503

Adult Programs

Supervisor/Director	\$	40,800	
Other Salaries and Wages		16,160	
Social Security		2,950	
State Retirement		3,692	
Unemployment Compensation		99	
Employer Medicare		690	
Travel		4,111	
Other Supplies and Materials		1,102	
Total Adult Programs			69,604

Other Programs

On-Behalf Payments to OPEB	\$	161,629	
Total Other Programs			161,629

Board of Education

Board and Committee Members Fees	\$	16,950	
Life Insurance		20,000	
Audit Services		33,500	
Dues and Memberships		7,386	
Legal Services		69,334	
Travel		13,438	
Other Supplies and Materials		240	
Liability Insurance		237,826	
Trustee's Commission		341,883	
Total Board of Education			740,557

Director of Schools

County Official/Administrative Officer	\$	115,000	
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(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

Career Ladder Program	\$	1,000	
Secretary(ies)		35,208	
Other Salaries and Wages		4,000	
Social Security		8,181	
State Retirement		13,980	
Medical Insurance		6,109	
Unemployment Compensation		138	
Employer Medicare		2,247	
Communication		57,100	
Postal Charges		5,000	
Travel		3,611	
Other Contracted Services		1,328	
Office Supplies		5,672	
Other Supplies and Materials		22	
Total Director of Schools			\$ 258,596

Office of the Principal

Principals	\$	1,049,834	
Career Ladder Program		53,040	
Career Ladder Extended Contracts		24,000	
Assistant Principals		2,001,023	
Secretary(ies)		1,070,107	
Social Security		250,908	
State Retirement		381,947	
Medical Insurance		518,393	
Unemployment Compensation		5,945	
Employer Medicare		58,782	
Postal Charges		264	
Travel		37,155	
Other Contracted Services		4,778	
Office Supplies		2,890	
Other Supplies and Materials		2,283	
Total Office of the Principal			5,461,349

Fiscal Services

Supervisor/Director	\$	44,760
Accountants/Bookkeepers		106,343
Secretary(ies)		159,917
Social Security		17,659

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services (Cont.)

State Retirement	\$	29,367	
Medical Insurance		31,123	
Unemployment Compensation		582	
Employer Medicare		4,374	
Travel		5,702	
Other Contracted Services		11,509	
Office Supplies		13,821	
Administration Equipment		3,584	
Total Fiscal Services			\$ 428,741

Operation of Plant

Laundry Service	\$	5,834	
Other Contracted Services		1,471,303	
Electricity		1,668,363	
Natural Gas		271,438	
Water and Sewer		179,174	
Other Supplies and Materials		717	
Building and Contents Insurance		185,099	
Total Operation of Plant			3,781,928

Maintenance of Plant

Supervisor/Director	\$	117,809	
Secretary(ies)		30,600	
Other Salaries and Wages		681,114	
Social Security		48,834	
State Retirement		79,644	
Medical Insurance		160,266	
Unemployment Compensation		1,715	
Employer Medicare		11,421	
Communication		7,487	
Maintenance and Repair Services - Equipment		26,819	
Matching Share		8,930	
Other Contracted Services		13,501	
Other Supplies and Materials		135,654	
Other Charges		907	
Maintenance Equipment		30,739	
Total Maintenance of Plant			1,355,440

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation

Supervisor/Director	\$	140,186	
Mechanic(s)		359,795	
Bus Drivers		1,667,776	
Clerical Personnel		26,016	
Social Security		122,600	
State Retirement		187,878	
Medical Insurance		806,390	
Unemployment Compensation		11,155	
Employer Medicare		28,672	
Communication		6,117	
Laundry Service		7,007	
Maintenance and Repair Services - Vehicles		61,676	
Travel		2,653	
Other Contracted Services		70,671	
Gasoline		629,719	
Lubricants		19,384	
Tires and Tubes		120,982	
Vehicle Parts		333,513	
Other Supplies and Materials		27,080	
Vehicle and Equipment Insurance		113,723	
In Service/Staff Development		1,096	
Transportation Equipment		348,928	
Total Transportation			\$ 5,093,017

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	40,224	
Accountants/Bookkeepers		35,208	
Other Salaries and Wages		4,800	
Social Security		4,653	
State Retirement		7,925	
Medical Insurance		16,829	
Unemployment Compensation		113	
Employer Medicare		1,088	
Transportation - Other than Students		43,093	
Travel		1,244	
In Service/Staff Development		2,790	
Total Food Service			157,967

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services

Supervisor/Director	\$	52,759	
Other Salaries and Wages		486,450	
Social Security		33,098	
State Retirement		4,506	
Medical Insurance		16,420	
Unemployment Compensation		3,241	
Employer Medicare		7,741	
Travel		2,132	
Other Contracted Services		6,086	
Food Supplies		24,909	
Other Supplies and Materials		27,309	
In Service/Staff Development		160	
Other Equipment		14,921	
Total Community Services			\$ 679,732

Early Childhood Education

Teachers	\$	450,675	
Educational Assistants		191,155	
Other Salaries and Wages		33,283	
Non-certified Substitute Teachers		5,760	
Social Security		39,803	
State Retirement		59,689	
Medical Insurance		134,920	
Unemployment Compensation		1,499	
Employer Medicare		9,309	
Travel		2,164	
Instructional Supplies and Materials		3,384	
Other Supplies and Materials		3,462	
Other Charges		60,393	
Other Equipment		2,956	
Total Early Childhood Education			998,452

Capital Outlay

Regular Capital Outlay

Other Salaries and Wages	\$	12,649	
Social Security		784	
Unemployment Compensation		102	
Employer Medicare		184	
Building Improvements		533,931	
Total Regular Capital Outlay			547,650

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$ 600,000	
Total Education		\$ 600,000

Total General Purpose School Fund \$ 74,993,408

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$ 3,772,946	
Educational Assistants	558,198	
Other Salaries and Wages	104,244	
Non-certified Substitute Teachers	18,000	
Social Security	267,362	
State Retirement	393,173	
Medical Insurance	267,371	
Unemployment Compensation	19,219	
Employer Medicare	63,353	
Other Contracted Services	207,215	
Instructional Supplies and Materials	178,051	
Other Supplies and Materials	12,000	
Regular Instruction Equipment	317,262	
Total Regular Instruction Program		\$ 6,178,394

Special Education Program

Clerical Personnel	\$ 25,100	
Educational Assistants	2,003,103	
Other Salaries and Wages	59,643	
Social Security	120,216	
State Retirement	185,827	
Medical Insurance	511,244	
Unemployment Compensation	9,289	
Employer Medicare	28,117	
Contracts with Private Agencies	64,840	
Operating Lease Payments	173,681	
Other Contracted Services	344,427	
Instructional Supplies and Materials	117,291	
Special Education Equipment	97,824	
Total Special Education Program		3,740,602

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Vocational Education Program

Other Salaries and Wages	\$	61,494	
Social Security		3,709	
State Retirement		5,934	
Medical Insurance		9,938	
Unemployment Compensation		247	
Employer Medicare		867	
Instructional Supplies and Materials		23,985	
Vocational Instruction Equipment		4,895	
Total Vocational Education Program			\$ 111,069

Support Services

Other Student Support

Social Workers	\$	41,595	
Social Security		2,546	
State Retirement		3,764	
Medical Insurance		4,967	
Unemployment Compensation		75	
Employer Medicare		595	
Travel		30,728	
In Service/Staff Development		11,892	
Total Other Student Support			96,162

Regular Instruction Program

Supervisor/Director	\$	36,022	
Instructional Computer Personnel		52,965	
Secretary(ies)		22,950	
Educational Assistants		17,290	
Other Salaries and Wages		329,804	
Social Security		28,001	
State Retirement		40,684	
Medical Insurance		27,195	
Unemployment Compensation		1,817	
Employer Medicare		6,549	
Communication		1,623	
Travel		28,165	
Other Contracted Services		29,294	
Other Supplies and Materials		7,591	
In Service/Staff Development		163,146	
Other Equipment		5,919	
Total Regular Instruction Program			799,015

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Special Education Program

Other Salaries and Wages	\$	38,988	
Social Security		2,417	
State Retirement		3,528	
Unemployment Compensation		67	
Employer Medicare		565	
In Service/Staff Development		22,033	
Other Equipment		5,679	
Total Special Education Program			\$ 73,277

Office of the Principal

Assistant Principals	\$	28,939	
Social Security		1,710	
State Retirement		2,619	
Medical Insurance		4,056	
Unemployment Compensation		75	
Employer Medicare		400	
Total Office of the Principal			37,799

Transportation

Transportation Equipment	\$	140,000	
Total Transportation			140,000

Total School Federal Projects Fund \$ 11,176,318

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$	1,830,636
Other Salaries and Wages		36,864
Social Security		107,919
State Retirement		150,460
Medical Insurance		468,575
Unemployment Compensation		8,078
Employer Medicare		25,239
Travel		8,165
Other Contracted Services		62,660
Food Supplies		2,017,890
Uniforms		16,617
USDA - Commodities		350,335

(Continued)

Exhibit J-8

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Other Supplies and Materials	\$ 250,169	
Trustee's Commission	163	
In Service/Staff Development	6,179	
Food Service Equipment	<u>65,695</u>	
Total Food Service		<u>\$ 5,405,644</u>

Total Central Cafeteria Fund \$ 5,405,644

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Engineering Services	\$ 1,312	
Building Construction	<u>7,904</u>	
Total Education Capital Projects		<u>\$ 9,216</u>

Total Education Capital Projects Fund 9,216

Total Governmental Funds - Tipton County School Department \$ 91,584,586

Exhibit J-9

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

	<u>Cities - Sales Tax Fund</u>
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 3,546,275
Total Cash Receipts	<u>\$ 3,546,275</u>
<u>Cash Disbursements</u>	
Remittance of Revenue Collected	\$ 3,510,812
Trustee's Commission	35,463
Total Cash Disbursements	<u>\$ 3,546,275</u>
Excess of Cash Receipts Over (Under)	
Cash Disbursements	\$ 0
Cash Balance, July 1, 2010	<u>0</u>
Cash Balance, June 30, 2011	<u><u>\$ 0</u></u>

SINGLE AUDIT SECTION



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

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

January 30, 2012

Tipton County Executive and
Board of County Commissioners
Tipton County, Tennessee

To the County Executive 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 Tipton County, Tennessee, as of and for the year ended June 30, 2011, which collectively comprise Tipton County's basic financial statements and have issued our report thereon dated January 30, 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 Tipton County Emergency Communications District as described in our report on Tipton 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 Tipton 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 Tipton County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Tipton 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 a certain deficiency in internal control over financial reporting, described in the accompanying Schedule of Findings and Questions Costs, that we consider to be a significant deficiency in internal control over financial reporting: 11.01. 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.

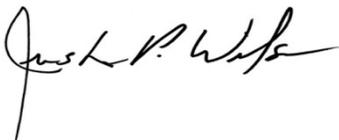
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Tipton County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

This report is intended solely for the information and use of management, the county executive, director of schools, director of public works, County Commission, Board of Education, others within Tipton 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 30, 2012

Tipton County Executive and
Board of County Commissioners
Tipton County, Tennessee

To the County Executive and Board of County Commissioners:

Compliance

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

In our opinion, Tipton 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 Tipton 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 Tipton 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 Tipton 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 Tipton County as of and for the year ended June 30, 2011, and have issued our report thereon dated January 30, 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.

This report is intended solely for the information and use of management, the county executive, director of schools, director of public works, County Commission, Board of Education, others within Tipton 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

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	\$ 888,954
National School Lunch Program	10.555	N/A	2,817,420 (4)
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	350,335 (4)
Total U.S. Department of Agriculture			<u>\$ 4,056,709</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's program	14.228	GG-09-27682-00	\$ 241,157
Passed-through State Housing Development Agency:			
Home Investment Partnerships Program	14.239	HM-08-10	297,938
Total U.S. Department of Housing and Urban Development			<u>\$ 539,095</u>
U.S. Department of the Interior:			
Direct Programs:			
Payments in-Lieu-of Taxes	15.226	N/A	\$ 261
Total U.S. Department of the Interior			<u>\$ 261</u>
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	(2)	\$ 9,000
Passed-through State Office of Criminal Justice Programs:			
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government	16.804	(2)	52,994
Total U.S. Department of Justice			<u>\$ 61,994</u>
U.S. Department of Labor:			
Passed-through Dyersburg State Community College:			
WIA Youth Activities	17.259	(2)	\$ 65,946
Total U.S. Department of Labor			<u>\$ 65,946</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
State and Community Highway Safety	20.600	PT-11-49	\$ 20,815
Total U.S. Department of Transportation			<u>\$ 20,815</u>
U.S. Department of Education:			
Passed through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	Z-10-218551-00	\$ 102,118
Passed through State Department of Education:			
Title I Cluster:			
Title I Grants to Local Educational Agencies	84.010	N/A	2,063,194
Title I Grants to Local Educational Agencies, Recovery Act	84.389	N/A	812,586

(Continued)

Tipton County, Tennessee

Schedule of Expenditures of Federal Awards and State Grants (1) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Education (Cont.):			
Passed through State Department of Education (Cont.):			
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	\$ 2,761,320
Special Education - Preschool Grants	84.173	N/A	102,845
Special Education Grants to States, Recovery Act	84.391	N/A	1,186,273
Special Education - Preschool Grants, Recovery Act	84.392	N/A	1,669
Career and Technical Education - Basic Grants to States	84.048	N/A	153,691
Safe and Drug-free Schools and Communities - State Grants	84.186	(2)	10,804
Twenty-first Century Community Learning Centers	84.287	N/A	353,750
Education Technology State Grants Cluster:			
Educational Technology State Grants	84.318	N/A	978
Education Technology State Grants, Recovery Act	84.386	N/A	337,152
Improving Teacher Quality State Grants	84.367	N/A	453,989
Education for Homeless Children and Youth, Recovery Act	84.387	N/A	1,561
State Fiscal Stabilization Fund Cluster:			
State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	N/A	5,983,476
State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	84.397	N/A	380,274
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	513,560
Education Jobs Fund	84.410	N/A	2,433,613
Total U.S. Department of Education			<u>\$ 17,652,853</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Education:			
ARRA Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program	93.714	N/A	\$ 93,759
Passed-through Methodist LeBonheur Healthcare Community Outreach:			
Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program	93.912	(2)	42,429
Total U.S. Department of Health and Human Services			<u>\$ 136,188</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-1909-DR-TN	\$ 1,453,336
Homeland Security Grant Program	97.067	(2)	16,550
Total U.S. Department of Homeland Security			<u>\$ 1,469,886</u>
Total Expenditures of Federal Awards			<u>\$ 24,003,747</u>

(Continued)

Tipton 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
State Grants:			
Property Assessor Staffing Program - Comptroller of the Treasury	N/A	(2)	\$ 750
Preventive Health and Human Services - State Department of Health	N/A	(3)	337,786
LSTA Technology Grant - State Department of State - Library and Archives	N/A	(2)	5,474
Litter Program - State Department of Transportation	N/A	84-500-4078-04	35,720
Architectural Survey Grant - State Department of Environment and Conservation	N/A	GG-103-1647	39,924
Waste Tire Options Grant - State Department of Environment and Conservation	N/A	Z-08-212959-02	30,236
ConnecTenn - State Department of Education	N/A	(2)	6,469
Early Childhood Education - State Department of Education	N/A	(2)	1,005,613
Children in State Custody - State Department of Education	N/A	GG-113-2572	343,970
Save the Children Grant - State Department of Education	N/A	(2)	70,924
Energy Efficiency Grant - State Department of Education	N/A	(2)	<u>29,111</u>
Total State Grants			<u>\$ 1,905,977</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) Z-10-219849: \$43,769; GG-113-2146: \$294,017.

(4) Total CFDA 10.555 is \$3,167,755.

Tipton 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. There were no findings in the Annual Financial Report for Tipton County, Tennessee, for the year ended June 30, 2010, which have not been corrected.

TIPTON COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2011

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Tipton County is unqualified.
2. The audit of the financial statements of Tipton County disclosed one significant deficiency in internal control. This deficiency was not considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that are material to the financial statements of Tipton 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 Educational Agencies and Title I Grants to Local Educational Agencies, Recovery Act (CFDA Nos. 84.010 and 84.389); the Special Education Cluster: Special Education – Grants to States, Special Education – Preschool Grants, Special Education Grants to States, Recovery Act, and Special Education – Preschool Grants, Recovery Act (CFDA Nos. 84.027, 84.173, 84.391, and 84.392); the State Fiscal Stabilization Fund Cluster: State Fiscal Stabilization Fund (SFSF) – Education State Grants, Recovery Act and State Fiscal Stabilization Fund (SFSF) – Government Services, Recovery Act (CFDA Nos. 84.394 and 84.397); Education Jobs Fund (CFDA No. 84.410); and Disaster Grants – Public Assistance (Presidentially Declared Disasters) (CFDA No. 97.036) were determined to be major programs.
8. A \$720,112 threshold was used to distinguish between Type A and Type B federal programs.
9. Tipton County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

The finding and recommendation, as a result of our examination, is presented below. We reviewed this finding and recommendation with management to provide an opportunity for their response; however, management did not provide a response for inclusion in this report.

OFFICE OF COUNTY MAYOR

FINDING 11.01 **THE OFFICE DID NOT IMPLEMENT ADEQUATE CONTROLS TO PROTECT ITS INFORMATION RESOURCES**

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

The office did not implement adequate controls to protect its information resources. This finding does not identify specific vulnerabilities that could allow someone to exploit the office's information system or misuse county funds. Disclosing those vulnerabilities could present a potential security risk by providing the readers with information that might be confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated*. Sound business practices dictate that proper controls be implemented. Without these controls, unauthorized system activity could occur.

RECOMMENDATION

The office should ensure that adequate controls over its information systems and the resources associated with those systems are implemented.

BEST PRACTICE

The Division of County Audit strongly believes that the item noted below is a best practice that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Tipton County.

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

Tipton County does not have a central system of accounting, budgeting, and purchasing. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the County Commission resulting in decentralization and some duplication of effort. The Division of County Audit strongly believes that the adoption of a central system of accounting, budgeting, and purchasing is a best practice that would significantly improve accountability and the quality of services provided to the citizens of Tipton County. Therefore, we recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.

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

There were no findings and questioned costs for federal awards.

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

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