
ANNUAL FINANCIAL REPORT CAMPBELL COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2012



ANNUAL FINANCIAL REPORT
CAMPBELL COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2012

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

BRYAN W. BURKLIN, CPA, CGFM
Audit Manager

ANDREW WAY, CPA
AMY SOSVILLE, CPA
ASHLEY ROOKARD
MICHAEL JARREAU, CFE
DOUG SANDIDGE, CISA, CFE
State Auditors

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

CAMPBELL COUNTY, TENNESSEE

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Audit Highlights
Annual Financial Report
Campbell County, Tennessee
For the Year Ended June 30, 2012

Scope

We have audited the basic financial statements of Campbell County as of and for the year ended June 30, 2012.

Results

Our report on the aggregate discretely presented component units is qualified because the financial statements do not include one component unit whose financial statements were not available from other auditors at the date of this report. Our report on the governmental activities, each major fund, and the aggregate remaining fund information is unqualified.

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

Findings and Best Practice

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

OFFICES OF FINANCE DIRECTOR AND DIRECTOR OF SCHOOLS

- ◆ The School Department entered into a contract that was poorly planned, executed, and supervised.
- ◆ The Tennessee Department of Education has questioned costs of \$4,667.50 related to unapproved extended learning activities funded by the Federal American Recovery and Reinvestment Act State Fiscal Stabilization Fund Government Services Grant Program.
- ◆ The State Department of Education noted deficiencies in reporting for certain federal programs.

OFFICE OF ASSESSOR OF PROPERTY

- ◆ The assessor did not collect the late fee on certain greenbelt applications.

OFFICE OF TRUSTEE

- ◆ Some county funds were not invested in accordance with state statute.

OFFICE OF COUNTY CLERK

- ◆ A cash shortage of \$155.11 existed in the county clerk's Jellico office at January 11, 2012.
 - ◆ The office had accounting deficiencies.
-

OFFICES OF COUNTY CLERK, CLERK AND MASTER, AND REGISTER

- ◆ Duties were not segregated adequately.
-

BEST PRACTICE

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

INTRODUCTORY SECTION

Campbell County Officials
June 30, 2012

Officials

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

Board of County Commissioners

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

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

Board of Education

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

Josh Parker
David Lynch
Johnny Creekmore
Homer Rutherford
Rector Miller

Financial Management Committee

David Adkins, Chairman
William Baird, County Mayor
Dennis Potter, Road Superintendent
Donnie Poston, Director of Schools

Mike Orick
Bobby White
J.L. Davis

FINANCIAL SECTION



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

INDEPENDENT AUDITOR'S REPORT

January 17, 2013

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

To the County Mayor and Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Campbell County, Tennessee, as of and for the year ended June 30, 2012, which collectively comprise Campbell County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Campbell County's management. Our responsibility is to express opinions on these financial statements based on our audit

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

The financial statements of the Campbell County Emergency Communications District, a component unit requiring discrete presentation, had not been made available by other auditors as of the date of this report. Accordingly, the aggregate discretely presented component units financial statements referred to above do not include amounts for the Campbell County Emergency Communications District, which should be included to

conform with accounting principles generally accepted in the United States of America. The effects on the financial statements of the aggregate discretely presented component units are not reasonably determinable.

In our opinion, except for the effects of not including the financial statements of the Campbell County Emergency Communications District as discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate discretely presented component units of Campbell County, Tennessee, as of June 30, 2012, and the results of operations of the aggregate discretely presented component units, for the year ended, in conformity with accounting principles generally accepted in the United States of America.

Additionally, in our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Campbell County, Tennessee, as of June 30, 2012, 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 17, 2013, on our consideration of Campbell County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

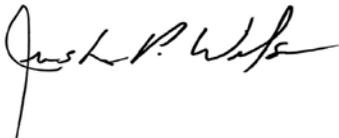
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required 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 61 through 69 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not

express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Very truly yours,

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

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

BASIC FINANCIAL STATEMENTS

Exhibit A

Campbell County, Tennessee
Statement of Net Assets
June 30, 2012

	Primary Governmental Activities	Component Unit Campbell County School Department
<u>ASSETS</u>		
Cash	\$ 3,240	\$ 8,844
Equity in Pooled Cash and Investments	17,911,945	6,720,782
Inventories	16,982	0
Accounts Receivable	1,131,777	286
Allowance for Uncollectible	(51,031)	0
Due from Other Governments	1,635,440	1,326,685
Due from Component Units	22,945	0
Property Taxes Receivable	10,873,208	3,990,362
Allowance for Uncollectible Property Taxes	(964,002)	(353,781)
Prepaid Items	23,900	0
Deferred Charges - Debt Issuance Cost	926,693	0
Capital Assets		
Assets Not Depreciated:		
Land	1,980,026	1,161,610
Construction in Progress	4,477,058	5,193,169
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	10,733,038	44,993,603
Other Capital Assets	1,958,950	1,360,804
Infrastructure	45,935,882	0
Total Assets	<u>\$ 96,616,051</u>	<u>\$ 64,402,364</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 269,313	\$ 67,940
Accrued Payroll	17,949	178
Contracts Payable	242,601	113,145
Retainage Payable	346,197	14,377
Accrued Interest Payable	244,038	0
Payroll Deductions Payable	248,747	481,580
Due to Primary Government	0	22,945
Other Current Liabilities	26,870	0
Deferred Revenue - Property Taxes	9,343,897	3,429,119
Noncurrent Liabilities:		
Due Within One Year	2,337,647	0
Due in More Than One Year (net of deferred amount on refunding and unamortized premium on debt)	53,111,799	3,911,340
Total Liabilities	<u>\$ 66,189,058</u>	<u>\$ 8,040,624</u>

(Continued)

Exhibit A

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

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Campbell County School Department</u>
<u>NET ASSETS</u>		
Invested in Capital Assets, Net of Related Debt	\$ 56,098,312	\$ 0
Invested in Capital Assets	0	52,709,186
Restricted for:		
Administration of Justice	111,020	0
Public Safety	42,122	0
Public Health and Welfare	4,069	0
Other Operations	91,569	0
Education	0	838,270
Unrestricted	<u>(25,920,099)</u>	<u>2,814,284</u>
Total Net Assets	<u>\$ 30,426,993</u>	<u>\$ 56,361,740</u>

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

Exhibit B

Campbell County, Tennessee
 Statement of Activities
 For the Year Ended June 30, 2012

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets						
	Program Revenues			Government	Component Unit		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total Governmental Activities	Campbell County School Department	
Primary Government:							
Governmental Activities:							
General Government	\$ 1,680,310	\$ 870,761	\$ 213,968	\$ 33,488	\$ (562,093)	\$ 0	0
Finance	2,545,433	921,266	0	0	(1,624,167)	0	0
Administration of Justice	1,234,163	966,154	25,052	0	(242,957)	0	0
Public Safety	6,869,933	980,480	99,868	187,765	(5,601,820)	0	0
Public Health and Welfare	6,335,186	2,161,381	584,985	581,654	(3,007,166)	0	0
Social, Cultural, and Recreational Services	236,738	300	10,872	0	(225,566)	0	0
Agriculture and Natural Resources	53,506	0	0	0	(53,506)	0	0
Other Operations	875,546	0	15,106	0	(860,440)	0	0
Highways	6,077,247	211,001	1,880,981	223,888	(3,761,377)	0	0
Education	6,051,472	244,020	206,223	0	(5,601,229)	0	0
Interest on Long-term Debt	2,285,747	0	0	0	(2,285,747)	0	0
Debt Service	76,844	0	0	0	(76,844)	0	0
Total Primary Government	\$ 34,322,125	\$ 6,355,363	\$ 3,037,055	\$ 1,026,795	\$ (23,902,912)	\$ 0	0
Component Unit:							
Campbell County School Department	\$ 49,102,161	\$ 671,404	\$ 6,997,659	\$ 5,962,344	0	\$ (35,470,754)	
Total Component Unit	\$ 49,102,161	\$ 671,404	\$ 6,997,659	\$ 5,962,344	0	\$ (35,470,754)	

(Continued)

Exhibit B

Campbell County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets			
	Program Revenues		Primary Government	Component Unit
	Charges for Services	Operating Grants and Contributions	Total Governmental Activities	Campbell County School Department
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes			\$ 5,784,621	\$ 3,751,073
Property Taxes Levied for Solid Waste			2,220,402	0
Property Taxes Levied for Ambulance Service			158,613	0
Property Taxes Levied for Economic Development			79,325	0
Property Taxes Levied for Highways			614,546	0
Property Taxes Levied for Debt Service			872,317	0
Property Taxes Levied for Capital Projects			475,764	0
Local Option Sales Taxes			1,072,161	3,074,642
Other Local Taxes:				
Hotel/Motel Tax			221,718	0
Wheel Tax			0	1,452,358
Litigation Taxes			347,769	0
Business Tax			257,685	0
Mineral Severance Tax			63,214	0
Wholesale Beer Tax			94,606	0
Coal Severance Tax			122,964	122,964
Other Local Taxes			64,182	1,662
Grants and Contributions Not Restricted to Specific Programs			5,172,457	29,870,866
Unrestricted Investment Income			136,770	1,702
Miscellaneous			60,415	92,625
Gain on Disposal of Capital Assets			28,781	567,450
Total General Revenues			\$ 17,848,310	\$ 38,935,342
Change in Net Assets			\$ (6,054,602)	\$ 3,464,588
Net Assets, July 1, 2011			36,481,595	52,897,152
Net Assets, June 30, 2012			\$ 30,426,993	\$ 56,361,740

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

Campbell County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2012

	Major Funds						Nonmajor Funds		Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Capital Projects	Other Governmental Funds	Nonmajor Governmental Funds		
Cash	\$ 190	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,050	\$ 3,240	
Equity in Pooled Cash and Investments	2,966,010	899,477	396,207	1,810,104	10,563,716	1,276,431	1,276,431	17,911,945	
Inventories	0	0	16,982	0	0	0	0	16,982	
Accounts Receivable	265,453	6,787	0	34,018	0	825,519	825,519	1,131,777	
Allowance for Uncollectibles	0	0	0	0	0	(51,031)	(51,031)	(51,031)	
Due from Other Governments	752,309	0	361,114	274,065	159,446	88,506	88,506	1,635,440	
Due from Other Funds	3,242	0	0	5,810	0	0	0	9,052	
Due from Component Units	22,945	0	0	0	0	0	0	22,945	
Property Taxes Receivable	6,165,004	2,364,659	654,504	928,973	0	760,068	760,068	10,873,208	
Allowance for Uncollectible Property Taxes	(546,581)	(209,647)	(58,027)	(82,362)	0	(67,385)	(67,385)	(964,002)	
Prepaid Items	0	0	0	0	23,900	0	0	23,900	
Total Assets	\$ 9,628,572	\$ 3,061,276	\$ 1,370,780	\$ 2,970,608	\$ 10,747,062	\$ 2,835,158	\$ 2,835,158	\$ 30,613,456	

ASSETS

LIABILITIES AND FUND BALANCES

	Liabilities	Accounts Payable	Accrued Payroll	Payroll Deductions Payable	Contracts Payable	Retainage Payable	Due to Other Funds	Other Current Liabilities	Deferred Revenue - Current Property Taxes	Deferred Revenue - Delinquent Property Taxes	Other Deferred Revenues	Total Liabilities
Accounts Payable	\$ 147,458	\$ 22,575	\$ 173	\$ 0	\$ 0	\$ 15,000	\$ 84,107	\$ 269,313				
Accrued Payroll	17,615	0	0	0	0	0	334	17,949				
Payroll Deductions Payable	162,403	28,267	35,384	0	0	0	22,693	248,747				
Contracts Payable	0	0	0	0	242,601	0	0	242,601				
Retainage Payable	12,000	7,264	0	0	326,933	0	0	346,197				
Due to Other Funds	0	0	0	0	173	8,879	0	9,052				
Other Current Liabilities	0	0	0	0	0	26,870	0	26,870				
Deferred Revenue - Current Property Taxes	5,297,899	2,032,071	562,448	798,313	0	653,166	0	9,343,897				
Deferred Revenue - Delinquent Property Taxes	284,287	109,042	30,182	42,838	0	35,050	0	501,399				
Other Deferred Revenues	149,905	0	167,546	161,425	0	669,751	0	1,148,627				
Total Liabilities	\$ 6,071,567	\$ 2,199,219	\$ 795,733	\$ 1,002,576	\$ 584,707	\$ 1,500,850	\$ 12,154,652					
Fund Balances												
Nonspendable:	\$ 0	\$ 0	\$ 16,982	\$ 0	\$ 0	\$ 0	\$ 0	\$ 16,982				
Inventory												

(Continued)

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

	Major Funds					Nonmajor Funds		Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Capital Projects	Other Governmental Funds	Governmental Funds	
\$	0	0	0	0	23,900	0	0	23,900
111,020	0	0	0	0	0	0	0	111,020
18,754	0	0	0	0	0	23,368	0	42,122
4,069	0	0	0	0	0	0	0	4,069
19,644	0	0	0	0	0	71,925	0	91,569
0	0	0	0	0	9,463,653	0	0	9,463,653
20,627	0	0	0	0	0	0	0	20,627
9,186	0	0	0	0	0	0	0	9,186
8,537	862,057	0	0	0	0	749,340	0	1,619,934
65,802	0	558,065	0	0	0	0	0	623,867
241,418	0	0	0	0	0	0	0	241,418
0	0	0	1,968,032	0	0	0	0	1,968,032
0	0	0	0	0	674,802	232,955	0	907,757
362,745	0	0	0	0	0	256,720	0	619,465
253,577	0	0	0	0	0	0	0	253,577
345,550	0	0	0	0	0	0	0	345,550
2,096,076	0	0	0	0	0	0	0	2,096,076
\$ 3,557,005	\$ 862,057	\$ 575,047	\$ 1,968,032	\$ 10,162,355	\$ 1,334,308	\$ 1,334,308	\$ 18,458,804	
\$ 9,628,572	\$ 3,061,276	\$ 1,370,780	\$ 2,970,608	\$ 10,747,062	\$ 2,835,158	\$ 2,835,158	\$ 30,613,456	

LIABILITIES AND FUND BALANCES (Cont.)

Fund Balances (Cont.)

Nonspendable (Cont.):

Prepaid Items

Restricted:

Restricted for Administration of Justice

Restricted for Public Safety

Restricted for Public Health and Welfare

Restricted for Other Operations

Restricted for Capital Projects

Committed:

Committed for General Government

Committed for Administration of Justice

Committed for Public Health and Welfare

Committed for Highways/Public Works

Committed for Education

Committed for Debt Service

Committed for Capital Projects

Committed for Other Purposes

Assigned:

Assigned for General Government

Assigned for Capital Projects

Unassigned

Total Fund Balances

Total Liabilities and Fund Balances

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

Exhibit C-2

Campbell County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
June 30, 2012

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)		\$ 18,458,804
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,980,026	
Add: construction in progress	4,477,058	
Add: infrastructure net of accumulated depreciation	45,935,882	
Add: buildings and improvements net of accumulated depreciation	10,733,038	
Add: other capital assets net of accumulated depreciation	<u>1,958,950</u>	65,084,954
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: notes payable	\$ (854,166)	
Less: other loans payable	(10,663,970)	
Less: bonds payable	(42,395,000)	
Add: deferred amount on refunding	58,175	
Add: deferred charges - debt issuance costs	926,693	
Less: compensated absences payable	(458,541)	
Less: other postemployment benefits liability	(597,000)	
Less: accrued interest on bonds, notes, and other loans	(244,038)	
Less: other deferred revenue - premium on debt	<u>(538,944)</u>	(54,766,791)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>1,650,026</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 30,426,993</u>

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

Exhibit C-3

Campbell County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2012

	Major Funds					Nonmajor Funds		Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Capital Projects	Other	Governmental Funds	
<u>Revenues</u>								
Local Taxes	\$ 6,793,230	\$ 2,205,575	\$ 817,809	\$ 2,182,407	\$ 0	\$ 860,440	\$ 12,859,461	
Licenses and Permits	146,943	0	50	0	0	0	146,993	
Fines, Forfeitures, and Penalties	236,113	0	0	0	0	112,320	348,433	
Charges for Current Services	366,088	95,938	0	0	0	1,844,534	2,306,560	
Other Local Revenues	77,402	180,395	585,126	101,528	69,440	51,988	1,065,879	
Fees Received from County Officials	1,692,565	0	0	0	0	0	1,692,565	
State of Tennessee	3,330,813	5,652	2,100,687	302,597	3,500	101,500	5,542,152	
Federal Government	269,744	0	18,774	514,988	111,048	0	1,217,151	
Other Governments and Citizens Groups	334,907	0	0	2,685,777	0	23,149	3,043,833	
Total Revenues	\$ 13,247,805	\$ 2,487,560	\$ 3,522,446	\$ 5,272,309	\$ 587,928	\$ 3,104,979	\$ 28,223,027	
<u>Expenditures</u>								
Current:								
General Government	\$ 1,802,294	\$ 0	\$ 0	\$ 0	\$ 0	\$ 141,338	\$ 1,943,632	
Finance	2,530,186	0	0	0	0	0	2,530,186	
Administration of Justice	1,214,102	0	0	0	0	18,000	1,232,102	
Public Safety	6,296,739	0	0	0	0	135,434	6,432,173	
Public Health and Welfare	1,011,255	2,649,221	0	0	0	1,885,118	5,545,594	
Social, Cultural, and Recreational Services	219,839	0	0	0	0	0	219,839	
Agriculture and Natural Resources	53,506	0	0	0	0	0	53,506	
Other Operations	527,626	13,665	0	0	0	144,131	685,422	
Highways	10,818	0	3,869,020	0	0	0	3,879,838	
Support Services	2,602	0	0	0	0	0	2,602	
Debt Service:								
Principal on Debt	0	0	0	2,949,785	0	14,167	2,963,952	
Interest on Debt	0	0	0	2,337,387	0	117	2,337,504	
Other Debt Service	0	0	0	54,311	0	0	54,311	
Capital Projects	0	0	0	0	10,369,843	2,018,067	12,387,910	
Total Expenditures	\$ 13,668,967	\$ 2,662,886	\$ 3,869,020	\$ 5,341,483	\$ 10,369,843	\$ 4,356,372	\$ 40,268,571	
Excess (Deficiency) of Revenues Over Expenditures	\$ (421,162)	\$ (175,326)	\$ (346,574)	\$ (69,174)	\$ (9,781,915)	\$ (1,251,393)	\$ (12,045,544)	

(Continued)

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

	Major Funds					Nonmajor Funds		Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Capital Projects	Other	Governmental Funds	
<u>Other Financing Sources (Uses)</u>								
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,160,000	\$ 0	\$ 0	\$ 4,160,000
Premiums on Debt Issued	0	0	0	32,326	0	0	0	32,326
Other Loans Issued	0	0	0	0	0	1,387,088	0	1,387,088
Insurance Recovery	7,606	0	15,790	0	0	0	0	23,396
Transfers In	144,942	0	0	0	121,680	0	0	266,622
Transfers Out	0	(57,200)	(23,800)	0	0	(185,622)	0	(266,622)
Total Other Financing Sources (Uses)	\$ 152,548	\$ (57,200)	\$ (8,010)	\$ 32,326	\$ 4,281,680	\$ 1,201,466	\$ 0	\$ 5,602,810
Net Change in Fund Balances	\$ (268,614)	\$ (232,526)	\$ (354,584)	\$ (36,848)	\$ (5,500,235)	\$ (49,927)	\$ (49,927)	\$ (6,442,734)
Fund Balance, July 1, 2011	3,825,619	1,094,583	929,631	2,004,880	15,662,590	1,384,235	1,384,235	24,901,538
Fund Balance, June 30, 2012	\$ 3,557,005	\$ 862,057	\$ 575,047	\$ 1,968,032	\$ 10,162,355	\$ 1,334,308	\$ 1,334,308	\$ 18,458,804

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

Exhibit C-4

Campbell County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Year Ended June 30, 2012

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)		\$ (6,442,734)
(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	\$ 5,868,261	
Less: current-year depreciation expense	<u>(2,856,669)</u>	3,011,592
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		
Less: net book value of assets disposed		(12,079)
(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, 2012	\$ 1,650,026	
Less: deferred delinquent property taxes and other deferred June 30, 2011	<u>(1,616,847)</u>	33,179
(4) The issuance of long-term debt (e.g., bonds, notes, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these difference in the treatment of long-term debt and related items:		
Less: bond proceeds	\$ (4,160,000)	
Less: other loan proceeds	(1,387,088)	
Add: change in premium on debt issuances	21,635	
Less: change in deferred debt issuance costs	(18,211)	
Add: principal payments on bonds	365,000	
Add: principal payments on notes	1,425,834	
Add: principal payments on other loans	1,173,118	
Less: change in deferred amount of refunding debt	<u>(4,322)</u>	(2,584,034)
(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	\$ (2,203)	
Change in compensated absences payable	(17,082)	
Change in other postemployment benefits liability	<u>(41,241)</u>	<u>(60,526)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ (6,054,602)</u>

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

Exhibit D

Campbell County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2012

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 2,417,634
Due from Other Governments	<u>574,572</u>
Total Assets	<u><u>\$ 2,992,206</u></u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 574,572
Due to Litigants, Heirs, and Others	<u>2,417,634</u>
Total Liabilities	<u><u>\$ 2,992,206</u></u>

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

CAMPBELL COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

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

The Campbell County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Campbell County, and the Campbell County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the County Commission's approval. The financial statements of the Campbell County Emergency Communications District were not available from other auditors in time for inclusion in this report.

The Campbell County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the School Department are included in this report as listed in the table of contents. Although required by GAAP, the financial statements of the

Campbell County Emergency Communications District were not available in time for inclusion, as previously mentioned. Complete financial statements of the Campbell County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

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

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

B. Government-wide and Fund Financial Statements

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

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

Campbell County issues all debt for the discretely presented Campbell County School Department. Net debt issues totaling \$1,387,088 were

contributed by the county to the School Department during the year ended June 30, 2012.

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

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

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

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

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

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

amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

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

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

Campbell County reports the following major governmental funds:

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

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

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

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

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

Additionally, Campbell County reports the following fund type:

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

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

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

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

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

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

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

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

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

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Campbell County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Debt Service Fund. Campbell County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the

balance sheet at amortized cost. Certificates of deposit and investments in the State Treasurer's Investment Pool are reported at cost. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value.

2. Receivables and Payables

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

All ambulance and property taxes receivables are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 4.85 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. Due from Other Governments in the School Department's General Purpose School Fund includes an estimated receivable of \$150,000 due from the State of Tennessee. This is management's estimate of amounts due based on an agreement for a share of revenues the state receives for retired Campbell County teachers under the federal Early Retirement Reinsurance Program for the 2010 year. As of the date of this report, Campbell County has not been notified of the actual amount that ultimately will be received under this program, and the actual amount could vary significantly from the amount reported. This receivable is offset by deferred revenue in the General Purpose School Fund.

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

an estimated allowance for uncollectible taxes, is reported as deferred revenue as of June 30.

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

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

Most payables are disaggregated on the face of the financial statements. Other current liabilities in the Drug Control Fund totaling \$26,870 represent confiscated funds awaiting court orders.

Retainage payable represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held by the county trustee as Equity in Pooled Cash and Investments.

3. Inventories and Prepaid Items

Inventories of Campbell County are recorded at cost, determined on the first-in, first-out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Inventories are offset in the nonspendable fund balance account in governmental funds.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaids are offset in the nonspendable fund balance account in governmental funds.

4. Capital Assets

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

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

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

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

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

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

5. Compensated Absences

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

6. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Assets. Debt premiums and

discounts, as well as issuance costs, are deferred and amortized over the life of the debt using the straight-line method. Debt issuance costs are reported as deferred charges and amortized over the term of the related debt. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is netted against the new debt and amortized over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

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

7. 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, 2012, Campbell County had \$38,463,736 in outstanding debt for capital purposes for the discretely presented Campbell County School Department. This debt is a liability of Campbell County, but

the capital assets acquired are reported in the financial statements of the School Department. Therefore, Campbell County has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county's capital assets.

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.

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, and shall remain binding unless removed in the same manner.

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The County Commission and the Board of Education are authorized bodies to make assignments. Assigned fund balance in the General Fund represents amounts assigned for encumbrances (\$599,127). Assigned fund balance in the School Department's General Purpose School Fund represents amounts assigned for encumbrances (\$430,621) and amounts appropriated for use in the 2012-2013 budget (\$653,678).

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide Statement of Net Assets

Primary Government

Exhibit C-2 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Assets.

Discretely Presented Campbell County School Department

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

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

Primary Government

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

Discretely Presented Campbell County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

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

At June 30, 2012, Campbell County and the Campbell County School Department reported the following significant encumbrances:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
Primary Government:		
Major Fund:		
General	Construction	\$ 345,550
School Department:		
Major Fund:		
General Purpose School	Construction	204,898

B. County Funds Were Not Invested in Accordance With State Statute

On June 30, 2012, the trustee had investments of \$193,265 in a mutual fund, which is not an authorized investment type permitted by Section 5-8-301, *Tennessee Code Annotated (TCA)*. The trustee also had investments with fair values totaling \$386,011 in collateralized mortgage obligations and mortgage backed securities of the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association with maturities ranging from November 16, 2016, through December 15, 2041. These investments did not meet criteria established by Section 5-8-301, *TCA*, regarding investments with maturities of greater than two years.

C. Cash Shortage

A cash count of the county clerk's satellite office in Jellico on January 11, 2012, discovered that operating cash on hand totaling \$155.11 was missing from the vault. As of June 30, 2012, the county clerk had liquidated the cash shortage. Details of the shortage are discussed in the Single Audit section of this report.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

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

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

Investments

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

Investment Balances. As of June 30, 2012, Campbell County had the following investments carried at fair value. See footnote III.B. for additional details pertaining to the investments in the Fidelity Institutional Money Market Portfolio, Federal Home Loan Mortgage Corporation, and Federal National Mortgage Association. Pooled investments reported in the following table are held in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Campbell County and the discretely presented Campbell County School Department since both pool their deposits and investments through the county trustee.

POOLED INVESTMENTS

Investment	Maturities	Fair Value
Fidelity Institutional Money Market Portfolio	Daily	\$ 193,265
Federal Home Loan Mortgage Corporation	3-15-26	75,737
"	10-15-41	74,924
"	12-15-41	73,035
"	12-1-31	76,712
Federal National Mortgage Association	11-16-16	20,081
"	2-1-26	<u>65,522</u>
Total		<u>\$ 579,276</u>

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

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Campbell County has no investment policy that would further limit its investment choices. As of June 30, 2012, Campbell County's investments in Fidelity Institutional Money Market Fund, Federal Home Loan Mortgage Corporation, and Federal National Mortgage Association were unrated.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the county's investment in a single issuer. Campbell County places no limit on the amount the county may invest in one issuer. More than five percent of the county investments are in the Fidelity Institutional, Federal Home Loan Mortgage Corporation, and Federal National Mortgage Association. These investments are 51.8 and 14.8 percent of the county's total investments, respectively.

B. Capital Assets

Capital assets activity for the year ended June 30, 2012, was as follows:

Primary Government

Governmental Activities

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Capital Assets Not Depreciated:				
Land	\$ 1,980,026	\$ 0	\$ 0	\$ 1,980,026
Construction in Progress	376,237	4,477,058	(376,237)	4,477,058
Total Capital Assets, Not Depreciated	\$ 2,356,263	\$ 4,477,058	\$ (376,237)	\$ 6,457,084
Capital Assets Depreciated:				
Buildings and Improvements	\$ 12,868,960	\$ 1,084,953	\$ 0	\$ 13,953,913
Roads and Bridges	79,888,487	0	0	79,888,487
Other Capital Assets	6,467,806	682,487	(44,767)	7,105,526
Total Capital Assets, Depreciated	\$ 99,225,253	\$ 1,767,440	\$ (44,767)	\$ 100,947,926
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 2,797,367	\$ 423,508	\$ 0	\$ 3,220,875
Roads and Bridges	31,955,393	1,997,212	0	33,952,605
Other Capital Assets	4,743,315	435,949	(32,688)	5,146,576
Total Accumulated Depreciation	\$ 39,496,075	\$ 2,856,669	\$ (32,688)	\$ 42,320,056
Total Capital Assets Depreciated, Net	\$ 59,729,178	\$ (1,089,229)	\$ (12,079)	\$ 58,627,870
Governmental Activities Capital Assets, Net	\$ 62,085,441	\$ 3,387,829	\$ (388,316)	\$ 65,084,954

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

Governmental Activities:

General Government	\$ 125,016
Finance	18,396
Administration of Justice	796
Public Safety	235,813
Public Health and Welfare	200,211
Other Operations	149,599
Highways/Public Works	2,126,838
Total Depreciation Expense - Governmental Activities	\$ 2,856,669

Discretely Presented Campbell County School Department

Governmental Activities:

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Capital Assets Not Depreciated:				
Land	\$ 1,161,610	\$ 0	\$ 0	\$ 1,161,610
Construction in Progress	49,400	5,143,769	0	5,193,169
Total Capital Assets Not Depreciated	\$ 1,211,010	\$ 5,143,769	\$ 0	\$ 6,354,779
Capital Assets Depreciated:				
Buildings and Improvements	\$ 70,370,075	\$ 1,485,309	\$ (90,500)	\$ 71,764,884
Other Capital Assets	3,505,799	267,032	(30,676)	3,742,155
Total Capital Assets Depreciated	\$ 73,875,874	\$ 1,752,341	\$ (121,176)	\$ 75,507,039
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 24,939,444	\$ 1,922,337	\$ (90,500)	\$ 26,771,281
Other Capital Assets	2,196,486	215,541	(30,676)	2,381,351
Total Accumulated Depreciation	\$ 27,135,930	\$ 2,137,878	\$ (121,176)	\$ 29,152,632
Total Capital Assets Depreciated, Net	\$ 46,739,944	\$ (385,537)	\$ 0	\$ 46,354,407
Governmental Activities Capital Assets, Net	\$ 47,950,954	\$ 4,758,232	\$ 0	\$ 52,709,186

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

Governmental Activities:

Instruction	\$ 27,677
Support Services	2,034,427
Operation of Non-Instructional Services	<u>75,774</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 2,137,878</u></u>

C. Construction Commitments

At June 30, 2012, the General Fund had uncompleted construction contracts of approximately \$345,550 for the construction of the new justice center. Funding for these future expenditures has been received.

The Other Capital Projects Fund had uncompleted construction contracts of approximately \$10,218,214 for the construction of the new justice center (\$6,809,177) and renovations to various schools (\$3,409,037). Funding has been received for these future expenditures.

At June 30, 2012, the discretely presented Campbell County School Department had uncompleted construction contracts of approximately \$204,898 for the repair and upgrade of various school buildings. Funding has been received for these future expenditures.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2012, was as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 3,242
General Debt Service	Other Capital Projects	173
"	Nonmajor governmental	5,637

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

Due to/from Primary Government and Component Units:

Receivable Fund	Payable Fund	Amount
Primary Government: General	Component Unit: School Department	\$ 22,945

Interfund Transfers:

Interfund transfers for the year ended June 30, 2012, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In	
	General Fund	Other Capital Projects
Solid Waste/Sanitation Fund	\$ 57,200	\$ 0
Highway/Public Works Fund	23,800	0
Nonmajor governmental funds	63,942	121,680
Total	\$ 144,942	\$ 121,680

Discretely Presented Campbell County School Department

Transfers Out	Transfers In		
	General Purpose School Fund	School Federal Projects Fund	Central Cafeteria Fund
General Purpose School Fund	\$ 0	\$ 6,850	\$ 69,242
School Federal Projects Fund	52,017	0	0
Total	\$ 52,017	\$ 6,850	\$ 69,242

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

E. Long-term Debt

Primary Government

General Obligation Bonds, Notes, and Other Loans

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

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, and other loans outstanding were issued for original terms of up to 21 years for bonds, up to 12 years for notes, and up to 15 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds, notes, and other loans included in long-term debt as of June 30, 2012, will be retired from the General Debt Service Fund.

General obligation bonds, capital outlay notes, and other loans outstanding as of June 30, 2012, for governmental activities are as follows:

<u>Type</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Original Amount of Issue</u>	<u>Balance 6-30-12</u>
General Obligation Bonds	2 to 5.8 %	6-1-32	\$ 24,810,000	\$ 24,620,000
General Obligation Bonds - Refunding	3 to 4	6-1-26	18,825,000	17,775,000
Capital Outlay Notes	3.85 to 4.23	11-15-20	1,250,000	854,166
Other Loans - Fixed Rate	0 to 5	5-1-22	13,937,088	10,663,970

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2012, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2013	\$ 415,000	\$ 1,853,335	\$ 2,268,335
2014	640,000	1,840,305	2,480,305
2015	660,000	1,822,650	2,482,650
2016	675,000	1,802,720	2,477,720
2017	705,000	1,782,365	2,487,365
2018-2022	10,230,000	8,247,866	18,477,866
2023-2027	15,955,000	5,707,803	21,662,803
2028-2032	13,115,000	1,773,296	14,888,296
Total	<u>\$ 42,395,000</u>	<u>\$ 24,830,340</u>	<u>\$ 67,225,340</u>

Year Ending June 30	Notes		
	Principal	Interest	Total
2013	\$ 166,667	\$ 32,591	\$ 199,258
2014	166,667	26,016	192,683
2015	166,667	19,441	186,108
2016	166,667	12,872	179,539
2017	41,667	7,491	49,158
2018-2021	145,831	12,337	158,168
Total	<u>\$ 854,166</u>	<u>\$ 110,748</u>	<u>\$ 964,914</u>

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2013	\$ 1,338,708	\$ 458,438	\$ 1,797,146
2014	1,413,708	398,437	1,812,145
2015	1,463,708	334,688	1,798,396
2016	1,538,708	268,437	1,807,145
2017	1,613,708	198,438	1,812,146
2018-2022	3,295,430	175,750	3,471,180
Total	<u>\$ 10,663,970</u>	<u>\$ 1,834,188</u>	<u>\$ 12,498,158</u>

There is \$1,968,032 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$1,041, based on the 2010 federal census. Debt per capita, including bonds, notes, and other loans totaled \$1,324, based on the 2010 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2012, was as follows:

Governmental Activities:

	<u>Bonds</u>	<u>Notes</u>
Balance, July 1, 2011	\$ 38,600,000	\$ 2,280,000
Additions	4,160,000	0
Reductions	(365,000)	(1,425,834)
	<u> </u>	<u> </u>
Balance, June 30, 2012	<u>\$ 42,395,000</u>	<u>\$ 854,166</u>
	<u> </u>	<u> </u>
Balance Due Within One Year	<u>\$ 415,000</u>	<u>\$ 166,667</u>

	<u>Other</u>	<u>Compensated</u>	<u>Other</u>
	<u>Loans</u>	<u>Absences</u>	<u>Postemployment</u>
			<u>Benefits</u>
Balance, July 1, 2011	\$ 10,450,000	\$ 441,459	\$ 555,759
Additions	1,387,088	356,249	183,000
Reductions	(1,173,118)	(339,167)	(141,759)
	<u> </u>	<u> </u>	<u> </u>
Balance, June 30, 2012	<u>\$ 10,663,970</u>	<u>\$ 458,541</u>	<u>\$ 597,000</u>
	<u> </u>	<u> </u>	<u> </u>
Balance Due Within One Year	<u>\$ 1,338,708</u>	<u>\$ 417,272</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2012	\$ 54,968,677
Less: Balance Due Within One Year	(2,337,647)
Add: Unamortized Premium on Debt	538,944
Less: Deferred Amount on Refunding	(58,175)
	<u> </u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 53,111,799</u>

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

Discretely Presented Campbell County School Department

Changes in Long-term Liabilities

Long-term liability activity for the discretely presented Campbell County School Department for the year ended June 30, 2012, was as follows:

Governmental Activities:

	Other Postemployment Benefits
Balance, July 1, 2011	\$ 3,512,517
Additions	1,214,067
Reductions	(815,244)
Balance, June 30, 2012	<u>\$ 3,911,340</u>
Balance Due Within One Year	<u>\$ 0</u>

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

F. Other Commitments

During the year, the School Department paid \$2,685,777 to the primary government's General Debt Service Fund to be applied toward the retirement of school debt. By resolution, the Campbell County Board of Education has committed future contributions of \$1,250,000 per fiscal year to the primary government's General Debt Service Fund through the year ending June 30, 2030, to provide funds for the retirement of current and future debt issued for school purposes.

Also by resolution, the Campbell County Board of Education has committed an amount equal to the annual debt service requirements of the Energy Efficient Incentive School Loan issued during the year. The annual requirements are \$138,708 per fiscal year through the year ending June 30, 2022.

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Campbell County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2012, were \$246,335 and \$66,019, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

H. Short-term Debt

Campbell County issued tax and revenue anticipation notes in advance of collections and deposited the proceeds in the Highway/Public Works Fund. These notes were necessary because funds were not available to meet debt service payments coming due before current tax collections. Short-term debt activity for the year ended June 30, 2012, was as follows:

	Balance 7-1-11	Issued	Paid	Balance 6-30-12
Tax and Revenue Anticipation Notes \$	0	\$ 150,000	\$ (150,000)	\$ 0

V. OTHER INFORMATION

A. Risk Management

Primary Government

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

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

Discretely Presented Campbell County School Department

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

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

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

B. 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.

C. Joint Ventures

The Campbell County Library Board is a joint venture in which the county participates with the cities of LaFollette, Jacksboro, Caryville, and Jellico to operate the library system within the county. Representatives from the four cities and the county comprise the Campbell County Library Board and have equal representation on the board. Campbell County contributed \$38,000 to the operation of the Library Board during the year ended June 30, 2012. Financial statements for the Library Board can be obtained from its administrative office at the following address:

Administrative Office:

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

The Eighth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Eighth Judicial District; Scott, Campbell, Fentress, Claiborne, and Union counties; and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by the board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Campbell County made no

contributions to the DTF for the year ended June 30, 2012, and does not have any equity interest in this joint venture. Complete financial statements for the DTF can be obtained from its administrative office at the following address:

Administrative Office:

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

D. Jointly Governed Organization

The Northeast Tennessee Railroad Authority was incorporated in June 2005 as a public authority created by the Tennessee State Legislature. The purpose of the rail authority is to preserve and enhance the railroad system serving Anderson, Campbell, and Scott counties in Tennessee, so as to secure economic benefits for these counties. The rail authority is governed by a board of directors, which includes the mayor for each of the three counties served by the rail authority. Campbell County did not contribute to the operations of the Northeast Tennessee Railroad Authority for the year ended June 30, 2012. Complete financial statements for the rail authority can be obtained from its administrative office at P.O. Box 180, Huntsville, TN 37756.

E. Retirement Commitments

Plan Description

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

plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

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

Funding Policy

Campbell County requires employees to contribute five percent of their earnable compensation. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2012, was 6.51 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2012, Campbell County’s annual pension cost of \$827,559 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 three percent annual rate of inflation, (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected post retirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The county’s unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2009, was six years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-12	\$827,559	100%	\$0
6-30-11	796,674	100	0
6-30-10	803,766	100	0

Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the plan was 98.61 percent funded. The actuarial accrued liability for benefits was \$32.44 million, and the actuarial value of assets was \$31.99 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$.45 million. The covered payroll (annual payroll of active employees covered by the plan) was \$12.16 million, and the ratio of the UAAL to the covered payroll was 3.72 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.

SCHOOL TEACHERS

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

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

Funding Policy

Most teachers are required by state statute to contribute five percent of their salary to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2012, 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, 2012, 2011, and 2010, were \$1,730,811, \$1,759,163, and \$1,237,947 respectively, equal to the required contributions for each year.

F. Other Postemployment Benefits (OPEB)

Primary Government

Plan Description

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

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is purchased commercially and financed on a pay-as-you-go basis. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The county develops its own contribution policy in terms of subsidizing active employees or retired employees' premiums. Eligible employees must be age 55 with ten years of service or any age with 25 years of service until attainment of age 65 when they become eligible for Medicare. Campbell County pays from 60 to 75 percent of the costs of benefits depending upon years of service. The retiree's spouse is eligible for coverage until the spouse reaches age 65. During the year ended June 30, 2012, the county contributed \$141,759 for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

ARC	\$ 182,000
Interest on the NPO	19,000
Adjustment to the ARC	(18,000)
Annual OPEB cost	<u>\$ 183,000</u>
Amount of contribution	<u>(141,759)</u>
Increase/decrease in NPO	\$ 41,241
Net OPEB obligation, 7-1-11	<u>555,759</u>
Net OPEB obligation, 6-30-12	<u><u>\$ 597,000</u></u>

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-10	Campbell County	\$ 260,000	17.8 %	\$ 282,751
6-30-11	"	293,000	6.8	555,759
6-30-12	"	183,000	77.4	597,000

Funded Status and Funding Progress

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

Actuarial valuation date	7-1-10
Actuarial accrued liability (AAL)	\$ 1,935,000
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 1,935,000
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 6,252,000
UAAL as a % of covered payroll	31%

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

Actuarial Methods and Assumptions

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point.

Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

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

Discretely Presented Campbell County School Department

Plan Description

The Campbell County School Department participates in the state-administered Local Education Group Insurance Plan for healthcare benefits for teachers. For accounting purposes, the plan is an agent multiple-employer defined benefit OPEB plan. Benefits are established and amended by an insurance committee created by Section 8-27-302, *Tennessee Code Annotated (TCA)*. Prior to reaching the age of 65, all members have the option of choosing between the standard or partnership preferred provider organization (PPO) plan for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plan is reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://tn.gov/finance/act/cafr.html>.

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

Funding Policy

Local Education Group Insurance Plan

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in the plan develop their own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state provides a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. The required contribution rate for

teachers ranges from zero to 35 percent based on the years of service and type of coverage. During the year ended June 30, 2012, the discretely presented Campbell County School Department contributed \$470,312 for postemployment benefits related to this plan.

Campbell County Commercial Plan

Funding requirements for the county's commercial postemployment plan are described in the primary government section of this note. During the year ended June 30, 2012, the Campbell County School Department contributed \$344,932 for postemployment benefits related to this plan.

Annual OPEB Cost and Net OPEB Obligation

	County Commercial Plan	Local Education Group Plan	Total
ARC	\$ 207,000	\$ 1,015,000	\$ 1,222,000
Interest on the NPO	8,000	129,023	137,023
Adjustment to the ARC	(8,000)	(136,956)	(144,956)
Annual OPEB cost	\$ 207,000	\$ 1,007,067	\$ 1,214,067
Amount of contribution	(344,932)	(470,312)	(815,244)
Increase/decrease in NPO	\$ (137,932)	\$ 536,755	\$ 398,823
Net OPEB obligation, 7-1-11	286,932	3,225,585	3,512,517
Net OPEB obligation, 6-30-12	\$ 149,000	\$ 3,762,340	\$ 3,911,340

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-10	Local Education Group	\$ 1,027,270	52.5	\$ 2,705,920
6-30-11	"	1,039,429	50	3,225,585
6-30-12	"	1,007,067	46.7	3,762,340
6-30-10	County Commercial	243,000	66.5	207,519
6-30-11	"	268,000	70.4	286,932
6-30-12	"	207,000	166.6	149,000

Funded Status and Funding Progress

The funded status of the plans as of the latest actuarial date, were as follows:

	Campbell County Plan	Local Education Group Plan
Actuarial valuation date	7-1-10	7-1-11
Actuarial accrued liability (AAL)	\$ 3,468,000	\$ 9,874,000
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 3,468,000	\$ 9,874,000
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 4,666,816	\$ 16,167,184
UAAL as a % of covered payroll	74%	61%

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

Actuarial Methods and Assumptions

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

Local Education Group Insurance Plan

In the July 1, 2011, actuarial valuation, the projected unit credit actuarial cost method was used and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses). The annual healthcare cost trend rate for the plan was 9.25 percent for fiscal year 2012. The trend rate will decrease to 8.75 percent in fiscal year 2013 and then be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. The rate includes a 2.5 percent inflation assumption. The unfunded actuarial

accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with June 30, 2008.

Campbell County Commercial Plan

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

G. Office of Central Accounting and Budgeting

Office of Director of Finance

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

H. Purchasing Law

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

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

Campbell County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 6,793,230	\$ 0	\$ 0	\$ 6,793,230	\$ 6,810,170	\$ 6,773,536	\$ 19,694
Licenses and Permits	146,943	0	0	146,943	154,221	146,310	633
Fines, Forfeitures, and Penalties	236,113	0	0	236,113	192,416	239,425	(3,312)
Charges for Current Services	366,088	0	0	366,088	85,050	364,038	2,050
Other Local Revenues	77,402	0	0	77,402	84,065	53,540	23,862
Fees Received from County Officials	1,692,565	0	0	1,692,565	1,641,205	1,726,982	(34,417)
State of Tennessee	3,330,813	0	0	3,330,813	2,998,464	3,478,917	(148,104)
Federal Government	269,744	0	0	269,744	66,697	272,173	(2,429)
Other Governments and Citizens Groups	334,907	0	0	334,907	325,532	344,632	(9,725)
Total Revenues	\$ 13,247,805	\$ 0	\$ 0	\$ 13,247,805	\$ 12,357,820	\$ 13,399,553	\$ (151,748)

<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 262,950	(42)	261	\$ 263,169	\$ 263,531	\$ 271,791	\$ 8,622
Board of Equalization	4,132	0	0	4,132	4,134	4,134	2
County Mayor/Executive	256,398	(1,179)	17,638	272,857	266,259	274,549	1,692
County Attorney	48,684	0	0	48,684	50,073	49,223	539
Election Commission	369,957	(43,265)	11,990	338,682	352,594	377,382	38,700
Register of Deeds	254,353	(3,458)	6,318	257,213	271,511	267,566	10,353
County Buildings	456,398	(8,229)	25,471	473,640	229,794	478,672	5,032
Other Facilities	136,976	0	83,389	220,365	27,492	223,652	3,287
Preservation of Records	12,446	0	0	12,446	18,222	14,992	2,546
<u>Finance</u>							
Accounting and Budgeting	876,310	(32,243)	37,325	881,392	879,672	881,717	325
Property Assessor's Office	377,360	(6,022)	2,234	373,572	391,100	393,785	20,213

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original		
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance (Cont.)</u>							
Reappraisal Program	\$ 29,200	\$ 0	\$ 0	\$ 29,200	\$ 29,200	\$ 29,200	\$ 0
County Trustee's Office	296,215	(1,032)	3,415	298,598	304,249	299,360	762
County Clerk's Office	516,903	(302)	491	517,092	558,410	548,446	31,354
Other Finance	434,198	(104,615)	10,075	339,658	297,035	340,405	747
<u>Administration of Justice</u>							
Circuit Court	578,445	(736)	6,311	584,020	549,497	590,668	6,648
General Sessions Court	196,821	(103)	527	197,245	199,671	199,671	2,426
Drug Court	82,843	(6,699)	8,182	84,326	93,036	103,115	18,789
Chancery Court	295,973	(2,189)	5,912	299,696	303,282	305,733	6,037
District Attorney General	34,111	0	0	34,111	35,138	34,288	177
Office of Public Defender	25,309	0	0	25,309	26,354	26,354	1,045
Other Administration of Justice	600	0	0	600	600	600	0
<u>Public Safety</u>							
Sheriff's Department	2,156,395	(16,289)	9,709	2,149,815	1,988,568	2,157,524	7,709
Special Patrols	295,113	(28,701)	1,041	267,453	286,173	276,183	8,730
Traffic Control	764	0	0	764	3,050	3,050	2,286
Administration of the Sexual Offender Registry	4,988	(1,797)	15	3,206	4,600	4,600	1,394
Jail	2,489,884	(16,488)	17,568	2,490,964	2,440,716	2,568,388	77,424
Juvenile Services	31,384	0	0	31,384	37,581	36,943	5,559
Commissary	0	0	0	0	47,924	0	0
Fire Prevention and Control	155,305	0	0	155,305	165,857	166,566	11,261
Civil Defense	171,791	(30,006)	55,121	196,906	57,513	247,937	51,031
Rescue Squad	60,102	0	3,000	63,102	71,099	64,450	1,348
Other Emergency Management	188,456	0	0	188,456	188,956	188,956	500

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Public Safety (Cont.)</u>							
County Coroner/Medical Examiner	\$ 92,296	\$ (13,291)	\$ 1,909	\$ 80,914	\$ 84,935	\$ 90,085	\$ 9,171
Other Public Safety	650,261	(396,180)	268,469	522,550	273,267	549,133	26,583
<u>Public Health and Welfare</u>							
Local Health Center	89,145	(11,423)	1,484	79,206	90,972	90,122	10,916
Rabies and Animal Control	131,996	(1,805)	1,428	131,619	142,383	146,230	14,611
Dental Health Program	3,475	0	509	3,984	7,740	5,838	1,854
Alcohol and Drug Programs	7,270	0	0	7,270	7,270	7,270	0
Crippled Children Services	2,764	0	0	2,764	2,764	2,764	0
Other Local Health Services	561,682	0	0	561,682	607,129	619,050	57,368
Appropriation to State	24,500	0	0	24,500	24,500	24,500	0
General Welfare Assistance	61,898	(200)	677	62,375	66,450	70,000	7,625
Sanitation Education/Information	128,525	(134)	829	129,220	115,661	130,052	832
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	46,706	0	0	46,706	46,370	56,515	9,809
Libraries	38,000	0	0	38,000	38,000	38,000	0
Other Social, Cultural, and Recreational	135,133	(22,379)	1,496	114,250	108,522	117,322	3,072
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	50,400	(200)	166	50,366	52,513	52,513	2,147
Soil Conservation	3,106	0	0	3,106	6,330	6,330	3,224
<u>Other Operations</u>							
Airport	71,419	0	476	71,895	73,784	73,784	1,889
Veterans' Services	128,226	(261)	1,420	129,385	132,448	130,748	1,363
Contributions to Other Agencies	77,309	0	308	77,617	78,118	78,118	501
Employee Benefits	144,446	(5,105)	8,105	147,446	180,872	180,379	32,933

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Other Operations (Cont.)</u>							
ARRA Grant # 2	\$ 2,082	\$ (2,082)	0	0	0	0	0
ARRA Grant # 3	10,414	0	0	10,414	6,697	12,146	1,732
Miscellaneous	93,730	(25,517)	5,858	74,071	49,473	75,200	1,129
<u>Highways</u>							
Employee Benefits	10,818	0	0	10,818	0	10,818	0
<u>Support Services</u>							
Board of Education	2,602	0	0	2,602	0	2,602	0
Total Expenditures	\$ 13,668,967	\$ (781,972)	\$ 599,127	\$ 13,486,122	\$ 12,639,089	\$ 13,999,419	\$ 513,297
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ (421,162)	\$ 781,972	\$ (599,127)	\$ (238,317)	\$ (281,269)	\$ (599,866)	\$ 361,549
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 7,606	0	0	7,606	0	6,951	655
Transfers In	144,942	0	0	144,942	225,242	144,942	0
Total Other Financing Sources (Uses)	\$ 152,548	0	0	152,548	225,242	151,893	655
Net Change in Fund Balance	\$ (268,614)	\$ 781,972	\$ (599,127)	\$ (85,769)	\$ (56,027)	\$ (447,973)	\$ 362,204
Fund Balance, July 1, 2011	3,825,619	(781,972)	0	3,043,647	2,810,065	2,810,065	233,582
Fund Balance, June 30, 2012	\$ 3,557,005	0	\$ (599,127)	\$ 2,957,878	\$ 2,754,038	\$ 2,362,092	\$ 595,786

Exhibit E-2

Campbell County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures/ (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 2,205,575	\$ 0	\$ 0	\$ 2,205,575	\$ 2,197,891	\$ 2,200,751	\$ 4,824
Charges for Current Services	95,938	0	0	95,938	84,933	94,273	1,665
Other Local Revenues	180,395	0	0	180,395	121,443	137,603	42,792
State of Tennessee	5,652	0	0	5,652	20,100	20,100	(14,448)
Total Revenues	\$ 2,487,560	\$ 0	\$ 0	\$ 2,487,560	\$ 2,424,367	\$ 2,452,727	\$ 34,833
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Sanitation Management	\$ 343,405	(7,755)	11,511	\$ 347,161	\$ 369,535	\$ 350,230	\$ 3,069
Convenience Centers	1,433,670	(6,594)	6,875	1,433,951	1,454,097	1,450,913	16,962
Transfer Stations	329,260	0	16,152	345,412	151,843	347,152	1,740
Recycling Center	355,061	(3,169)	4,287	356,179	301,411	362,627	6,448
Other Waste Disposal	187,825	(134)	8,204	195,895	276,440	220,651	24,756
Other Operations	13,665	0	0	13,665	22,541	20,454	6,789
Employee Benefits	2,662,886	(17,652)	47,029	2,692,263	2,575,867	2,752,027	59,764
Total Expenditures	\$ (175,326)	\$ 17,652	(47,029)	(204,703)	(151,500)	(299,300)	94,597
Excess (Deficiency) of Revenues Over Expenditures	\$ (175,326)	\$ 17,652	(47,029)	(204,703)	(151,500)	(299,300)	94,597
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (57,200)	\$ 0	\$ 0	(57,200)	(30,000)	(57,200)	\$ 0
Total Other Financing Sources (Uses)	\$ (57,200)	\$ 0	\$ 0	(57,200)	(30,000)	(57,200)	\$ 0
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ (232,526)	\$ 17,652	(47,029)	(261,903)	(181,500)	(356,500)	\$ 94,597
Fund Balance, July 1, 2011	1,094,583	(17,652)	0	1,076,931	1,076,931	1,076,931	0
Fund Balance, June 30, 2012	\$ 862,057	\$ 0	(47,029)	\$ 815,028	\$ 895,431	\$ 720,431	\$ 94,597

Exhibit E-3

Campbell County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 Highway/Public Works Fund
 For the Year Ended June 30, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)		Budgeted Amounts Original	Final	Variance with Final Budget - Positive (Negative)
				7/1/2011	6/30/2012			
Revenues								
Local Taxes	\$ 817,809	\$ 0	\$ 0	\$ 817,809	\$ 935,097	\$ 837,818	\$ (20,009)	
Licenses and Permits	50	0	0	50	250	250	(200)	
Charges for Current Services	0	0	0	0	0	100,000	(100,000)	
Other Local Revenues	585,126	0	0	585,126	413,175	576,300	8,826	
State of Tennessee	2,100,687	0	0	2,100,687	2,191,307	2,163,745	(63,058)	
Federal Government	18,774	0	0	18,774	0	0	18,774	
Total Revenues	\$ 3,522,446	\$ 0	\$ 0	\$ 3,522,446	\$ 3,539,829	\$ 3,678,113	\$ (155,667)	
Expenditures								
Highways								
Administration	\$ 183,580	(308)	768	194,040	193,789	194,549	509	
Highway and Bridge Maintenance	1,591,475	(138,821)	104,777	1,557,431	1,508,744	1,567,677	10,246	
Operation and Maintenance of Equipment	1,062,611	(39,023)	14,004	1,037,592	909,224	1,068,088	30,496	
Quarry Operations	266,322	(12,759)	9,585	263,148	270,221	266,331	3,183	
Other Charges	129,721	(681)	647	129,687	136,923	132,279	2,592	
Employee Benefits	73,153	(220)	517	73,450	90,233	79,853	6,403	
Capital Outlay	552,158	(193,236)	0	358,922	423,195	472,633	113,711	
Total Expenditures	\$ 3,869,020	(385,048)	130,298	\$ 3,614,270	\$ 3,532,329	\$ 3,781,410	\$ 167,140	
Excess (Deficiency) of Revenues Over Expenditures	\$ (346,574)	\$ 385,048	(130,298)	(91,824)	7,500	(103,297)	11,473	
Other Financing Sources (Uses)								
Insurance Recovery	\$ 15,790	0	0	15,790	0	15,600	190	
Transfers Out	(23,800)	0	0	(23,800)	0	(23,800)	0	
Total Other Financing Sources (Uses)	\$ (8,010)	0	0	(8,010)	0	(8,200)	190	
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ (354,584)	\$ 385,048	(130,298)	(99,834)	7,500	(111,497)	11,663	
Fund Balance, June 30, 2012	929,631	(385,048)	0	544,583	471,841	471,841	72,742	
Fund Balance, June 30, 2012	\$ 575,047	\$ 0	(130,298)	\$ 444,749	\$ 479,341	\$ 360,344	\$ 84,405	

Exhibit E-4

Campbell County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Campbell County School Department
June 30, 2012

(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)
7-1-11	\$ 31,990	\$ 32,442	\$ 452	98.61 %	\$ 12,159	3.72 %
7-1-09	26,563	26,563	0	100.00	11,420	0
7-1-07	24,788	24,788	0	100.00	11,284	0

Exhibit E-5

Campbell County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Campbell County School Department
June 30, 2012

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAAL as a Percentage of Covered Payroll ((b-a)/c)
<u>PRIMARY GOVERNMENT</u>							
Campbell County*	7-1-08	\$ 0	\$ 1,941	\$ 1,941	0 %	\$ 7,067	27 %
"	7-1-10	0	1,935	1,935	0	6,252	31
<u>DISCRETELY PRESENTED CAMPBELL COUNTY SCHOOL DEPARTMENT</u>							
Teachers:							
Local Education Group	7-1-09	0	10,259	10,259	0	18,003	57
"	7-1-10	0	10,287	10,287	0	17,955	57
"	7-1-11	0	9,874	9,874	0	16,167	61
Non-Teachers:							
Campbell County*	7-1-08	0	3,228	3,228	0	5,006	64
"	7-1-10	0	3,468	3,468	0	4,667	74

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

CAMPBELL COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2012

BUDGETARY INFORMATION

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

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

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

At June 30, 2012, Campbell County reported the following significant encumbrance in the General Fund:

<u>Description</u>	<u>Amount</u>
Construction	\$ 345,550

**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 specific purposes other than debt service or capital projects.

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

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

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 for the county.

Exhibit F-1

Campbell County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2012

	Special Revenue Funds					Capital Projects Fund	Total Nonmajor Governmental Funds
	Ambulance Service	Industrial/ Economic Development	Drug Control	Constitu- tional Officers - Fees	Total		
\$ 200 \$	0 \$	0 \$	0 \$	2,850 \$	3,050 \$	0 \$	3,050
681,926	313,867	50,661	0	0	1,046,454	229,977	1,276,431
825,127	0	0	392	0	825,519	0	825,519
(51,031)	0	0	0	0	(51,031)	0	(51,031)
0	88,506	0	0	0	88,506	0	88,506
168,904	84,452	0	0	0	253,356	506,712	760,068
(14,974)	(7,487)	0	0	0	(22,461)	(44,924)	(67,385)
\$ 1,610,152 \$	479,338 \$	50,661 \$	3,242 \$	2,143,393 \$	691,765 \$	2,835,158	

ASSETS

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

Total Assets

LIABILITIES AND FUND BALANCES

Liabilities

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

Fund Balances

Restricted:
 Restricted for Public Safety
 Restricted for Other Operations
 Committed:
 Committed for Public Health and Welfare

(Continued)

Exhibit F-1

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

	Special Revenue Funds					Capital Projects Fund	Total Nonmajor Governmental Funds
	Ambulance Service	Industrial / Economic Development	Drug Control	Constitu- tional Officers - Fees	Total		
\$	0	0	0	0	0	232,955	\$ 232,955
0	256,720	0	0	0	0	256,720	256,720
\$ 749,340	\$ 328,645	\$ 23,368	\$ 0	\$ 1,101,353	\$ 232,955	\$ 1,334,308	
\$ 1,610,152	\$ 479,338	\$ 50,661	\$ 3,242	\$ 2,143,393	\$ 691,765	\$ 2,835,158	

LIABILITIES AND FUND BALANCES (Cont.)

Fund Balances (Cont.)
 Committed (Cont.):
 Committed for Capital Projects
 Committed for Other Purposes
 Total Fund Balances
 Total Liabilities and Fund Balances

Exhibit F-2

Campbell County, Tennessee
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2012

	Special Revenue Funds					Total	Capital Projects Fund		Total Nonmajor Governmental Funds
	Ambulance Service	Industrial / Economic Development	Drug Control	Constitutional Officers - Fees	General Capital Projects		Capital Projects Fund		
							General Capital Projects	Nonmajor Governmental Funds	
Revenues									
Local Taxes	\$ 157,554	\$ 159,510	\$ 0	\$ 0	\$ 317,064	\$ 543,376	\$ 860,440		
Fines, Forfeitures, and Penalties	0	0	112,320	0	112,320	0	112,320		
Charges for Current Services	1,825,764	770	0	18,000	1,844,534	0	1,844,534		
Other Local Revenues	4,710	47,278	0	0	51,988	0	51,988		
State of Tennessee	0	1,500	0	0	1,500	100,000	101,500		
Federal Government	0	9,000	0	0	9,000	102,048	111,048		
Other Governments and Citizens Groups	0	23,149	0	0	23,149	0	23,149		
Total Revenues	\$ 1,988,028	\$ 241,207	\$ 112,320	\$ 18,000	\$ 2,359,555	\$ 745,424	\$ 3,104,979		
Expenditures									
Current:									
General Government	\$ 0	\$ 141,338	\$ 0	\$ 0	\$ 141,338	\$ 0	\$ 141,338		
Administration of Justice	0	0	0	18,000	18,000	0	18,000		
Public Safety	0	0	135,434	0	135,434	0	135,434		
Public Health and Welfare	1,885,118	0	0	0	1,885,118	0	1,885,118		
Other Operations	7,784	136,347	0	0	144,131	0	144,131		
Debt Service:									
Principal on Debt	14,167	0	0	0	14,167	0	14,167		
Interest on Debt	117	0	0	0	117	0	117		
Capital Projects	0	0	0	0	0	2,018,067	2,018,067		
Total Expenditures	\$ 1,907,186	\$ 277,685	\$ 135,434	\$ 18,000	\$ 2,338,305	\$ 2,018,067	\$ 4,356,372		
Excess (Deficiency) of Revenues Over Expenditures	\$ 80,842	\$ (36,478)	\$ (23,114)	\$ 0	\$ 21,250	\$ (1,272,643)	\$ (1,251,393)		
Other Financing Sources (Uses)									
Other Loans Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,387,088	\$ 1,387,088		
Transfers Out	(63,942)	0	0	0	(63,942)	(121,680)	(185,622)		
Total Other Financing Sources (Uses)	\$ (63,942)	\$ 0	\$ 0	\$ 0	\$ (63,942)	\$ 1,265,408	\$ 1,201,466		
Net Change in Fund Balances	\$ 16,900	\$ (36,478)	\$ (23,114)	\$ 0	\$ (42,692)	\$ (7,235)	\$ (49,927)		
Fund Balance, July 1, 2011	732,440	365,123	46,482	0	1,144,045	240,190	1,384,235		
Fund Balance, June 30, 2012	\$ 749,340	\$ 328,645	\$ 23,368	\$ 0	\$ 1,101,353	\$ 232,955	\$ 1,334,308		

Exhibit F-3

Campbell County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Ambulance Service Fund
For the Year Ended June 30, 2012

	Actual (GAAP Basis)	Less:		Add:	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		7/1/2011 Encumbrances	6/30/2012 Encumbrances			Original	Final	
<u>Revenues</u>								
Local Taxes	\$ 157,554	\$ 0	\$ 0	\$ 0	\$ 157,554	\$ 158,703	\$ 154,550	\$ 3,004
Charges for Current Services	1,825,764	0	0	0	1,825,764	1,960,261	1,750,089	75,675
Other Local Revenues	4,710	0	0	0	4,710	0	4,710	0
Total Revenues	\$ 1,988,028	\$ 0	\$ 0	\$ 0	\$ 1,988,028	\$ 2,118,964	\$ 1,909,349	\$ 78,679
<u>Expenditures</u>								
<u>Public Health and Welfare</u>								
Ambulance/Emergency Medical Services	\$ 1,885,118	\$ (11,112)	\$ 6,461	\$ 6,461	\$ 1,880,467	\$ 2,038,987	\$ 1,923,339	\$ 42,872
Other Operations	7,784	0	0	0	7,784	19,615	7,784	0
Employee Benefits								
Principal on Debt	14,167	0	0	0	14,167	14,167	14,167	0
General Government								
Interest on Debt	117	0	0	0	117	953	117	0
General Government								
Total Expenditures	\$ 1,907,186	\$ (11,112)	\$ 6,461	\$ 6,461	\$ 1,902,535	\$ 2,073,722	\$ 1,945,407	\$ 42,872
Excess (Deficiency) of Revenues Over Expenditures	\$ 80,842	\$ 11,112	\$ (6,461)	\$ (6,461)	\$ 85,493	\$ 45,242	\$ (36,058)	\$ 121,551
<u>Other Financing Sources (Uses)</u>								
Transfers Out	\$ (63,942)	\$ 0	\$ 0	\$ 0	\$ (63,942)	\$ (45,242)	\$ (63,942)	\$ 0
Total Other Financing Sources (Uses)	\$ (63,942)	\$ 0	\$ 0	\$ 0	\$ (63,942)	\$ (45,242)	\$ (63,942)	\$ 0
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ 16,900	\$ 11,112	\$ (6,461)	\$ (6,461)	\$ 21,551	\$ 0	\$ (100,000)	\$ 121,551
Fund Balance, June 30, 2012	732,440	(11,112)	0	0	721,328	721,328	721,328	0
Fund Balance, June 30, 2012	\$ 749,340	\$ 0	\$ (6,461)	\$ (6,461)	\$ 742,879	\$ 721,328	\$ 621,328	\$ 121,551

Exhibit F-4

Campbell County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Industrial/Economic Development Fund
For the Year Ended June 30, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 159,510	\$ 0	\$ 0	\$ 159,510	\$ 161,211	\$ 159,338	\$ 172
Charges for Current Services	770	0	0	770	250	250	520
Other Local Revenues	47,278	0	0	47,278	47,253	47,253	25
State of Tennessee	1,500	0	0	1,500	1,500	1,500	0
Federal Government	9,000	0	0	9,000	0	224,982	(215,982)
Other Governments and Citizens Groups	23,149	0	0	23,149	23,120	23,120	29
Total Revenues	\$ 241,207	\$ 0	\$ 0	\$ 241,207	\$ 233,334	\$ 456,443	\$ (215,236)
<u>Expenditures</u>							
<u>General Government</u>							
Development	\$ 101,731	(12,414)	\$ 195,014	\$ 284,331	\$ 79,000	\$ 405,132	\$ 120,801
Planning	23,199	(9,988)	8,988	22,199	65,550	59,112	36,913
Other Facilities	16,408	(281)	2,509	18,636	17,925	20,295	1,659
<u>Other Operations</u>							
Tourism	45,000	0	0	45,000	45,000	45,000	0
Industrial Development	91,347	(3,100)	2,700	90,947	134,759	164,954	74,007
Total Expenditures	\$ 277,685	(25,783)	\$ 209,211	\$ 461,113	\$ 342,234	\$ 694,493	\$ 233,380
Excess (Deficiency) of Revenues Over Expenditures	\$ (36,478)	\$ 25,783	(209,211)	(219,906)	(108,900)	(238,050)	18,144
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ (36,478)	\$ 25,783	(209,211)	(219,906)	(108,900)	(238,050)	18,144
	365,123	(25,783)	0	339,340	295,448	295,448	43,892
Fund Balance, June 30, 2012	\$ 328,645	\$ 0	(209,211)	\$ 119,434	\$ 186,548	\$ 57,398	\$ 62,036

Exhibit F-5

Campbell County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Drug Control Fund
For the Year Ended June 30, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Fines, Forfeitures, and Penalties	\$ 112,320 \$	0 \$	0 \$	112,320 \$	103,605 \$	123,000 \$	(10,680)
Other Local Revenues	0	0	0	0	5,000	0	0
<u>Total Revenues</u>	<u>\$ 112,320 \$</u>	<u>0 \$</u>	<u>0 \$</u>	<u>112,320 \$</u>	<u>108,605 \$</u>	<u>123,000 \$</u>	<u>(10,680)</u>
<u>Expenditures</u>							
<u>Public Safety</u>							
Drug Enforcement	\$ 135,434 \$	(4,233) \$	1,017 \$	132,218 \$	108,605 \$	138,000 \$	5,782
<u>Total Expenditures</u>	<u>\$ 135,434 \$</u>	<u>(4,233) \$</u>	<u>1,017 \$</u>	<u>132,218 \$</u>	<u>108,605 \$</u>	<u>138,000 \$</u>	<u>5,782</u>
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	<u>\$ (23,114) \$</u>	<u>4,233 \$</u>	<u>(1,017) \$</u>	<u>(19,898) \$</u>	<u>0 \$</u>	<u>(15,000) \$</u>	<u>(4,898)</u>
<u>Net Change in Fund Balance Fund Balance, July 1, 2011</u>	<u>\$ (23,114) \$</u>	<u>4,233 \$</u>	<u>(1,017) \$</u>	<u>(19,898) \$</u>	<u>0 \$</u>	<u>(15,000) \$</u>	<u>(4,898)</u>
	46,482	(4,233)	0	42,249	37,798	37,798	4,451
<u>Fund Balance, June 30, 2012</u>	<u>\$ 23,368 \$</u>	<u>0 \$</u>	<u>(1,017) \$</u>	<u>22,351 \$</u>	<u>37,798 \$</u>	<u>22,798 \$</u>	<u>(447)</u>

Exhibit F-6

Campbell County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Capital Projects Fund
For the Year Ended June 30, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 543,376	\$ 0	\$ 0	\$ 543,376	\$ 543,176	\$ 543,176	\$ 200
State of Tennessee	100,000	0	0	100,000	0	100,000	0
Federal Government	102,048	0	0	102,048	0	0	102,048
Total Revenues	\$ 745,424	\$ 0	\$ 0	\$ 745,424	\$ 543,176	\$ 643,176	\$ 102,248
<u>Expenditures</u>							
<u>Capital Projects</u>							
General Administration Projects	\$ 214,082	\$ (105,734)	\$ 18,633	\$ 126,981	\$ 138,000	\$ 138,000	\$ 11,019
Public Safety Projects	67,500	0	0	67,500	67,500	67,500	0
Public Health and Welfare Projects	110,122	(56,245)	5,000	58,877	91,727	87,877	29,000
Social, Cultural, and Recreation Projects	15,099	(8,986)	19,424	25,537	55,000	80,537	55,000
Public Utility Projects	2,500	0	0	2,500	2,500	2,500	0
Other General Government Projects	39,737	(39,737)	0	0	0	0	0
Highway and Street Capital Projects	181,939	(55,775)	103,850	230,014	115,000	230,013	(1)
Education Capital Projects	1,387,088	0	0	1,387,088	0	1,387,088	0
Total Expenditures	\$ 2,018,067	\$ (266,477)	\$ 146,907	\$ 1,888,497	\$ 469,727	\$ 1,993,515	\$ 95,018
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,272,643)	\$ 266,477	\$ (146,907)	\$ (1,153,073)	\$ 73,449	\$ (1,350,339)	\$ 197,266
<u>Other Financing Sources (Uses)</u>							
Other Loans Issued	\$ 1,387,088	\$ 0	\$ 0	\$ 1,387,088	\$ 0	\$ 1,387,088	\$ 0
Transfers Out	(121,680)	0	0	(121,680)	(121,680)	(121,680)	0
Total Other Financing Sources (Uses)	\$ 1,265,408	\$ 0	\$ 0	\$ 1,265,408	\$ (121,680)	\$ 1,265,408	\$ 0
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ (7,235)	\$ 266,477	\$ (146,907)	\$ 112,335	\$ (48,231)	\$ (84,931)	\$ 197,266
Fund Balance, July 1, 2011	240,190	(266,477)	0	(26,287)	48,231	48,231	(74,518)
Fund Balance, June 30, 2012	\$ 232,955	\$ 0	\$ (146,907)	\$ 86,048	\$ 0	\$ (36,700)	\$ 122,748

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

Campbell County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,182,407	\$ 2,068,134	\$ 2,046,534	\$ 135,873
Other Local Revenues	101,528	167,700	167,700	(66,172)
Federal Government	302,597	302,597	302,597	0
Other Governments and Citizens Groups	2,685,777	1,250,000	2,685,777	0
Total Revenues	<u>\$ 5,272,309</u>	<u>\$ 3,788,431</u>	<u>\$ 5,202,608</u>	<u>\$ 69,701</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 337,255	\$ 337,255	\$ 337,255	\$ 0
Education	2,612,530	1,219,412	2,612,530	0
<u>Interest on Debt</u>				
General Government	836,855	834,489	836,856	1
Education	1,500,532	1,473,230	1,500,535	3
<u>Other Debt Service</u>				
General Government	54,311	84,000	77,131	22,820
Total Expenditures	<u>\$ 5,341,483</u>	<u>\$ 3,948,386</u>	<u>\$ 5,364,307</u>	<u>\$ 22,824</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>\$ (69,174)</u>	<u>\$ (159,955)</u>	<u>\$ (161,699)</u>	<u>\$ 92,525</u>
<u>Other Financing Sources (Uses)</u>				
Premiums on Debt Issued	\$ 32,326	\$ 0	\$ 32,326	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 32,326</u>	<u>\$ 0</u>	<u>\$ 32,326</u>	<u>\$ 0</u>
Net Change in Fund Balance				
Fund Balance, July 1, 2011	\$ (36,848)	\$ (159,955)	\$ (129,373)	\$ 92,525
	<u>2,004,880</u>	<u>2,031,592</u>	<u>2,031,592</u>	<u>(26,712)</u>
Fund Balance, June 30, 2012	<u>\$ 1,968,032</u>	<u>\$ 1,871,637</u>	<u>\$ 1,902,219</u>	<u>\$ 65,813</u>

Fiduciary Funds

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

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

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

Exhibit H-1

Campbell County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2012

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 2,417,634	\$ 2,417,634
Due from Other Governments	574,572	0	574,572
Total Assets	<u>\$ 574,572</u>	<u>\$ 2,417,634</u>	<u>\$ 2,992,206</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 574,572	\$ 0	\$ 574,572
Due to Litigants, Heirs, and Others	0	2,417,634	2,417,634
Total Liabilities	<u>\$ 574,572</u>	<u>\$ 2,417,634</u>	<u>\$ 2,992,206</u>

Exhibit H-2

Campbell County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2012

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 3,094,061	\$ 3,094,061	\$ 0
Due from Other Governments	550,770	574,572	550,770	574,572
Total Assets	\$ 550,770	\$ 3,668,633	\$ 3,644,831	\$ 574,572
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 550,770	\$ 3,668,633	\$ 3,644,831	\$ 574,572
Total Liabilities	\$ 550,770	\$ 3,668,633	\$ 3,644,831	\$ 574,572
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 4,006,882	\$ 9,626,042	\$ 11,215,290	\$ 2,417,634
Total Assets	\$ 4,006,882	\$ 9,626,042	\$ 11,215,290	\$ 2,417,634
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 4,006,882	\$ 9,626,042	\$ 11,215,290	\$ 2,417,634
Total Liabilities	\$ 4,006,882	\$ 9,626,042	\$ 11,215,290	\$ 2,417,634
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 4,006,882	\$ 9,626,042	\$ 11,215,290	\$ 2,417,634
Equity in Pooled Cash and Investments	0	3,094,061	3,094,061	0
Due from Other Governments	550,770	574,572	550,770	574,572
Total Assets	\$ 4,557,652	\$ 13,294,675	\$ 14,860,121	\$ 2,992,206
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 550,770	\$ 3,668,633	\$ 3,644,831	\$ 574,572
Due to Litigants, Heirs, and Others	4,006,882	9,626,042	11,215,290	2,417,634
Total Liabilities	\$ 4,557,652	\$ 13,294,675	\$ 14,860,121	\$ 2,992,206

Campbell County School Department

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

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

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

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

Exhibit I-1

Campbell County, Tennessee
Statement of Activities
Discretely Presented Campbell County School Department
For the Year Ended June 30, 2012

Functions/Programs	Program Revenues			Charges for Services	Expenses	Net (Expense) Revenue and Changes in Net Assets
	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities			
Governmental Activities:						
Instruction	\$ 23,805,050	\$ 510	\$ 2,422,466	\$ 0	\$ (21,382,074)	
Support Services	17,722,630	10,260	1,225,099	4,245,315	(12,241,956)	
Operation of Non-Instructional Services	4,888,704	660,634	3,350,094	1,717,029	839,053	
Other Debt Service	2,685,777	0	0	0	(2,685,777)	
Total Governmental Activities	\$ 49,102,161	\$ 671,404	\$ 6,997,659	\$ 5,962,344	\$ (35,470,754)	
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 3,751,073	
Local Option Sales Taxes					3,074,642	
Wheel Taxes					1,452,358	
Coal Severance Taxes					122,964	
Other Local Taxes					1,662	
Grants and Contributions Not Restricted to Specific Programs					29,870,866	
Unrestricted Investment Income					1,702	
Miscellaneous					92,625	
Gain on Disposal of Capital Assets					567,450	
Total General Revenues					\$ 38,935,342	
Change in Net Assets					\$ 3,464,588	
Net Assets, July 1, 2011					52,897,152	
Net Assets, June 30, 2012					\$ 56,361,740	

Exhibit I-2

Campbell County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Campbell County School Department
June 30, 2012

	<u>Major Funds</u>			<u>Total Govern- mental Funds</u>
	<u>General Purpose School</u>	<u>School Federal Projects</u>	<u>Central Cafeteria</u>	
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 8,844	\$ 8,844
Equity in Pooled Cash and Investments	5,622,773	424,877	673,132	6,720,782
Accounts Receivable	0	286	0	286
Due from Other Governments	852,171	163,297	311,217	1,326,685
Property Taxes Receivable	3,990,362	0	0	3,990,362
Allowance for Uncollectible Property Taxes	(353,781)	0	0	(353,781)
Total Assets	\$ 10,111,525	\$ 588,460	\$ 993,193	\$ 11,693,178
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 65,180	\$ 7	\$ 2,753	\$ 67,940
Accrued Payroll	178	0	0	178
Payroll Deductions Payable	372,895	73,269	35,416	481,580
Contracts Payable	113,145	0	0	113,145
Retainage Payable	14,377	0	0	14,377
Due to Primary Government	22,945	0	0	22,945
Deferred Revenue - Current Property Taxes	3,429,119	0	0	3,429,119
Deferred Revenue - Delinquent Property Taxes	184,007	0	0	184,007
Other Deferred Revenues	406,220	0	0	406,220
Total Liabilities	\$ 4,608,066	\$ 73,276	\$ 38,169	\$ 4,719,511
<u>Fund Balances</u>				
Restricted:				
Restricted for Education	\$ 95,841	\$ 15,184	\$ 727,245	\$ 838,270
Committed:				
Committed for Education	167,333	500,000	227,779	895,112
Committed for Capital Projects	153,077	0	0	153,077
Assigned:				
Assigned for Education	708,966	0	0	708,966
Assigned for Capital Projects	375,333	0	0	375,333
Unassigned	4,002,909	0	0	4,002,909
Total Fund Balances	\$ 5,503,459	\$ 515,184	\$ 955,024	\$ 6,973,667
Total Liabilities and Fund Balances	\$ 10,111,525	\$ 588,460	\$ 993,193	\$ 11,693,178

Exhibit I-3

Campbell County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Assets
Discretely Presented Campbell County School Department
June 30, 2012

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)		\$	6,973,667
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	1,161,610	
Add: construction in progress		5,193,169	
Add: buildings and improvements net of accumulated depreciation		44,993,603	
Add: other capital assets net of accumulated depreciation		<u>1,360,804</u>	52,709,186
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: other postemployment benefits liability			(3,911,340)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			
			<u>590,227</u>
Net assets of governmental activities (Exhibit A)		\$	<u><u>56,361,740</u></u>

Exhibit I-4

Campbell County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Campbell County School Department
For the Year Ended June 30, 2012

	Major Funds			Total Governmental Funds
	General Purpose School	School Federal Projects	Central Cafeteria	
<u>Revenues</u>				
Local Taxes	\$ 8,380,204	\$ 0	\$ 0	\$ 8,380,204
Licenses and Permits	1,624	0	0	1,624
Charges for Current Services	10,770	0	660,634	671,404
Other Local Revenues	755,038	0	8,846	763,884
State of Tennessee	28,463,038	0	33,407	28,496,445
Federal Government	191,786	5,603,598	2,618,805	8,414,189
Other Governments and Citizens Groups	1,387,088	0	0	1,387,088
Total Revenues	\$ 39,189,548	\$ 5,603,598	\$ 3,321,692	\$ 48,114,838
<u>Expenditures</u>				
Current:				
Instruction	\$ 19,886,510	\$ 3,511,742	\$ 0	\$ 23,398,252
Support Services	13,671,576	1,976,095	0	15,647,671
Operation of Non-Instructional Services	1,270,865	70,254	3,684,327	5,025,446
Capital Outlay	2,129,168	0	0	2,129,168
Debt Service:				
Other Debt Service	2,685,777	0	0	2,685,777
Total Expenditures	\$ 39,643,896	\$ 5,558,091	\$ 3,684,327	\$ 48,886,314
Excess (Deficiency) of Revenues Over Expenditures	\$ (454,348)	\$ 45,507	\$ (362,635)	\$ (771,476)
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 83,168	\$ 0	\$ 0	\$ 83,168
Transfers In	52,017	6,850	69,242	128,109
Transfers Out	(76,092)	(52,017)	0	(128,109)
Total Other Financing Sources (Uses)	\$ 59,093	\$ (45,167)	\$ 69,242	\$ 83,168
Net Change in Fund Balances	\$ (395,255)	\$ 340	\$ (293,393)	\$ (688,308)
Fund Balance, July 1, 2011	5,898,714	514,844	1,248,417	7,661,975
Fund Balance, June 30, 2012	\$ 5,503,459	\$ 515,184	\$ 955,024	\$ 6,973,667

Exhibit I-5

Campbell County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
Discretely Presented Campbell County School Department
For the Year Ended June 30, 2012

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)	\$	(688,308)
<p>(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:</p>		
Add: capital assets purchased in the current period	\$	2,320,854
Less: current-year depreciation expense		<u>(2,137,878)</u> 182,976
<p>(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net assets.</p>		
Add: assets donated and capitalized		4,575,256
<p>(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Add: deferred delinquent property taxes and other deferred June 30, 2012	\$	590,227
Less: deferred delinquent property taxes and other deferred June 30, 2011		<u>(796,740)</u> (206,513)
<p>(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.</p>		
Change in other postemployment benefits liability		<u>(398,823)</u>
Change in net assets of governmental activities (Exhibit B)	\$	<u><u>3,464,588</u></u>

Exhibit I-6

Campbell County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Campbell County School Department
General Purpose School Fund
For the Year Ended June 30, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 8,380,204	\$ 0	\$ 0	\$ 8,380,204	\$ 8,563,500	\$ 8,409,479	\$ (29,275)
Licenses and Permits	1,624	0	0	1,624	2,500	2,500	(876)
Charges for Current Services	10,770	0	0	10,770	39,729	17,463	(6,693)
Other Local Revenues	755,038	0	0	755,038	64,968	790,444	(35,406)
State of Tennessee	28,463,038	0	0	28,463,038	28,858,795	28,568,801	(105,763)
Federal Government	191,786	0	0	191,786	187,025	251,314	(59,528)
Other Governments and Citizens Groups	1,387,088	0	0	1,387,088	0	778,894	608,194
Total Revenues	\$ 39,189,548	\$ 0	\$ 0	\$ 39,189,548	\$ 37,716,517	\$ 38,818,895	\$ 370,653
Expenditures							
<u>Instruction</u>							
Regular Instruction Program	\$ 16,234,609	(2,224)	2,049	\$ 16,234,434	\$ 16,643,779	\$ 16,799,174	\$ 564,740
Alternative Instruction Program	178,423	0	0	178,423	116,590	225,100	46,677
Special Education Program	1,994,787	0	700	1,995,487	2,004,899	2,023,277	27,790
Vocational Education Program	1,401,964	0	201	1,402,165	1,402,164	1,434,213	32,048
Student Body Education Program	0	0	0	0	312,216	0	0
Adult Education Program	76,727	0	0	76,727	64,920	100,680	23,953
<u>Support Services</u>							
Attendance	31,846	0	0	31,846	32,392	32,601	755
Health Services	359,581	0	0	359,581	352,015	364,178	4,597
Other Student Support	1,276,888	(90)	45	1,276,843	1,279,058	1,341,070	64,227
Regular Instruction Program	1,510,351	(1,046)	7,093	1,516,398	1,509,163	1,658,404	142,006
Alternative Instruction Program	83,684	0	0	83,684	83,652	84,583	899
Special Education Program	392,475	0	0	392,475	395,597	399,321	6,846

(Continued)

Exhibit I-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Vocational Education Program	\$ 164,123	\$ (62)	\$ 0	\$ 164,061	\$ 160,407	\$ 167,230	\$ 3,169
Adult Programs	73,043	0	0	73,043	61,021	74,352	1,309
Other Programs	312,354	0	0	312,354	0	312,354	0
Board of Education	1,284,287	0	635	1,284,922	1,336,185	1,331,841	46,919
Director of Schools	252,333	(231)	957	253,059	269,319	264,819	11,760
Office of the Principal	2,465,863	0	2,146	2,468,009	2,454,284	2,568,072	100,063
Fiscal Services	120,067	0	0	120,067	120,067	120,067	0
Human Services/Personnel	49,035	0	0	49,035	0	51,642	2,607
Operation of Plant	3,262,773	(11,669)	1,627	3,252,731	3,810,036	3,581,291	328,560
Maintenance of Plant	595,101	(51,154)	28,298	572,245	531,374	620,518	48,273
Transportation	1,413,599	(1,436)	412	1,412,575	1,384,952	1,424,017	11,442
Central and Other	24,173	0	0	24,173	0	24,910	737
<u>Operation of Non-Instructional Services</u>							
Community Services	293,130	0	328	293,458	457,067	297,528	4,070
Early Childhood Education	977,735	0	0	977,735	993,873	985,636	7,901
<u>Capital Outlay</u>							
Regular Capital Outlay	2,129,168	(747,349)	386,130	1,767,949	1,594,532	1,950,502	182,553
Principal on Debt							
Education	0	0	0	0	250,000	0	0
Interest on Debt							
Education	0	0	0	0	73,006	0	0
<u>Other Debt Service</u>							
Education	2,685,777	0	0	2,685,777	1,250,000	2,800,046	114,269
Total Expenditures	\$ 39,643,896	\$ (815,261)	\$ 430,621	\$ 39,259,256	\$ 38,942,568	\$ 41,037,426	\$ 1,778,170

(Continued)

Exhibit I-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Excess (Deficiency) of Revenues Over Expenditures	\$ (454,348)	\$ 815,261	\$ (430,621)	\$ (69,708)	\$ (1,226,051)	\$ (2,218,531)	\$ 2,148,823
Other Financing Sources (Uses)							
Insurance Recovery	\$ 83,168	\$ 0	\$ 0	\$ 83,168	\$ 0	\$ 60,562	\$ 22,606
Transfers In	52,017	0	0	52,017	13,495	53,177	(1,160)
Transfers Out	(76,092)	0	0	(76,092)	(91,917)	(76,092)	0
Total Other Financing Sources (Uses)	\$ 59,093	\$ 0	\$ 0	\$ 59,093	\$ (78,422)	\$ 37,647	\$ 21,446
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ (395,255)	\$ 815,261	\$ (430,621)	\$ (10,615)	\$ (1,304,473)	\$ (2,180,884)	\$ 2,170,269
	5,898,714	(815,261)	0	5,083,453	5,297,399	5,297,399	(213,946)
Fund Balance, June 30, 2012	\$ 5,503,459	\$ 0	\$ (430,621)	\$ 5,072,838	\$ 3,992,926	\$ 3,116,515	\$ 1,956,323

Exhibit I-7

Campbell County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Campbell County School Department
School Federal Projects Fund
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 5,603,598	\$ 5,484,494	\$ 6,128,660	\$ (525,062)
Total Revenues	\$ 5,603,598	\$ 5,484,494	\$ 6,128,660	\$ (525,062)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 2,335,084	\$ 2,291,379	\$ 2,466,780	\$ 131,696
Special Education Program	1,084,184	1,254,566	1,195,976	111,792
Vocational Education Program	92,474	92,427	92,774	300
<u>Support Services</u>				
Health Services	15,670	15,207	15,682	12
Other Student Support	134,864	116,982	170,698	35,834
Regular Instruction Program	1,429,380	1,339,842	1,662,070	232,690
Special Education Program	146,705	132,215	151,142	4,437
Vocational Education Program	45,484	45,328	45,537	53
Transportation	203,992	123,167	219,043	15,051
<u>Operation of Non-Instructional Services</u>				
Early Childhood Education	70,254	70,806	70,851	597
Total Expenditures	\$ 5,558,091	\$ 5,481,919	\$ 6,090,553	\$ 532,462
Excess (Deficiency) of Revenues Over Expenditures	\$ 45,507	\$ 2,575	\$ 38,107	\$ 7,400
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 6,850	\$ 164,906	\$ 0	\$ 6,850
Transfers Out	(52,017)	(178,401)	(53,177)	1,160
Total Other Financing Sources (Uses)	\$ (45,167)	\$ (13,495)	\$ (53,177)	\$ 8,010
Net Change in Fund Balance	\$ 340	\$ (10,920)	\$ (15,070)	\$ 15,410
Fund Balance, July 1, 2011	514,844	516,848	516,848	(2,004)
Fund Balance, June 30, 2012	\$ 515,184	\$ 505,928	\$ 501,778	\$ 13,406

Exhibit I-8

Campbell County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Campbell County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2012

	Actual (GAAP Basis)	Less:		Add:	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Encumbrances 7/1/2011	Encumbrances 6/30/2012			Original	Final	
<u>Revenues</u>								
Charges for Current Services	\$ 660,634 \$	0 \$	0 \$	0 \$	660,634 \$	715,133 \$	681,753 \$	(21,119)
Other Local Revenues	8,846	0	0	0	8,846	2,000	2,000	6,846
State of Tennessee	33,407	0	0	0	33,407	32,297	32,297	1,110
Federal Government	2,618,805	0	0	0	2,618,805	2,541,880	2,770,026	(151,221)
Total Revenues	\$ 3,321,692 \$	0 \$	0 \$	0 \$	3,321,692 \$	3,291,310 \$	3,486,076 \$	(164,384)
<u>Expenditures</u>								
<u>Operation of Non-Instructional Services</u>								
Food Service	\$ 3,684,327 \$	(138,910) \$	260,628 \$	260,628 \$	3,806,045 \$	3,383,227 \$	4,039,305 \$	233,260
Total Expenditures	\$ 3,684,327 \$	(138,910) \$	260,628 \$	260,628 \$	3,806,045 \$	3,383,227 \$	4,039,305 \$	233,260
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	\$ (362,635) \$	138,910 \$	(260,628) \$	(260,628) \$	(484,353) \$	(91,917) \$	(553,229) \$	68,876
<u>Other Finance Sources (Uses)</u>								
Insurance Recovery	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	9,177 \$	(9,177)
Transfers In	69,242	0	0	0	69,242	91,917	69,242	0
Total Other Financing Sources (Uses)	\$ 69,242 \$	0 \$	0 \$	0 \$	69,242 \$	91,917 \$	78,419 \$	(9,177)
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ (293,393) \$	138,910 \$	(260,628) \$	(260,628) \$	(415,111) \$	0 \$	(474,810) \$	59,699
Fund Balance, July 1, 2011	1,248,417	(138,910)	0	0	1,109,507	854,385	854,385	255,122
Fund Balance, June 30, 2012	\$ 955,024 \$	0 \$	(260,628) \$	(260,628) \$	694,396 \$	854,385 \$	379,575 \$	314,821

MISCELLANEOUS SCHEDULES

Exhibit J-1

Campbell County, Tennessee
Schedule of Changes in Long-term Notes, Bonds, and Other Loans
For the Year Ended June 30, 2012

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-11	Issued During Period	Matured During Period	Outstanding 6-30-12
NOTES PAYABLE								
<u>Payable through General Debt Service Fund</u>								
School Improvements	\$ 1,500,000	4.53 %	6-15-07	5-15-16	\$ 625,000	0	\$ 625,000	0
School Improvements	500,000	4.23	12-18-08	11-15-20	395,833	0	41,667	354,166
School Improvements	750,000	3.85	6-28-10	6-15-16	625,000	0	125,000	500,000
Central Office Building	620,000	3.24	10-4-10	8-17-11	620,000	0	620,000	0
Total Payable through General Debt Service Fund					\$ 2,265,833	0	\$ 1,411,667	\$ 854,166
<u>Payable through Ambulance Service Fund</u>								
Ambulance Units	85,000	3.95	10-15-09	10-15-12	\$ 14,167	0	\$ 14,167	0
Total Payable through Ambulance Service Fund					\$ 14,167	0	\$ 14,167	0
Total Notes Payable					\$ 2,280,000	0	\$ 1,425,834	\$ 854,166
BONDS PAYABLE								
<u>Payable through General Debt Service Fund</u>								
Refunding	8,200,000	3.85 to 4	5-29-08	6-1-26	\$ 8,175,000	0	\$ 25,000	\$ 8,150,000
General Obligation Bonds, Series 2008A	3,025,000	3.5 to 5	4-23-08	6-1-27	2,925,000	0	50,000	2,875,000
Refunding	10,625,000	3 to 4	4-15-09	6-1-22	9,875,000	0	250,000	9,625,000
General Obligation Bonds, Series 2010A BABs	5,500,000	2.35 to 5.25	11-1-10	6-1-30	5,500,000	0	25,000	5,475,000
General Obligation Bonds, Series 2010B BABs	10,125,000	5.8	12-20-10	6-1-31	10,125,000	0	10,000	10,115,000
General Obligation Bonds, Series 2011	2,000,000	3 to 4	6-28-11	6-1-32	2,000,000	0	5,000	1,995,000
General Obligation Bonds, Series 2012	4,160,000	2 to 2.88	5-1-12	5-1-27	0	4,160,000	0	4,160,000
Total Bonds Payable					\$ 38,600,000	\$ 4,160,000	\$ 365,000	\$ 42,395,000
OTHER LOANS PAYABLE								
<u>Public Building Authority Loan Agreements</u>								
Payable through General Debt Service Fund	12,550,000	4 to 5	7-27-04	6-1-19	\$ 10,450,000	0	\$ 1,150,000	\$ 9,300,000
Public Improvement and Refunding, Series B-6-A	1,387,088	0	5-1-12	5-1-22	0	1,387,088	23,118	1,363,970
Energy Efficient Incentive School Loan								
Total Other Loans Payable					\$ 10,450,000	\$ 1,387,088	\$ 1,173,118	\$ 10,663,970

Exhibit J-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2013	\$ 166,667	\$ 32,591	\$ 199,258
2014	166,667	26,016	192,683
2015	166,667	19,441	186,108
2016	166,667	12,872	179,539
2017	41,667	7,491	49,158
2018	41,667	5,728	47,395
2019	41,667	3,965	45,632
2020	41,667	2,203	43,870
2021	20,830	441	21,271
Total	\$ 854,166	\$ 110,748	\$ 964,914

Year Ending June 30	Bonds		
	Principal	Interest	Total
2013	\$ 415,000	\$ 1,853,335	\$ 2,268,335
2014	640,000	1,840,305	2,480,305
2015	660,000	1,822,650	2,482,650
2016	675,000	1,802,720	2,477,720
2017	705,000	1,782,365	2,487,365
2018	790,000	1,761,847	2,551,847
2019	1,460,000	1,734,654	3,194,654
2020	2,475,000	1,680,720	4,155,720
2021	2,675,000	1,586,134	4,261,134
2022	2,830,000	1,484,511	4,314,511
2023	2,745,000	1,376,604	4,121,604
2024	3,130,000	1,274,003	4,404,003
2025	3,305,000	1,153,510	4,458,510
2026	3,365,000	1,025,999	4,390,999
2027	3,410,000	877,687	4,287,687
2028	3,200,000	707,205	3,907,205
2029	3,325,000	530,943	3,855,943
2030	3,450,000	347,568	3,797,568
2031	2,360,000	156,380	2,516,380
2032	780,000	31,200	811,200
Total	\$ 42,395,000	\$ 24,830,340	\$ 67,225,340

(Continued)

Exhibit J-2

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

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2013	\$ 1,338,708	\$ 458,438	\$ 1,797,146
2014	1,413,708	398,437	1,812,145
2015	1,463,708	334,688	1,798,396
2016	1,538,708	268,437	1,807,145
2017	1,613,708	198,438	1,812,146
2018	1,688,708	124,687	1,813,395
2019	1,213,708	51,063	1,264,771
2020	138,708	0	138,708
2021	138,708	0	138,708
2022	115,598	0	115,598
Total	<u>\$ 10,663,970</u>	<u>\$ 1,834,188</u>	<u>\$ 12,498,158</u>

Exhibit J-3

Campbell County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Campbell County School Department
For the Year Ended June 30, 2012

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
Solid Waste/Sanitation	General	Indirect costs	\$ 30,000
"	"	Postemployment healthcare	27,200
Ambulance Service	"	Indirect costs	45,242
"	"	Postemployment healthcare	18,700
Highway/Public Works	"	"	23,800
General Capital Projects	Other Capital Projects	Capital projects	<u>121,680</u>
Total Transfers Primary Government			<u>\$ 266,622</u>
<u>DISCRETELY PRESENTED CAMPBELL COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	Central Cafeteria	Operations	\$ 35,862
"	"	Unpaid lunches	33,380
"	School Federal Projects	Capital purchase	6,850
School Federal Projects	General Purpose School	Indirect costs	<u>52,017</u>
Total Transfers Discretely Presented Campbell County School Department			<u>\$ 128,109</u>

Exhibit J-4

Campbell County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Campbell County School Department
For the Year Ended June 30, 2012

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA	\$ 79,276	\$ 50,000	Western Surety Company
Director of Schools	State Board of Education and County Board of Education	99,820	50,000	"
Road Superintendent	Section 8-24-102, TCA	75,500	100,000	Auto Owners (Mutual) Insurance Company
Trustee	Section 8-24-102, TCA	68,635	1,052,400	Cincinnati Insurance Company
Assessor of Property	Section 8-24-102, TCA and County Commission	70,196	10,000	Western Surety Company
County Clerk	Section 8-24-102, TCA	68,635	50,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, TCA	68,635	50,000	"
Clerk and Master	Section 8-24-102, TCA, and Chancery Court Judge	68,635 (1)	50,000	"
Register	Section 8-24-102, TCA	68,635	25,000	"
Sheriff	Section 8-24-102, TCA	75,500	25,000	"
Director of Finance	County Commission	87,158	50,000	"
Employee Blanket Bonds:				
Public Employee Dishonesty - County Departments			150,000	Local Government Property and Casualty Fund
Public Employee Dishonesty - School Department			150,000	Tennessee Risk Management Trust

(1) Does not include \$18,000 for special commissioner fees.

Campbell County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2012

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Drug Control
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 5,142,604	\$ 1,972,547	\$ 140,885	\$ 70,460	\$ 0
Discount on Property Taxes	(49,113)	(18,838)	(1,346)	(673)	0
Trustee's Collections - Prior Year	323,052	125,197	8,943	4,473	0
Circuit/Clerk & Master Collections - Prior Years	200,890	77,860	5,579	2,789	0
Interest and Penalty	126,010	48,809	3,493	1,746	0
Payments in-Lieu-of Taxes - T.V.A.	13,388	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	265,740	0	0	0	0
Payments in-Lieu-of Taxes - Other	119,320	0	0	10,715	0
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	0	0	0	0
Hotel/Motel Tax	26,718	0	0	70,000	0
Litigation Tax - General	126,414	0	0	0	0
Litigation Tax - Special Purpose	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0
Business Tax	257,685	0	0	0	0
Mineral Severance Tax	0	0	0	0	0
Other County Local Option Taxes	40,449	0	0	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	105,467	0	0	0	0
Wholesale Beer Tax	94,606	0	0	0	0
Coal Severance Tax	0	0	0	0	0
Interstate Telecommunications Tax	0	0	0	0	0
Other Statutory Local Taxes	0	0	0	0	0
Total Local Taxes	\$ 6,793,230	\$ 2,205,575	\$ 157,554	\$ 159,510	\$ 0
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 1,624	\$ 0	\$ 0	\$ 0	\$ 0
Animal Registration	3,110	0	0	0	0
Cable TV Franchise	138,708	0	0	0	0

(Continued)

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

	General	Special Revenue Funds			
		Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Drug Control
<u>Licenses and Permits (Cont.)</u>					
<u>Permits</u>					
Beer Permits	1,401 \$	0 \$	0 \$	0 \$	0
Building Permits	2,100	0	0	0	0
Total Licenses and Permits	\$ 146,943 \$	0 \$	0 \$	0 \$	0
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	9,690 \$	0 \$	0 \$	0 \$	0
Officers Costs	5,497	0	0	0	0
Game and Fish Fines	158	0	0	0	0
Drug Control Fines	0	0	0	0	20,817
Drug Court Fees	13,924	0	0	0	0
Jail Fees	14,453	0	0	0	0
Data Entry Fee - Circuit Court	314	0	0	0	0
<u>Criminal Court</u>					
DUI Treatment Fines	1,261	0	0	0	0
Data Entry Fee - Criminal Court	186	0	0	0	0
Courtroom Security Fee	305	0	0	0	0
<u>General Sessions Court</u>					
Fines	14,325	0	0	0	0
Officers Costs	31,745	0	0	0	0
Game and Fish Fines	1,502	0	0	0	0
Drug Control Fines	0	0	0	0	17,720
Drug Court Fees	24,430	0	0	0	0
Jail Fees	15,713	0	0	0	0
DUI Treatment Fines	6,740	0	0	0	0
Data Entry Fee - General Sessions Court	8,219	0	0	0	0
Courtroom Security Fee	169	0	0	0	0
<u>Juvenile Court</u>					
Fines	1,229	0	0	0	0
Officers Costs	1,007	0	0	0	0

(Continued)

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

	General	Special Revenue Funds			
		Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Drug Control
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Chancery Court</u>					
Officers Costs					
Data Entry Fee - Chancery Court	20,500 \$	0 \$	0 \$	0 \$	0
Other Courts - In-county	3,518	0	0	0	0
Fines	285	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	16,415	0	0	0	73,783
Other Fines, Forfeitures, and Penalties	44,528	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 236,113	\$ 0	\$ 0	\$ 0	\$ 112,320
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Other Employee Benefit Charges/Contributions	244,020 \$	0 \$	0 \$	0 \$	0
Commercial and Industrial Waste Collection Charge	0	95,938	0	0	0
Surcharge - General	5,755	0	0	0	0
Patient Charges	0	0	1,815,874	0	0
Other General Service Charges	1,250	0	9,890	770	0
<u>Fees</u>					
Recreation Fees	300	0	0	0	0
Copy Fees	23,462	0	0	0	0
Telephone Commissions	67,076	0	0	0	0
Vending Machine Collections	100	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	0
Data Processing Fee - Register	13,600	0	0	0	0
Data Processing Fee - Sheriff	6,250	0	0	0	0
Sexual Offender Registration Fees - Sheriff	4,275	0	0	0	0
Total Charges for Current Services	\$ 366,088	\$ 95,938	\$ 1,825,764	\$ 770	\$ 0
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	250 \$	0 \$	0 \$	0 \$	0

(Continued)

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Drug Control
<u>Other Local Revenues (Cont.)</u>					
<u>Recurring Items (Cont.)</u>					
Lease/Rentals	\$ 13,050	\$ 0	\$ 0	\$ 47,253	\$ 0
Sale of Materials and Supplies	0	0	0	0	0
Sale of Gasoline	0	0	0	0	0
Sale of Maps	192	0	0	0	0
Sale of Recycled Materials	0	164,620	0	0	0
Miscellaneous Refunds	14,806	0	0	25	0
<u>Nonrecurring Items</u>					
Sale of Equipment	14,935	15,775	1,050	0	0
Sale of Property	500	0	0	0	0
Contributions and Gifts	20,695	0	3,660	0	0
<u>Other Local Revenues</u>					
Other Local Revenues	12,974	0	0	0	0
<u>Total Other Local Revenues</u>	\$ 77,402	\$ 180,395	\$ 4,710	\$ 47,278	\$ 0
<u>Fees Received from County Officials</u>					
<u>Fees in-Lieu-of Salary</u>					
County Clerk	\$ 380,468	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	369,677	0	0	0	0
Clerk and Master	219,421	0	0	0	0
Register	173,202	0	0	0	0
Sheriff	10,623	0	0	0	0
Trustee	539,174	0	0	0	0
<u>Total Fees Received from County Officials</u>	\$ 1,692,565	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0
Airport Maintenance Program	11,606	0	0	0	0
Aging Programs	10,872	0	0	0	0
Solid Waste Grants	0	5,652	0	0	0

(Continued)

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

	General	Special Revenue Funds			
		Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Drug Control
<u>State of Tennessee (Cont.)</u>					
<u>General Government Grants (Cont.)</u>					
Other General Government Grants	\$ 0	\$ 0	\$ 0	\$ 1,500	\$ 0
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	15,600	0	0	0	0
Drug Control Grants	46,044	0	0	0	0
Other Public Safety Grants	5,000	0	0	0	0
<u>Health and Welfare Grants</u>					
Health Department Programs	569,333	0	0	0	0
<u>Public Works Grants</u>					
State Aid Program	0	0	0	0	0
Litter Program	43,087	0	0	0	0
<u>Other State Revenues</u>					
Income Tax	97,123	0	0	0	0
Beer Tax	18,421	0	0	0	0
Alcoholic Beverage Tax	65,306	0	0	0	0
Mixed Drink Tax	5,560	0	0	0	0
State Revenue Sharing - T.V.A.	1,317,495	0	0	0	0
Contracted Prisoner Boarding	1,015,245	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0
Other State Grants	71,606	0	0	0	0
Other State Revenues	14,351	0	0	0	0
Total State of Tennessee	\$ 3,330,813	\$ 5,652	\$ 0	\$ 1,500	\$ 0
<u>Federal Government</u>					
<u>Federal Through State</u>					
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Homeland Security Grants	176,904	0	0	0	0
ARRA Grant # 3	16,052	0	0	0	0
Other Federal through State	65,927	0	0	0	0

(Continued)

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Drug Control
<u>Federal Government (Cont.)</u>					
<u>Direct Federal Revenue</u>					
Energy Grant	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Tax Credit Bond Rebate	0	0	0	0	0
Other Direct Federal Revenue	10,861	0	0	9,000	0
Total Federal Government	\$ 269,744	\$ 0	\$ 0	\$ 9,000	\$ 0
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board	\$ 7,200	\$ 0	\$ 0	\$ 0	\$ 0
Contributions	126,467	0	0	14,829	0
Contracted Services	197,903	0	0	8,320	0
<u>Citizens Groups</u>					
Donations	1,800	0	0	0	0
Other	1,537	0	0	0	0
Total Other Governments and Citizens Groups	\$ 334,907	\$ 0	\$ 0	\$ 23,149	\$ 0
<u>Total</u>	\$ 13,247,805	\$ 2,487,560	\$ 1,988,028	\$ 241,207	\$ 112,320

(Continued)

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

	Special Revenue Funds			Debt Service Fund		Capital Projects Funds			Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Debt Service	General Capital Projects	Other Capital Projects			
Local Taxes									
<u>County Property Taxes</u>									
Current Property Tax	\$ 0	\$ 545,967	\$ 774,944	\$ 422,658	\$ 0	\$ 0	\$ 9,070,065		
Discount on Property Taxes	0	(5,214)	(7,401)	(4,037)	0	0	(86,622)		
Trustee's Collections - Prior Year	0	34,652	49,187	26,824	0	0	572,328		
Circuit/Clerk & Master Collections - Prior Years	0	21,533	30,586	16,688	0	0	355,925		
Interest and Penalty	0	13,503	19,176	10,455	0	0	223,192		
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	0	0	13,388		
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	0	0	0	265,740		
Payments in-Lieu-of Taxes - Other	0	0	0	0	0	0	130,035		
<u>County Local Option Taxes</u>									
Local Option Sales Tax	0	0	1,037,805	0	0	0	1,037,805		
Hotel/Motel Tax	0	0	75,000	50,000	0	0	221,718		
Litigation Tax - General	0	0	0	0	0	0	126,414		
Litigation Tax - Special Purpose	0	0	3,632	20,788	0	0	24,420		
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	196,935	0	0	0	196,935		
Business Tax	0	0	0	0	0	0	257,685		
Mineral Severance Tax	0	63,214	0	0	0	0	63,214		
Other County Local Option Taxes	0	0	0	0	0	0	40,449		
<u>Statutory Local Taxes</u>									
Bank Excise Tax	0	0	0	0	0	0	105,467		
Wholesale Beer Tax	0	0	0	0	0	0	94,606		
Coal Severance Tax	0	122,964	0	0	0	0	122,964		
Interstate Telecommunications Tax	0	0	2,543	0	0	0	2,543		
Other Statutory Local Taxes	0	21,190	0	0	0	0	21,190		
Total Local Taxes	\$ 0	\$ 817,809	\$ 2,182,407	\$ 543,376	\$ 0	\$ 0	\$ 12,859,461		
<u>Licenses and Permits</u>									
<u>Licenses</u>									
Marriage Licenses	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,624		
Animal Registration	0	0	0	0	0	0	3,110		
Cable TV Franchise	0	0	0	0	0	0	138,708		

(Continued)

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

	Special Revenue Funds		Debt Service Fund		Capital Projects Funds			Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Other Capital Projects			
<u>Licenses and Permits (Cont.)</u>								
<u>Permits</u>								
Beer Permits	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	1,401
Building Permits	0	50	0	0	0	0	0	2,150
Total Licenses and Permits	0 \$	50 \$	0 \$	0 \$	0 \$	0 \$	0 \$	146,993
<u>Fines, Forfeitures, and Penalties</u>								
<u>Circuit Court</u>								
Fines	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	9,690
Officers Costs	0	0	0	0	0	0	0	5,497
Game and Fish Fines	0	0	0	0	0	0	0	158
Drug Control Fines	0	0	0	0	0	0	0	20,817
Drug Court Fees	0	0	0	0	0	0	0	13,924
Jail Fees	0	0	0	0	0	0	0	14,453
Data Entry Fee - Circuit Court	0	0	0	0	0	0	0	314
<u>Criminal Court</u>								
DUI Treatment Fines	0	0	0	0	0	0	0	1,261
Data Entry Fee - Criminal Court	0	0	0	0	0	0	0	186
Courtroom Security Fee	0	0	0	0	0	0	0	305
<u>General Sessions Court</u>								
Fines	0	0	0	0	0	0	0	14,325
Officers Costs	0	0	0	0	0	0	0	31,745
Game and Fish Fines	0	0	0	0	0	0	0	1,502
Drug Control Fines	0	0	0	0	0	0	0	17,720
Drug Court Fees	0	0	0	0	0	0	0	24,430
Jail Fees	0	0	0	0	0	0	0	15,713
DUI Treatment Fines	0	0	0	0	0	0	0	6,740
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	0	8,219
Courtroom Security Fee	0	0	0	0	0	0	0	169
<u>Juvenile Court</u>								
Fines	0	0	0	0	0	0	0	1,229
Officers Costs	0	0	0	0	0	0	0	1,007

(Continued)

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

	Special Revenue Funds		Debt Service Fund		Capital Projects Funds		Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Other Capital Projects		
<u>Fines, Forfeitures, and Penalties (Cont.)</u>							
<u>Chancery Court</u>							
Officers Costs	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 20,500
Data Entry Fee - Chancery Court	0	0	0	0	0	0	3,518
<u>Other Courts - In-county</u>							
Fines	0	0	0	0	0	0	285
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property	0	0	0	0	0	0	90,198
Other Fines, Forfeitures, and Penalties	0	0	0	0	0	0	44,528
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 348,433
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Other Employee Benefit Charges/Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 244,020
Commercial and Industrial Waste Collection Charge	0	0	0	0	0	0	95,938
Surcharge - General	0	0	0	0	0	0	5,755
Patient Charges	0	0	0	0	0	0	1,815,874
Other General Service Charges	0	0	0	0	0	0	11,910
<u>Fees</u>							
Recreation Fees	0	0	0	0	0	0	300
Copy Fees	0	0	0	0	0	0	23,462
Telephone Commissions	0	0	0	0	0	0	67,076
Vending Machine Collections	0	0	0	0	0	0	100
Special Commissioner Fees/Special Master Fees	18,000	0	0	0	0	0	18,000
Data Processing Fee - Register	0	0	0	0	0	0	13,600
Data Processing Fee - Sheriff	0	0	0	0	0	0	6,250
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	0	4,275
Total Charges for Current Services	\$ 18,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,306,560
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	\$ 0	\$ 0	\$ 101,528	\$ 0	\$ 34,992	\$ 0	\$ 136,770

(Continued)

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

	Special Revenue Funds		Debt Service Fund		Capital Projects Funds			Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Other Capital Projects			
<u>Other Local Revenues (Cont.)</u>								
<u>Recurring Items (Cont.)</u>								
Lease/Rentals	\$ 0	\$ 0	\$ 0	\$ 0	\$ 13,200	\$ 0	\$ 0	\$ 73,503
Sale of Materials and Supplies	0	211,001	0	0	0	0	0	211,001
Sale of Gasoline	0	355,800	0	0	0	0	0	355,800
Sale of Maps	0	0	0	0	0	0	0	192
Sale of Recycled Materials	0	0	0	0	0	0	0	164,620
Miscellaneous Refunds	0	440	0	0	0	0	0	36,519
<u>Nonrecurring Items</u>								
Sale of Equipment	0	9,100	0	0	0	0	0	40,860
Sale of Property	0	0	0	0	0	0	0	500
Contributions and Gifts	0	0	0	0	0	0	0	24,355
<u>Other Local Revenues</u>								
Other Local Revenues	0	8,785	0	0	0	0	0	21,759
Total Other Local Revenues	\$ 0	\$ 585,126	\$ 101,528	\$ 0	\$ 69,440	\$ 0	\$ 0	\$ 1,065,879
<u>Fees Received from County Officials</u>								
<u>Fees in-Lieu-of Salary</u>								
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 380,468
Circuit Court Clerk	0	0	0	0	0	0	0	369,677
Clerk and Master	0	0	0	0	0	0	0	219,421
Register	0	0	0	0	0	0	0	173,202
Sheriff	0	0	0	0	0	0	0	10,623
Trustee	0	0	0	0	0	0	0	539,174
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,692,565
<u>State of Tennessee</u>								
<u>General Government Grants</u>								
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,000
Airport Maintenance Program	0	0	0	0	0	0	3,500	15,106
Aging Programs	0	0	0	0	0	0	0	10,872
Solid Waste Grants	0	0	0	0	0	0	0	5,652

(Continued)

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

	Special Revenue Funds		Debt Service Fund		Capital Projects Funds			Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Debt Service	General Capital Projects	Other Capital Projects		
State of Tennessee (Cont.)								
<u>General Government Grants (Cont.)</u>								
Other General Government Grants	\$ 0	0	0	0	0	0	0	1,500
<u>Public Safety Grants</u>								
Law Enforcement Training Programs	0	0	0	0	0	0	0	15,600
Drug Control Grants	0	0	0	0	0	0	0	46,044
Other Public Safety Grants	0	0	0	0	0	0	0	5,000
Health and Welfare Grants	0	0	0	0	0	0	0	569,333
Health Department Programs								
<u>Public Works Grants</u>								
State Aid Program	0	269,197	0	0	0	0	0	269,197
Litter Program	0	0	0	0	0	0	0	43,087
<u>Other State Revenues</u>								
Income Tax	0	0	0	0	0	0	0	97,123
Beer Tax	0	0	0	0	0	0	0	18,421
Alcoholic Beverage Tax	0	0	0	0	0	0	0	65,306
Mixed Drink Tax	0	0	0	0	0	0	0	5,560
State Revenue Sharing - T.V.A.	0	0	0	0	0	0	0	1,317,495
Contracted Prisoner Boarding	0	0	0	0	0	0	0	1,015,245
Gasoline and Motor Fuel Tax	0	1,799,765	0	0	0	0	0	1,799,765
Petroleum Special Tax	0	29,378	0	0	0	0	0	29,378
Registrar's Salary Supplement	0	0	0	0	0	0	0	15,164
Other State Grants	0	0	0	0	100,000	0	0	171,606
Other State Revenues	0	2,347	0	0	0	0	0	16,698
Total State of Tennessee	\$ 0	\$ 2,100,687	\$ 0	\$ 0	\$ 100,000	\$ 3,500	\$ 5,542,152	
<u>Federal Government</u>								
<u>Federal Through State</u>								
Community Development	\$ 0	0	0	0	0	230,030	0	230,030
Homeland Security Grants	0	0	0	0	0	0	0	176,904
ARRA Grant # 3	0	0	0	0	0	0	0	16,052
Other Federal through State	0	0	0	0	100,000	284,958	0	450,885

(Continued)

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

	Special Revenue Funds		Debt Service Fund		Capital Projects Funds			Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Other Capital Projects			
<u>Federal Government (Cont.)</u>								
<u>Direct Federal Revenue</u>								
Energy Grant	\$ 0	\$ 0	\$ 0	\$ 2,048	\$ 0	\$ 0	\$ 2,048	
Tax Credit Bond Rebate	0	0	302,597	0	0	0	302,597	
Other Direct Federal Revenue	0	18,774	0	0	0	0	18,774	
Total Federal Government	\$ 0	\$ 18,774	\$ 302,597	\$ 2,048	\$ 0	\$ 0	\$ 313,419	
<u>Other Governments and Citizens Groups</u>								
<u>Other Governments</u>								
Prisoner Board Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	7,200
Contracted Services	0	0	2,685,777	0	0	0	2,685,777	2,827,073
Citizens Groups	0	0	0	0	0	0	0	206,223
Donations	0	0	0	0	0	0	0	1,800
Other	0	0	0	0	0	0	0	1,537
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 2,685,777	\$ 0	\$ 0	\$ 0	\$ 2,685,777	\$ 3,043,833
Total	\$ 18,000	\$ 3,522,446	\$ 5,272,309	\$ 745,424	\$ 587,928	\$ 28,223,027	\$ 28,223,027	

Exhibit J-6

Campbell County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Campbell County School Department
For the Year Ended June 30, 2012

	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 3,328,698	\$ 0	\$ 0	\$ 3,328,698
Discount on Property Taxes	(31,789)	0	0	(31,789)
Trustee's Collections - Prior Year	214,624	0	0	214,624
Circuit/Clerk & Master Collections - Prior Years	133,454	0	0	133,454
Interest and Penalty	83,591	0	0	83,591
<u>County Local Option Taxes</u>				
Local Option Sales Tax	3,074,642	0	0	3,074,642
Wheel Tax	1,452,358	0	0	1,452,358
<u>Statutory Local Taxes</u>				
Coal Severance Tax	122,964	0	0	122,964
Interstate Telecommunications Tax	1,662	0	0	1,662
Total Local Taxes	\$ 8,380,204	\$ 0	\$ 0	\$ 8,380,204
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 1,624	\$ 0	\$ 0	\$ 1,624
Total Licenses and Permits	\$ 1,624	\$ 0	\$ 0	\$ 1,624
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Lunch Payments - Children	\$ 0	\$ 0	\$ 302,618	\$ 302,618
Lunch Payments - Adults	0	0	85,775	85,775
Income from Breakfast	0	0	156,300	156,300
A la carte Sales	0	0	115,941	115,941
TBI Criminal Background Fees	10,260	0	0	10,260
<u>Other Charges for Services</u>				
Other Charges for Services	510	0	0	510
Total Charges for Current Services	\$ 10,770	\$ 0	\$ 660,634	\$ 671,404
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 0	\$ 0	\$ 1,702	\$ 1,702
Refund of Telecommunication & Internet Fees (E-Rate)	38,270	0	0	38,270
Miscellaneous Refunds	39,592	0	7,109	46,701
<u>Nonrecurring Items</u>				
Sale of Equipment	8,531	0	35	8,566
Sale of Property	565,000	0	0	565,000
Damages Recovered from Individuals	1,538	0	0	1,538
Contributions and Gifts	102,107	0	0	102,107
Total Other Local Revenues	\$ 755,038	\$ 0	\$ 8,846	\$ 763,884
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-Behalf Contributions for OPEB	\$ 312,354	\$ 0	\$ 0	\$ 312,354
<u>State Education Funds</u>				
Basic Education Program	26,739,000	0	0	26,739,000
School Food Service	0	0	33,407	33,407
Other State Education Funds	1,014,840	0	0	1,014,840

(Continued)

Exhibit J-6

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

	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>State of Tennessee (Cont.)</u>				
<u>State Education Funds (Cont.)</u>				
Career Ladder Program	\$ 252,388	\$ 0	\$ 0	\$ 252,388
Career Ladder - Extended Contract	93,700	0	0	93,700
Career Ladder - Extended Contract - ARRA	45,449	0	0	45,449
<u>Other State Revenues</u>				
Other State Grants	3,726	0	0	3,726
Other State Revenues	1,581	0	0	1,581
Total State of Tennessee	\$ 28,463,038	\$ 0	\$ 33,407	\$ 28,496,445
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,773,187	\$ 1,773,187
USDA - Commodities	0	0	167,544	167,544
Breakfast	0	0	632,757	632,757
USDA - Other	0	0	45,317	45,317
Adult Education State Grant Program	101,282	0	0	101,282
Vocational Education - Basic Grants to States	0	126,189	0	126,189
Other Vocational	0	11,958	0	11,958
Title I Grants to Local Education Agencies	0	2,327,904	0	2,327,904
Innovative Education Program Strategies	0	19,490	0	19,490
Special Education - Grants to States	0	1,409,203	0	1,409,203
Special Education Preschool Grants	0	41,478	0	41,478
Rural Education	0	146,849	0	146,849
Eisenhower Professional Development State Grants	0	397,677	0	397,677
Race-to-the-Top - ARRA	0	786,138	0	786,138
Other Federal through State	9,531	336,712	0	346,243
<u>Direct Federal Revenue</u>				
ROTC Reimbursement	68,326	0	0	68,326
Other Direct Federal Revenue	12,647	0	0	12,647
Total Federal Government	\$ 191,786	\$ 5,603,598	\$ 2,618,805	\$ 8,414,189
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Contributions	\$ 1,387,088	\$ 0	\$ 0	\$ 1,387,088
Total Other Governments and Citizens Groups	\$ 1,387,088	\$ 0	\$ 0	\$ 1,387,088
Total	\$ 39,189,548	\$ 5,603,598	\$ 3,321,692	\$ 48,114,838

Exhibit J-7

Campbell County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2012

General Fund

General Government

County Commission

Assistant(s)	\$	38,569	
Other Salaries and Wages		2,700	
Board and Committee Members Fees		93,922	
Social Security		7,347	
State Retirement		6,967	
Life Insurance		906	
Medical Insurance		64,148	
Employer Medicare		1,718	
Audit Services		12,215	
Communication		2,382	
Contracts with Government Agencies		948	
Dues and Memberships		1,800	
Operating Lease Payments		3,342	
Maintenance and Repair Services - Office Equipment		459	
Postal Charges		56	
Travel		11,508	
Office Supplies		690	
Other Supplies and Materials		1,806	
Other Charges		110	
Office Equipment		11,357	
Total County Commission			\$ 262,950

Board of Equalization

Board and Committee Members Fees	\$	3,280	
Travel		852	
Total Board of Equalization			4,132

County Mayor/Executive

County Official/Administrative Officer	\$	79,276	
Assistant(s)		58,547	
Deputy(ies)		37,598	
Other Salaries and Wages		450	
Social Security		10,261	
State Retirement		11,449	
Life Insurance		332	
Medical Insurance		31,071	
Employer Medicare		2,414	
Communication		5,918	
Data Processing Services		1,045	
Dues and Memberships		3,482	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

County Mayor/Executive (Cont.)

Legal Notices, Recording, and Court Costs	\$	587	
Maintenance and Repair Services - Office Equipment		1,901	
Maintenance and Repair Services - Vehicles		1,525	
Postal Charges		972	
Travel		3,815	
Data Processing Supplies		313	
Office Supplies		3,528	
Premiums on Corporate Surety Bonds		175	
In Service/Staff Development		756	
Other Charges		983	
Total County Mayor/Executive			\$ 256,398

County Attorney

County Official/Administrative Officer	\$	26,945	
Social Security		1,361	
State Retirement		1,754	
Life Insurance		92	
Medical Insurance		15,214	
Employer Medicare		318	
Legal Notices, Recording, and Court Costs		3,000	
Total County Attorney			48,684

Election Commission

County Official/Administrative Officer	\$	51,253	
Supervisor/Director		30,881	
Data Processing Personnel		27,556	
Overtime Pay		7,685	
Other Salaries and Wages		111	
Election Commission		24,669	
Election Workers		31,858	
Social Security		6,920	
State Retirement		6,215	
Life Insurance		205	
Medical Insurance		18,665	
Employer Medicare		1,618	
Communication		2,888	
Data Processing Services		17,526	
Dues and Memberships		250	
Legal Notices, Recording, and Court Costs		5,328	
Maintenance and Repair Services - Buildings		3,253	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Maintenance and Repair Services - Office Equipment	\$	8,316	
Pest Control		440	
Postal Charges		13,130	
Rentals		32,440	
Transportation - Other than Students		1,312	
Travel		12,222	
Office Supplies		11,625	
Utilities		7,100	
Other Supplies and Materials		4,253	
Office Equipment		37,868	
Voting Machines		4,370	
Total Election Commission			\$ 369,957

Register of Deeds

County Official/Administrative Officer	\$	68,635	
Deputy(ies)		37,662	
Data Processing Personnel		56,615	
Social Security		9,213	
State Retirement		10,605	
Life Insurance		333	
Medical Insurance		47,189	
Employer Medicare		2,155	
Communication		2,987	
Contracts with Private Agencies		2,300	
Dues and Memberships		537	
Maintenance and Repair Services - Office Equipment		279	
Postal Charges		1,836	
Rentals		9,927	
Data Processing Supplies		323	
Office Supplies		3,477	
Premiums on Corporate Surety Bonds		100	
Office Equipment		180	
Total Register of Deeds			254,353

County Buildings

Supervisor/Director	\$	39,993	
Custodial Personnel		61,757	
Overtime Pay		2,010	
Other Per Diem and Fees		575	
Social Security		5,938	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

State Retirement	\$	6,792	
Life Insurance		326	
Medical Insurance		31,974	
Employer Medicare		1,389	
Communication		1,196	
Contracts with Private Agencies		491	
Maintenance and Repair Services - Buildings		13,754	
Maintenance and Repair Services - Equipment		6,769	
Other Contracted Services		4,200	
Custodial Supplies		15,374	
Electricity		16,748	
Natural Gas		644	
Office Supplies		420	
Uniforms		2,932	
Water and Sewer		7,157	
Building Improvements		7,699	
Heating and Air Conditioning Equipment		<u>228,260</u>	
Total County Buildings			\$ 456,398

Other Facilities

Part-time Personnel	\$	9,895	
Other Salaries and Wages		8,778	
Social Security		1,158	
State Retirement		14	
Employer Medicare		271	
Contracts with Private Agencies		2,655	
Maintenance and Repair Services - Buildings		6,613	
Utilities		5,894	
Building and Contents Insurance		698	
Land		<u>101,000</u>	
Total Other Facilities			136,976

Preservation of Records

Part-time Personnel	\$	4,901	
Social Security		304	
Employer Medicare		71	
Communication		386	
Postal Charges		102	
Rentals		4,800	
Office Supplies		<u>1,882</u>	
Total Preservation of Records			12,446

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance

Accounting and Budgeting

Supervisor/Director	\$	87,158	
Accountants/Bookkeepers		528,887	
Overtime Pay		2,641	
Other Salaries and Wages		406	
Social Security		36,013	
State Retirement		38,853	
Life Insurance		1,160	
Medical Insurance		102,979	
Employer Medicare		8,422	
Communication		9,941	
Data Processing Services		6,500	
Maintenance and Repair Services - Equipment		3,960	
Postal Charges		8,100	
Travel		5,092	
Data Processing Supplies		7,890	
Office Supplies		3,623	
Premiums on Corporate Surety Bonds		175	
Office Equipment		24,510	
Total Accounting and Budgeting			\$ 876,310

Property Assessor's Office

County Official/Administrative Officer	\$	70,196
Assessment Personnel		165,321
Salary Supplements		1,000
Other Salaries and Wages		5,919
Social Security		13,963
State Retirement		15,734
Life Insurance		678
Medical Insurance		53,081
Employer Medicare		3,265
Communication		5,359
Consultants		8,250
Contracts with Government Agencies		7,193
Dues and Memberships		1,795
Maintenance and Repair Services - Office Equipment		4,511
Maintenance and Repair Services - Vehicles		4,002
Postal Charges		1,555
Travel		3,244
Gasoline		3,952
Office Supplies		3,189

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Vehicle and Equipment Insurance	\$	1,183	
Other Charges		1,520	
Motor Vehicles		2,450	
Total Property Assessor's Office			\$ 377,360

Reappraisal Program

Assessment Personnel	\$	25,578	
Social Security		1,586	
State Retirement		1,665	
Employer Medicare		371	
Total Reappraisal Program			29,200

County Trustee's Office

County Official/Administrative Officer	\$	68,635	
Supervisor/Director		30,720	
Deputy(ies)		37,662	
Data Processing Personnel		27,967	
Clerical Personnel		24,680	
Other Salaries and Wages		5,919	
Social Security		11,447	
State Retirement		12,732	
Life Insurance		472	
Medical Insurance		41,136	
Employer Medicare		2,677	
Communication		3,047	
Data Processing Services		5,671	
Dues and Memberships		647	
Legal Notices, Recording, and Court Costs		136	
Maintenance and Repair Services - Office Equipment		135	
Postal Charges		9,700	
Rentals		1,050	
Travel		863	
Office Supplies		2,966	
Premiums on Corporate Surety Bonds		7,953	
Total County Trustee's Office			296,215

County Clerk's Office

County Official/Administrative Officer	\$	68,635
Supervisor/Director		91,778
Deputy(ies)		40,864

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Data Processing Personnel	\$	59,215	
Clerical Personnel		74,305	
Other Salaries and Wages		19,743	
Social Security		20,519	
State Retirement		20,582	
Life Insurance		730	
Medical Insurance		59,308	
Unemployment Compensation		2,135	
Employer Medicare		4,799	
Audit Services		2,989	
Communication		7,058	
Data Processing Services		7,555	
Dues and Memberships		662	
Legal Notices, Recording, and Court Costs		213	
Maintenance and Repair Services - Buildings		92	
Maintenance and Repair Services - Office Equipment		9,185	
Postal Charges		8,350	
Rentals		6,000	
Travel		5,792	
Office Supplies		4,247	
Utilities		1,797	
Premiums on Corporate Surety Bonds		350	
Total County Clerk's Office			\$ 516,903

Other Finance

Contracts with Government Agencies	\$	16,909
Data Processing Services		20,790
Legal Notices, Recording, and Court Costs		3,197
Maintenance and Repair Services - Office Equipment		8,464
Printing, Stationery, and Forms		1,799
Rentals		4,800
Data Processing Supplies		19,753
Utilities		3,812
Other Supplies and Materials		1,440
Building and Contents Insurance		12,981
Liability Insurance		60,672
Refunds		5,905
Trustee's Commission		151,547
Vehicle and Equipment Insurance		811
Other Charges		1,960

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Other Finance (Cont.)

Data Processing Equipment	\$	50,000	
Office Equipment		69,358	
Total Other Finance			\$ 434,198

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	68,635	
Supervisor/Director		150,989	
Deputy(ies)		37,662	
Data Processing Personnel		51,070	
Clerical Personnel		51,879	
Part-time Personnel		16,954	
Overtime Pay		1,865	
Other Salaries and Wages		152	
Jury and Witness Expense		11,876	
Social Security		22,400	
State Retirement		23,088	
Life Insurance		959	
Medical Insurance		49,458	
Employer Medicare		5,239	
Communication		7,891	
Data Processing Services		48,445	
Dues and Memberships		812	
Operating Lease Payments		4,427	
Maintenance and Repair Services - Office Equipment		3,746	
Postal Charges		9,473	
Travel		2,844	
Office Supplies		8,231	
Premiums on Corporate Surety Bonds		350	
Total Circuit Court			578,445

General Sessions Court

Judge(s)	\$	141,031	
Assistant(s)		27,465	
Social Security		8,430	
State Retirement		10,969	
Life Insurance		163	
Employer Medicare		2,443	
Communication		2,862	
Dues and Memberships		613	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court (Cont.)

Maintenance and Repair Services - Office Equipment	\$	524	
Postal Charges		125	
Travel		1,883	
Office Supplies		103	
Office Equipment		210	
Total General Sessions Court			\$ 196,821

Drug Court

Part-time Personnel	\$	170	
Other Salaries and Wages		36,379	
Social Security		2,234	
State Retirement		2,368	
Life Insurance		70	
Employer Medicare		522	
Communication		4,754	
Contracts with Private Agencies		6,525	
Postal Charges		300	
Rentals		7,100	
Travel		10,934	
Drugs and Medical Supplies		6,901	
Office Supplies		661	
Other Supplies and Materials		3,501	
Workers' Compensation Insurance		94	
Other Charges		330	
Total Drug Court			82,843

Chancery Court

County Official/Administrative Officer	\$	68,635	
Supervisor/Director		31,110	
Deputy(ies)		37,662	
Data Processing Personnel		54,075	
Part-time Personnel		8,401	
Overtime Pay		1,429	
Other Salaries and Wages		5,919	
Social Security		11,821	
State Retirement		12,944	
Life Insurance		429	
Medical Insurance		44,528	
Employer Medicare		2,765	
Communication		2,177	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Data Processing Services	\$	3,995	
Dues and Memberships		622	
Postal Charges		1,800	
Travel		196	
Office Supplies		5,684	
Premiums on Corporate Surety Bonds		350	
Office Equipment		<u>1,431</u>	
Total Chancery Court			\$ 295,973

District Attorney General

Clerical Personnel	\$	25,021	
Social Security		1,448	
State Retirement		1,629	
Life Insurance		70	
Medical Insurance		5,604	
Employer Medicare		<u>339</u>	
Total District Attorney General			34,111

Office of Public Defender

Contracts with Government Agencies	\$	<u>25,309</u>	
Total Office of Public Defender			25,309

Other Administration of Justice

Rentals	\$	<u>600</u>	
Total Other Administration of Justice			600

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	75,500	
Assistant(s)		14,034	
Supervisor/Director		51,638	
Deputy(ies)		420,206	
Detective(s)		215,085	
Captain(s)		37,508	
Lieutenant(s)		36,941	
Sergeant(s)		123,435	
Data Processing Personnel		26,007	
Part-time Personnel		37,450	
Overtime Pay		81,150	
Other Salaries and Wages		35,214	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Other Per Diem and Fees	\$	25,543	
Social Security		66,810	
State Retirement		72,960	
Life Insurance		2,641	
Medical Insurance		349,138	
Unemployment Compensation		30,044	
Employer Medicare		15,625	
Communication		28,238	
Contracts with Private Agencies		2,417	
Dues and Memberships		2,200	
Evaluation and Testing		1,870	
Legal Notices, Recording, and Court Costs		230	
Maintenance and Repair Services - Equipment		9,930	
Maintenance and Repair Services - Vehicles		47,635	
Pest Control		130	
Postal Charges		667	
Rentals		4,984	
Tow-in Services		3,590	
Travel		5,897	
Gasoline		206,808	
Law Enforcement Supplies		3,378	
Office Supplies		2,623	
Uniforms		13,912	
Other Supplies and Materials		3,478	
Liability Insurance		41,957	
Premiums on Corporate Surety Bonds		3,250	
Vehicle and Equipment Insurance		25,761	
In Service/Staff Development		2,371	
Communication Equipment		5,126	
Motor Vehicles		23,014	
Total Sheriff's Department			\$ 2,156,395

Special Patrols

School Resource Officer	\$	165,226
Social Security		9,147
State Retirement		10,756
Life Insurance		531
Medical Insurance		63,888
Employer Medicare		2,135
Maintenance and Repair Services - Vehicles		1,026

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Special Patrols (Cont.)

Gasoline	\$	4,265	
Law Enforcement Supplies		4,061	
Uniforms		6,377	
In Service/Staff Development		2,604	
Motor Vehicles		25,097	
Total Special Patrols			\$ 295,113

Traffic Control

Contracts with Private Agencies	\$	650	
Electricity		114	
Total Traffic Control			764

Administration of the Sexual Offender Registry

Remittance of Revenue Collected	\$	1,250	
Other Charges		3,738	
Total Administration of the Sexual Offender Registry			4,988

Jail

Assistant(s)	\$	14,034	
Captain(s)		44,696	
Sergeant(s)		29,971	
Data Processing Personnel		26,008	
Guards		620,545	
Cafeteria Personnel		22,563	
Part-time Personnel		31,184	
Overtime Pay		39,234	
Other Salaries and Wages		29,460	
Other Per Diem and Fees		22,857	
Social Security		50,542	
State Retirement		54,723	
Life Insurance		2,362	
Medical Insurance		225,542	
Unemployment Compensation		29,685	
Employer Medicare		11,824	
Communication		4,182	
Contracts with Private Agencies		3,140	
Data Processing Services		6,460	
Evaluation and Testing		3,250	
Maintenance and Repair Services - Buildings		17,609	
Maintenance and Repair Services - Equipment		1,358	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Maintenance and Repair Services - Office Equipment	\$	514	
Medical and Dental Services		506,021	
Pest Control		1,070	
Postal Charges		320	
Travel		3,517	
Electricity		99,607	
Food Preparation Supplies		48,940	
Food Supplies		219,538	
Natural Gas		26,521	
Office Supplies		3,993	
Prisoners Clothing		6,500	
Uniforms		10,804	
Water and Sewer		67,367	
Other Supplies and Materials		12,997	
Building and Contents Insurance		15,855	
Liability Insurance		114,445	
Vehicle and Equipment Insurance		2,862	
Workers' Compensation Insurance		34,176	
In Service/Staff Development		525	
Communication Equipment		2,100	
Food Service Equipment		3,990	
Motor Vehicles		15,000	
Office Equipment		1,993	
Total Jail			\$ 2,489,884

Juvenile Services

Probation Officer(s)	\$	6,737	
Youth Service Officer(s)		17,699	
Social Security		1,515	
Employer Medicare		354	
Contracts with Government Agencies		4,470	
Other Equipment		609	
Total Juvenile Services			31,384

Fire Prevention and Control

Contributions	\$	85,397	
Building and Contents Insurance		9,855	
Liability Insurance		4,350	
Vehicle and Equipment Insurance		34,090	
Workers' Compensation Insurance		21,613	
Total Fire Prevention and Control			155,305

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense

Supervisor/Director	\$	25,000	
Part-time Personnel		9,982	
Social Security		2,169	
State Retirement		1,628	
Employer Medicare		507	
Communication		3,076	
Consultants		12,950	
Licenses		142	
Maintenance and Repair Services - Buildings		1,809	
Maintenance and Repair Services - Equipment		1,170	
Maintenance and Repair Services - Vehicles		7,321	
Postal Charges		44	
Printing, Stationery, and Forms		160	
Travel		568	
Other Contracted Services		65	
Diesel Fuel		990	
Gasoline		4,845	
Uniforms		1,529	
Other Supplies and Materials		24,573	
Vehicle and Equipment Insurance		3,304	
Building Improvements		711	
Communication Equipment		61,850	
Motor Vehicles		4,400	
Other Equipment		2,998	
Total Civil Defense			\$ 171,791

Rescue Squad

Contributions	\$	33,000	
Building and Contents Insurance		6,960	
Liability Insurance		1,526	
Vehicle and Equipment Insurance		17,126	
Workers' Compensation Insurance		1,490	
Total Rescue Squad			60,102

Other Emergency Management

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

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

County Coroner/Medical Examiner

County Official/Administrative Officer	\$	11,203	
Social Security		514	
Life Insurance		92	
Medical Insurance		11,880	
Employer Medicare		120	
Contracts with Private Agencies		58,200	
Contracts with Vehicle Owners		10,287	
Total County Coroner/Medical Examiner			\$ 92,296

Other Public Safety

Deputy(ies)	\$	14,026	
Salary Supplements		15,600	
Guards		200,221	
Overtime Pay		14,795	
Social Security		15,139	
State Retirement		2,507	
Life Insurance		26	
Medical Insurance		1,867	
Employer Medicare		3,541	
Communication		570	
Contracts with Private Agencies		732	
Evaluation and Testing		600	
Postal Charges		7,561	
Travel		1,628	
Gasoline		26	
Law Enforcement Supplies		1,936	
Office Supplies		28	
Uniforms		1,919	
Vehicle Parts		50	
Other Supplies and Materials		1,964	
Other Charges		453	
Food Service Equipment		251,572	
Law Enforcement Equipment		49,750	
Motor Vehicles		13,750	
Solid Waste Equipment		50,000	
Total Other Public Safety			650,261

Public Health and Welfare

Local Health Center

Custodial Personnel	\$	13,609	
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(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Social Security	\$	663	
State Retirement		886	
Life Insurance		74	
Medical Insurance		11,880	
Employer Medicare		155	
Communication		5,864	
Dues and Memberships		375	
Operating Lease Payments		2,904	
Legal Notices, Recording, and Court Costs		77	
Maintenance and Repair Services - Buildings		6,815	
Maintenance and Repair Services - Office Equipment		2,460	
Pest Control		475	
Postal Charges		100	
Custodial Supplies		3,933	
Electricity		18,769	
Natural Gas		1,558	
Office Supplies		2,319	
Water and Sewer		2,028	
Building and Contents Insurance		2,450	
In Service/Staff Development		405	
Other Capital Outlay		11,346	
Total Local Health Center			\$ 89,145

Rabies and Animal Control

Supervisor/Director	\$	20,419
Deputy(ies)		28,519
Attendants		23,827
Social Security		4,196
State Retirement		3,186
Life Insurance		163
Medical Insurance		17,484
Employer Medicare		981
Communication		2,264
Maintenance and Repair Services - Buildings		483
Maintenance and Repair Services - Equipment		993
Maintenance and Repair Services - Vehicles		822
Veterinary Services		1,500
Disposal Fees		883
Animal Food and Supplies		279
Custodial Supplies		2,155

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

Diesel Fuel	\$	356	
Drugs and Medical Supplies		4,005	
Gasoline		6,620	
Law Enforcement Supplies		1,050	
Office Supplies		648	
Uniforms		348	
Utilities		8,886	
Building and Contents Insurance		739	
Vehicle and Equipment Insurance		1,190	
Total Rabies and Animal Control			\$ 131,996

Dental Health Program

Drugs and Medical Supplies	\$	3,475	
Total Dental Health Program			3,475

Alcohol and Drug Programs

Contracts with Private Agencies	\$	7,270	
Total Alcohol and Drug Programs			7,270

Crippled Children Services

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

Other Local Health Services

Social Workers	\$	127,239	
Medical Personnel		155,673	
Clerical Personnel		88,994	
Social Security		20,767	
State Retirement		22,774	
Life Insurance		1,030	
Medical Insurance		120,769	
Employer Medicare		4,857	
Travel		17,216	
Liability Insurance		503	
Workers' Compensation Insurance		1,560	
Other Charges		300	
Total Other Local Health Services			561,682

Appropriation to State

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

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

General Welfare Assistance

Pauper Burials	\$	9,200	
Other Charges		52,698	
Total General Welfare Assistance			\$ 61,898

Sanitation Education/Information

Deputy(ies)	\$	57,253	
Other Salaries and Wages		4,821	
Social Security		3,672	
State Retirement		4,041	
Life Insurance		185	
Medical Insurance		20,544	
Employer Medicare		859	
Communication		2,254	
Maintenance and Repair Services - Vehicles		3,582	
Travel		1,232	
Electricity		58	
Gasoline		13,896	
Instructional Supplies and Materials		6,582	
Law Enforcement Supplies		786	
Uniforms		282	
Water and Sewer		313	
Other Supplies and Materials		2,002	
Vehicle and Equipment Insurance		2,203	
Other Equipment		3,960	
Total Sanitation Education/Information			128,525

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Assistant(s)	\$	23,463	
Social Security		1,455	
Employer Medicare		340	
Contributions		15,300	
Office Supplies		350	
Building and Contents Insurance		798	
Other Capital Outlay		5,000	
Total Senior Citizens Assistance			46,706

Libraries

Contributions	\$	38,000	
Total Libraries			38,000

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Other Social, Cultural, and Recreational

Attendants	\$	35,728	
Other Per Diem and Fees		650	
Social Security		1,897	
State Retirement		2,368	
Life Insurance		178	
Medical Insurance		23,539	
Employer Medicare		444	
Communication		796	
Contributions		19,600	
Maintenance and Repair Services - Equipment		1,019	
Custodial Supplies		539	
Diesel Fuel		560	
Gasoline		62	
Office Supplies		332	
Uniforms		1,810	
Utilities		6,184	
Other Supplies and Materials		1,769	
Other Charges		493	
Other Equipment		6,010	
Other Capital Outlay		31,155	
Total Other Social, Cultural, and Recreational			\$ 135,133

Agriculture and Natural Resources

Agriculture Extension Service

Communication	\$	3,282	
Contracts with Government Agencies		41,983	
Dues and Memberships		255	
Maintenance and Repair Services - Office Equipment		758	
Postal Charges		150	
Travel		2,772	
Office Equipment		1,200	
Total Agriculture Extension Service			50,400

Soil Conservation

Communication	\$	50	
Contributions		3,056	
Total Soil Conservation			3,106

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations

Airport

Supervisor/Director	\$	20,400	
Medical Insurance		5,604	
Communication		1,726	
Contracts with Private Agencies		4,800	
Licenses		85	
Maintenance and Repair Services - Buildings		25,515	
Travel		317	
Electricity		9,964	
Water and Sewer		408	
Liability Insurance		2,600	
Total Airport			\$ 71,419

Veterans' Services

Supervisor/Director	\$	39,731	
Secretary(ies)		25,150	
Clerical Personnel		13,369	
Social Security		4,457	
State Retirement		5,094	
Life Insurance		277	
Medical Insurance		27,095	
Employer Medicare		1,042	
Communication		2,364	
Dues and Memberships		20	
Maintenance and Repair Services - Office Equipment		1,465	
Postal Charges		2,060	
Travel		4,614	
Office Supplies		1,390	
Uniforms		98	
Total Veterans' Services			128,226

Contributions to Other Agencies

Contributions	\$	75,118	
Other Supplies and Materials		2,191	
Total Contributions to Other Agencies			77,309

Employee Benefits

Salary Supplements	\$	1,250	
Other Salaries and Wages		57,199	
Social Security		3,745	
State Retirement		89	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Employee Benefits (Cont.)

Medical Insurance	\$	23,080	
Unemployment Compensation		2,501	
Employer Medicare		848	
Consultants		9,957	
Data Processing Services		2,000	
Travel		1,961	
Premiums on Corporate Surety Bonds		1,152	
Workers' Compensation Insurance		38,164	
In Service/Staff Development		2,500	
Total Employee Benefits			\$ 144,446

ARRA Grant # 2

Rentals	\$	1,500	
Other Supplies and Materials		582	
Total ARRA Grant # 2			2,082

ARRA Grant # 3

Probation Officer(s)	\$	8,183	
Social Security		507	
Employer Medicare		119	
Travel		153	
Workers' Compensation Insurance		150	
Other Equipment		1,302	
Total ARRA Grant # 3			10,414

Miscellaneous

Part-time Personnel	\$	28,701	
Social Security		1,779	
Employer Medicare		416	
Data Processing Services		5,000	
Travel		563	
Other Supplies and Materials		661	
Other Charges		8,990	
Office Equipment		12,500	
Other Capital Outlay		35,120	
Total Miscellaneous			93,730

Highways

Employee Benefits

Medical Insurance	\$	10,818	
Total Employee Benefits			10,818

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Support Services

Board of Education

Medical Insurance	\$	2,602	
Total Board of Education			\$ 2,602

Total General Fund \$ 13,668,967

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Supervisor/Director	\$	46,915	
Data Processing Personnel		51,371	
Other Salaries and Wages		2,201	
Social Security		5,986	
State Retirement		6,398	
Life Insurance		271	
Medical Insurance		11,770	
Unemployment Compensation		4,755	
Employer Medicare		1,400	
Communication		2,002	
Data Processing Services		7,500	
Legal Notices, Recording, and Court Costs		185	
Maintenance and Repair Services - Office Equipment		468	
Medical and Dental Services		484	
Travel		1,359	
Disposal Fees		37,149	
Office Supplies		369	
Uniforms		1,858	
Building and Contents Insurance		2,886	
Liability Insurance		30,453	
Trustee's Commission		46,677	
Vehicle and Equipment Insurance		21,926	
Workers' Compensation Insurance		58,026	
In Service/Staff Development		742	
Office Equipment		254	
Total Sanitation Management			\$ 343,405

Convenience Centers

Truck Drivers	\$	121,443	
Attendants		333,062	
Overtime Pay		17,011	
Other Salaries and Wages		23,252	

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Convenience Centers (Cont.)

Other Per Diem and Fees	\$	14,750	
Social Security		29,429	
State Retirement		31,026	
Life Insurance		1,940	
Medical Insurance		149,915	
Employer Medicare		6,883	
Communication		7,917	
Contracts with Private Agencies		457,095	
Maintenance and Repair Services - Buildings		1,326	
Maintenance and Repair Services - Equipment		2,872	
Maintenance and Repair Services - Vehicles		37,190	
Rentals		7,800	
Custodial Supplies		979	
Diesel Fuel		83,471	
Electricity		8,459	
Fertilizer, Lime, and Seed		193	
Garage Supplies		69	
Gasoline		2,521	
Office Supplies		194	
Uniforms		10,334	
Drainage Materials		420	
Chemicals		319	
Motor Vehicles		80,000	
Site Development		3,800	
Total Convenience Centers			\$ 1,433,670

Transfer Stations

Foremen	\$	5,050
Equipment Operators		26,112
Overtime Pay		900
Other Per Diem and Fees		552
Social Security		1,957
State Retirement		2,055
Life Insurance		99
Medical Insurance		3,719
Employer Medicare		458
Engineering Services		5,579
Licenses		1,500
Rentals		660
Uniforms		640

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Transfer Stations (Cont.)

Other Supplies and Materials	\$	780	
Motor Vehicles		74,690	
Solid Waste Equipment		106,869	
Other Capital Outlay		97,640	
Total Transfer Stations			\$ 329,260

Recycling Center

Foremen	\$	28,292	
Equipment Operators		22,321	
Truck Drivers		54,660	
Laborers		49,104	
Overtime Pay		5,274	
Other Salaries and Wages		776	
Other Per Diem and Fees		2,152	
Social Security		9,251	
State Retirement		10,187	
Life Insurance		533	
Medical Insurance		50,216	
Employer Medicare		2,164	
Communication		2,762	
Maintenance and Repair Services - Buildings		1,327	
Maintenance and Repair Services - Equipment		7,119	
Maintenance and Repair Services - Vehicles		16,142	
Pest Control		360	
Custodial Supplies		943	
Diesel Fuel		15,744	
Electricity		7,768	
Garage Supplies		246	
Gasoline		6,137	
Natural Gas		9,816	
Office Supplies		710	
Propane Gas		643	
Uniforms		5,267	
Water and Sewer		350	
Chemicals		378	
Other Supplies and Materials		589	
Motor Vehicles		43,830	
Total Recycling Center			355,061

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Other Waste Disposal

Foremen	\$	27,512	
Equipment Operators		37,352	
Nightwatchmen		27,796	
Attendants		1,572	
Overtime Pay		279	
Other Salaries and Wages		1,617	
Other Per Diem and Fees		1,832	
Social Security		5,315	
State Retirement		6,298	
Life Insurance		370	
Medical Insurance		41,283	
Employer Medicare		1,243	
Licenses		3,124	
Diesel Fuel		15,886	
Electricity		6,436	
Gasoline		290	
Uniforms		1,292	
Solid Waste Equipment		4,890	
Other Capital Outlay		3,438	
Total Other Waste Disposal			\$ 187,825

Other Operations

Employee Benefits

Other Salaries and Wages	\$	12,694	
Social Security		787	
Employer Medicare		184	
Total Employee Benefits			13,665

Total Solid Waste/Sanitation Fund \$ 2,662,886

Ambulance Service Fund

Public Health and Welfare

Ambulance/Emergency Medical Services

Supervisor/Director	\$	64,556
Medical Personnel		454,369
Paraprofessionals		72,578
Mechanic(s)		24,460
Clerical Personnel		26,614
Attendants		96,275
Maintenance Personnel		22,593

(Continued)

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

Ambulance Service Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Overtime Pay	\$	120,798
Other Salaries and Wages		35,166
In-Service Training		3,045
Other Per Diem and Fees		16,112
Social Security		54,489
State Retirement		51,112
Life Insurance		2,151
Medical Insurance		186,765
Unemployment Compensation		11,757
Employer Medicare		12,743
Advertising		150
Communication		11,494
Contracts with Government Agencies		85,717
Data Processing Services		15,680
Dues and Memberships		430
Licenses		2,235
Maintenance and Repair Services - Buildings		3,762
Maintenance and Repair Services - Equipment		7,343
Maintenance and Repair Services - Office Equipment		480
Maintenance and Repair Services - Vehicles		37,348
Medical and Dental Services		18,000
Postal Charges		2,688
Rentals		720
Travel		425
Custodial Supplies		1,862
Diesel Fuel		85,104
Drugs and Medical Supplies		36,130
Electricity		14,106
Gasoline		7,302
Natural Gas		3,315
Office Supplies		6,076
Uniforms		13,557
Water and Sewer		3,103
Chemicals		3,674
Building and Contents Insurance		1,319
Liability Insurance		19,762
Refunds		565
Trustee's Commission		21,028
Vehicle and Equipment Insurance		5,843
Workers' Compensation Insurance		104,151

(Continued)

Exhibit J-7

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

Ambulance Service Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

In Service/Staff Development	\$	2,481	
Other Charges		1,956	
Building Improvements		845	
Motor Vehicles		6,100	
Office Equipment		10,619	
Health Equipment		94,165	
Total Ambulance/Emergency Medical Services			\$ 1,885,118

Other Operations

Employee Benefits

Other Salaries and Wages	\$	7,230	
Social Security		449	
Employer Medicare		105	
Total Employee Benefits			7,784

Principal on Debt

General Government

Principal on Notes	\$	14,167	
Total General Government			14,167

Interest on Debt

General Government

Interest on Notes	\$	117	
Total General Government			117

Total Ambulance Service Fund \$ 1,907,186

Industrial/Economic Development Fund

General Government

Development

Board and Committee Members Fees	\$	4,883	
Social Security		111	
State Retirement		130	
Employer Medicare		26	
Contracts with Private Agencies		66,666	
Contributions		20,800	
Engineering Services		2,515	
Travel		578	
Other Contracted Services		5,000	
Other Charges		1,022	
Total Development			\$ 101,731

(Continued)

Exhibit J-7

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

Industrial/Economic Development Fund (Cont.)

General Government (Cont.)

Planning

Board and Committee Members Fees	\$	7,650	
Social Security		143	
State Retirement		72	
Employer Medicare		33	
Consultants		11,250	
Legal Services		4,000	
Other Charges		51	
Total Planning			\$ 23,199

Other Facilities

Other Salaries and Wages	\$	4,673	
Social Security		290	
State Retirement		294	
Employer Medicare		68	
Contracts with Private Agencies		5,435	
Maintenance and Repair Services - Buildings		4,118	
Maintenance and Repair Services - Equipment		400	
Custodial Supplies		1,130	
Total Other Facilities			16,408

Other Operations

Tourism

Contributions	\$	45,000	
Total Tourism			45,000

Industrial Development

Communication	\$	550	
Contracts with Private Agencies		9,000	
Contributions		52,000	
Data Processing Services		1,925	
Dues and Memberships		4,056	
Legal Notices, Recording, and Court Costs		20	
Matching Share		4,000	
Utilities		3,647	
Building and Contents Insurance		8,230	
Trustee's Commission		3,719	
Other Charges		2,700	
Other Equipment		1,500	
Total Industrial Development			91,347

Total Industrial/Economic Development Fund \$ 277,685

(Continued)

Exhibit J-7

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

Drug Control Fund

Public Safety

Drug Enforcement

Detective(s)	\$	6,227	
Overtime Pay		10,679	
Other Salaries and Wages		14,003	
Social Security		1,916	
State Retirement		2,012	
Employer Medicare		448	
Communication		2,606	
Contracts with Private Agencies		1,442	
Contributions		1,000	
Confidential Drug Enforcement Payments		7,000	
Dues and Memberships		200	
Legal Notices, Recording, and Court Costs		314	
Maintenance and Repair Services - Equipment		3,084	
Maintenance and Repair Services - Vehicles		7,752	
Rentals		1,375	
Tow-in Services		2,650	
Travel		690	
Animal Food and Supplies		2,091	
Diesel Fuel		92	
Gasoline		3,682	
Instructional Supplies and Materials		2,500	
Law Enforcement Supplies		11,811	
Other Supplies and Materials		657	
Workers' Compensation Insurance		493	
In Service/Staff Development		4,200	
Law Enforcement Equipment		27,496	
Motor Vehicles		19,014	
Total Drug Enforcement			\$ 135,434

Total Drug Control Fund \$ 135,434

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	18,000	
Total Chancery Court			\$ 18,000

Total Constitutional Officers - Fees Fund 18,000

(Continued)

Exhibit J-7

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

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	75,500	
Assistant(s)		64,411	
Social Security		8,278	
State Retirement		9,108	
Life Insurance		233	
Medical Insurance		25,343	
Employer Medicare		1,936	
Dues and Memberships		3,971	
Maintenance and Repair Services - Equipment		223	
Postal Charges		176	
Travel		1,423	
Office Supplies		2,308	
Office Equipment		670	
Total Administration			\$ 193,580

Highway and Bridge Maintenance

Supervisor/Director	\$	43,579	
Foremen		59,174	
Equipment Operators		138,936	
Truck Drivers		176,431	
Laborers		152,539	
Overtime Pay		19,076	
Other Salaries and Wages		2,599	
Other Per Diem and Fees		389	
Social Security		34,320	
State Retirement		38,518	
Life Insurance		1,921	
Medical Insurance		155,285	
Employer Medicare		8,026	
Contracts with Private Agencies		3,406	
Asphalt - Hot Mix		495,304	
Asphalt - Liquid		218,765	
Fertilizer, Lime, and Seed		2,585	
General Construction Materials		1,180	
Pipe - Metal		23,707	
Road Signs		7,820	
Structural Steel		2,500	
Other Charges		5,415	
Total Highway and Bridge Maintenance			1,591,475

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment

Mechanic(s)	\$	27,248	
Laborers		50,801	
Overtime Pay		2,487	
Other Salaries and Wages		116	
Social Security		4,164	
State Retirement		5,250	
Life Insurance		277	
Medical Insurance		42,595	
Employer Medicare		974	
Maintenance and Repair Services - Office Equipment		3,379	
Diesel Fuel		379,353	
Equipment and Machinery Parts		104,484	
Garage Supplies		562	
Gasoline		409,218	
Lubricants		10,274	
Natural Gas		1,582	
Tires and Tubes		19,847	
Total Operation and Maintenance of Equipment			\$ 1,062,611

Quarry Operations

Foremen	\$	28,501	
Truck Drivers		24,409	
Laborers		49,963	
Overtime Pay		5,115	
Other Salaries and Wages		772	
Other Per Diem and Fees		58	
Social Security		6,113	
State Retirement		6,794	
Life Insurance		354	
Medical Insurance		32,934	
Employer Medicare		1,430	
Explosive and Drilling Services		26,774	
Licenses		12,725	
Diesel Fuel		31,334	
Electricity		39,046	
Total Quarry Operations			266,322

Other Charges

Communication	\$	11,840	
Maintenance and Repair Services - Office Equipment		540	

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges (Cont.)

Electricity	\$	5,848	
Uniforms		18,188	
Water and Sewer		3,112	
Building and Contents Insurance		2,493	
Liability Insurance		34,704	
Premiums on Corporate Surety Bonds		174	
Trustee's Commission		33,345	
Vehicle and Equipment Insurance		19,477	
Total Other Charges			\$ 129,721

Employee Benefits

Other Salaries and Wages	\$	14,050	
Social Security		871	
Employer Medicare		204	
Medical and Dental Services		423	
Workers' Compensation Insurance		57,605	
Total Employee Benefits			73,153

Capital Outlay

Contracts with Private Agencies	\$	2,023	
Engineering Services		5,011	
Asphalt - Hot Mix		24,315	
Bridge Construction		11,578	
Highway Equipment		160,246	
State Aid Projects		348,985	
Total Capital Outlay			552,158

Total Highway/Public Works Fund \$ 3,869,020

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	16,405	
Principal on Other Loans		320,850	
Total General Government			\$ 337,255

Education

Principal on Bonds	\$	348,595	
Principal on Notes		1,411,667	
Principal on Other Loans		852,268	
Total Education			2,612,530

(Continued)

Exhibit J-7

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

General Debt Service Fund (Cont.)

Interest on Debt

General Government

Interest on Bonds	\$ 676,914	
Interest on Other Loans	159,941	
Total General Government		\$ 836,855

Education

Interest on Bonds	\$ 1,085,000	
Interest on Notes	59,535	
Interest on Other Loans	355,997	
Total Education		1,500,532

Other Debt Service

General Government

Trustee's Commission	\$ 35,596	
Underwriter's Discount	12,650	
Other Debt Service	6,065	
Total General Government		54,311

Total General Debt Service Fund \$ 5,341,483

General Capital Projects Fund

Capital Projects

General Administration Projects

Engineering Services	\$ 5,746	
Trustee's Commission	10,148	
Building Improvements	100,417	
Site Development	74,950	
Other Capital Outlay	22,822	
Total General Administration Projects		\$ 214,083

Public Safety Projects

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

Public Health and Welfare Projects

Architects	\$ 5,500	
Matching Share	5,000	
Refunds	31,592	
Other Charges	13,135	
Building Improvements	43,193	
Site Development	11,702	
Total Public Health and Welfare Projects		110,122

(Continued)

Exhibit J-7

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

General Capital Projects Fund (Cont.)

Capital Projects (Cont.)

Social, Cultural, and Recreation Projects

Site Development	\$	6,113	
Other Capital Outlay		8,986	
Total Social, Cultural, and Recreation Projects			\$ 15,099

Public Utility Projects

Refunds	\$	2,500	
Total Public Utility Projects			2,500

Other General Government Projects

Building Improvements	\$	39,737	
Total Other General Government Projects			39,737

Highway and Street Capital Projects

Contracts with Private Agencies	\$	2,977	
Engineering Services		3,000	
Asphalt - Hot Mix		129,080	
Bridge Construction		46,881	
Total Highway and Street Capital Projects			181,938

Education Capital Projects

Contributions	\$	1,387,088	
Total Education Capital Projects			<u>1,387,088</u>

Total General Capital Projects Fund \$ 2,018,067

Other Capital Projects Fund

Capital Projects

Public Safety Projects

Architects	\$	111,266	
Engineering Services		1,000	
Other Charges		80,294	
Building Construction		4,468,389	
Building Improvements		105,175	
Solid Waste Equipment		32,673	
Other Capital Outlay		13,136	
Total Public Safety Projects			\$ 4,811,933

Public Health and Welfare Projects

Other Capital Outlay	\$	115,872	
Total Public Health and Welfare Projects			115,872

(Continued)

Exhibit J-7

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

Other Capital Projects Fund (Cont.)

Capital Projects (Cont.)

Social, Cultural, and Recreation Projects

Other Capital Outlay	\$ 1,800	
Total Social, Cultural, and Recreation Projects		\$ 1,800

Public Utility Projects

Advertising	\$ 178	
Consultants	9,391	
Engineering Services	76,369	
Evaluation and Testing	22,504	
Matching Share	133,428	
Other Construction	536,586	
Total Public Utility Projects		778,456

Education Capital Projects

Architects	\$ 27,294	
Consultants	222,750	
Other Contracted Services	44,534	
Other Charges	624	
Underwriter's Discount	38,785	
Other Debt Issuance Charges	43,900	
Building Improvements	3,727,767	
Data Processing Equipment	88,839	
Heating and Air Conditioning Equipment	227,529	
Plant Operation Equipment	170,796	
Other Capital Outlay	68,964	
Total Education Capital Projects		4,661,782

Total Other Capital Projects Fund		\$ 10,369,843
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Total Governmental Funds - Primary Government		<u>\$ 40,268,571</u>
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Exhibit J-8

Campbell County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Campbell County School Department
For the Year Ended June 30, 2012

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 10,734,103	
Career Ladder Program	150,462	
Career Ladder Extended Contracts	40,498	
Homebound Teachers	34,184	
Educational Assistants	400,502	
Other Salaries and Wages	133,796	
Certified Substitute Teachers	37,345	
Non-certified Substitute Teachers	267,190	
Social Security	688,930	
State Retirement	992,635	
Life Insurance	25,297	
Medical Insurance	2,028,416	
Unemployment Compensation	25,086	
Employer Medicare	161,121	
Operating Lease Payments	8,126	
Maintenance and Repair Services - Equipment	1,570	
Instructional Supplies and Materials	136,881	
Textbooks	358,556	
Other Supplies and Materials	5,911	
Regular Instruction Equipment	4,000	
Total Regular Instruction Program		\$ 16,234,609

Alternative Instruction Program

Teachers	\$ 118,730	
Educational Assistants	19,933	
Social Security	7,961	
State Retirement	12,042	
Life Insurance	348	
Medical Insurance	17,547	
Employer Medicare	1,862	
Total Alternative Instruction Program		178,423

Special Education Program

Teachers	\$ 1,280,993
Career Ladder Program	17,085
Career Ladder Extended Contracts	11,500
Homebound Teachers	21,695
Educational Assistants	59,514
Non-certified Substitute Teachers	27,225

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Social Security	\$	82,133	
State Retirement		122,436	
Life Insurance		3,109	
Medical Insurance		291,021	
Employer Medicare		19,209	
Contracts with Private Agencies		45,473	
Instructional Supplies and Materials		11,194	
Special Education Equipment		2,200	
Total Special Education Program			\$ 1,994,787

Vocational Education Program

Teachers	\$	1,001,409	
Career Ladder Program		8,000	
Non-certified Substitute Teachers		15,455	
Social Security		60,634	
State Retirement		90,518	
Life Insurance		2,166	
Medical Insurance		151,511	
Employer Medicare		14,181	
Maintenance and Repair Services - Equipment		4,965	
Other Contracted Services		456	
Instructional Supplies and Materials		27,669	
Vocational Instruction Equipment		25,000	
Total Vocational Education Program			1,401,964

Adult Education Program

Teachers	\$	55,449	
Other Salaries and Wages		8,077	
Social Security		3,883	
Employer Medicare		908	
Instructional Supplies and Materials		4,390	
Other Supplies and Materials		4,020	
Total Adult Education Program			76,727

Support Services

Attendance

Clerical Personnel	\$	14,457	
Social Security		886	
State Retirement		941	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Attendance (Cont.)

Life Insurance	\$	46	
Employer Medicare		207	
Data Processing Services		15,309	
Total Attendance			\$ 31,846

Health Services

Medical Personnel	\$	171,626	
Other Salaries and Wages		63,369	
Social Security		13,726	
State Retirement		18,589	
Life Insurance		691	
Medical Insurance		54,244	
Employer Medicare		3,210	
Travel		8,364	
Other Contracted Services		6,392	
Other Supplies and Materials		19,370	
Total Health Services			359,581

Other Student Support

Career Ladder Program	\$	6,760	
Guidance Personnel		555,733	
Social Workers		18,112	
Attendants		53,329	
Other Salaries and Wages		172,006	
Social Security		47,649	
State Retirement		66,476	
Life Insurance		1,375	
Medical Insurance		113,354	
Employer Medicare		11,144	
Evaluation and Testing		18,540	
Travel		2,878	
Other Contracted Services		197,903	
Other Supplies and Materials		5,799	
Other Equipment		5,830	
Total Other Student Support			1,276,888

Regular Instruction Program

Supervisor/Director	\$	192,967	
Career Ladder Program		21,100	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Librarians	\$	406,003	
Materials Supervisor		44,249	
Instructional Computer Personnel		69,080	
Secretary(ies)		59,831	
Educational Assistants		56,455	
Other Salaries and Wages		35,741	
In-Service Training		1,200	
Social Security		52,279	
State Retirement		67,684	
Life Insurance		1,741	
Medical Insurance		141,635	
Employer Medicare		12,226	
Communication		37,123	
Maintenance and Repair Services - Equipment		27,797	
Travel		30,021	
Library Books/Media		44,791	
Other Supplies and Materials		1,880	
In Service/Staff Development		14,135	
Other Charges		79,899	
Other Equipment		112,514	
Total Regular Instruction Program			\$ 1,510,351

Alternative Instruction Program

Supervisor/Director	\$	61,622	
Social Security		3,427	
State Retirement		5,577	
Life Insurance		94	
Medical Insurance		12,163	
Employer Medicare		801	
Total Alternative Instruction Program			83,684

Special Education Program

Supervisor/Director	\$	78,678	
Career Ladder Program		3,000	
Psychological Personnel		52,417	
Assessment Personnel		103,277	
Clerical Personnel		58,684	
Social Security		17,916	
State Retirement		25,303	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Life Insurance	\$	451	
Medical Insurance		18,803	
Employer Medicare		4,190	
Communication		8,483	
Postal Charges		610	
Travel		16,816	
Other Supplies and Materials		954	
Other Charges		<u>2,893</u>	
Total Special Education Program			\$ 392,475

Vocational Education Program

Supervisor/Director	\$	78,678	
Career Ladder Program		2,000	
Secretary(ies)		28,913	
Social Security		6,443	
State Retirement		9,184	
Life Insurance		164	
Medical Insurance		16,728	
Employer Medicare		1,507	
Communication		1,480	
Travel		18,396	
Other Charges		<u>630</u>	
Total Vocational Education Program			164,123

Adult Programs

Clerical Personnel	\$	28,671	
Social Security		1,561	
State Retirement		1,866	
Life Insurance		92	
Medical Insurance		11,880	
Employer Medicare		365	
Communication		1,670	
Travel		3,443	
In Service/Staff Development		2,030	
Other Charges		<u>21,465</u>	
Total Adult Programs			73,043

Other Programs

On-Behalf Payments to OPEB	\$	<u>312,354</u>	
Total Other Programs			312,354

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education

Secretary to Board	\$	10,034	
Other Salaries and Wages		34,732	
Board and Committee Members Fees		63,032	
Social Security		6,416	
State Retirement		3,661	
Life Insurance		703	
Medical Insurance		222,211	
Employer Medicare		1,501	
Other Fringe Benefits		190,900	
Audit Services		24,912	
Dues and Memberships		6,469	
Legal Services		35,510	
Travel		25,352	
Other Contracted Services		3,280	
Other Supplies and Materials		106	
Liability Insurance		90,477	
Premiums on Corporate Surety Bonds		175	
Trustee's Commission		206,411	
Workers' Compensation Insurance		296,970	
Criminal Investigation of Applicants - TBI		10,500	
Other Charges		50,935	
Total Board of Education			\$ 1,284,287

Director of Schools

County Official/Administrative Officer	\$	99,820
Career Ladder Program		600
Secretary(ies)		28,879
Clerical Personnel		28,431
Social Security		9,498
State Retirement		12,819
Life Insurance		1,761
Medical Insurance		12,510
Unemployment Compensation		4,201
Employer Medicare		2,221
Communication		18,063
Dues and Memberships		2,249
Postal Charges		4,217
Travel		10,123
Other Contracted Services		1,370

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

Office Supplies	\$	4,153	
In Service/Staff Development		6,750	
Other Charges		4,668	
Total Director of Schools			\$ 252,333

Office of the Principal

Principals	\$	775,370	
Career Ladder Program		14,455	
Accountants/Bookkeepers		10,035	
Assistant Principals		558,466	
Secretary(ies)		407,478	
Other Salaries and Wages		67,120	
Social Security		107,568	
State Retirement		154,304	
Life Insurance		3,289	
Medical Insurance		290,932	
Employer Medicare		25,157	
Communication		23,749	
Other Charges		27,940	
Total Office of the Principal			2,465,863

Fiscal Services

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

Human Services/Personnel

Supervisor/Director	\$	39,330	
Social Security		2,390	
State Retirement		3,559	
Life Insurance		63	
Medical Insurance		3,134	
Employer Medicare		559	
Total Human Services/Personnel			49,035

Operation of Plant

Custodial Personnel	\$	914,442	
Social Security		51,477	
State Retirement		58,916	
Life Insurance		3,711	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Medical Insurance	\$	301,600	
Employer Medicare		12,039	
Other Contracted Services		21,650	
Custodial Supplies		93,206	
Electricity		1,288,843	
Natural Gas		110,850	
Water and Sewer		171,186	
Other Supplies and Materials		7,642	
Building and Contents Insurance		227,211	
Total Operation of Plant			\$ 3,262,773

Maintenance of Plant

Supervisor/Director	\$	4,802	
Maintenance Personnel		303,700	
Social Security		17,876	
State Retirement		19,604	
Life Insurance		864	
Medical Insurance		77,250	
Employer Medicare		4,181	
Maintenance and Repair Services - Buildings		130,668	
Maintenance and Repair Services - Equipment		310	
Maintenance and Repair Services - Vehicles		3,945	
Other Contracted Services		8,495	
Gasoline		13,861	
Other Supplies and Materials		9,545	
Total Maintenance of Plant			595,101

Transportation

Supervisor/Director	\$	39,339	
Bus Drivers		34,742	
Clerical Personnel		14,457	
Other Salaries and Wages		10,399	
Social Security		6,075	
State Retirement		3,502	
Life Insurance		293	
Medical Insurance		23,955	
Employer Medicare		1,421	
Contracts with Vehicle Owners		1,155,485	
Maintenance and Repair Services - Vehicles		745	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Medical and Dental Services	\$	3,590	
Gasoline		17,672	
Vehicle and Equipment Insurance		66,305	
Other Charges		1,419	
Transportation Equipment		34,200	
Total Transportation			\$ 1,413,599

Central and Other

Supervisor/Director	\$	15,262	
Other Salaries and Wages		4,109	
Social Security		1,177	
State Retirement		1,753	
Life Insurance		31	
Medical Insurance		1,566	
Employer Medicare		275	
Total Central and Other			24,173

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	83,808	
Part-time Personnel		275	
Other Salaries and Wages		136,833	
Social Security		13,240	
State Retirement		14,107	
Life Insurance		428	
Medical Insurance		29,967	
Employer Medicare		3,097	
Travel		3,498	
Instructional Supplies and Materials		824	
Other Supplies and Materials		6,076	
Other Charges		977	
Total Community Services			293,130

Early Childhood Education

Teachers	\$	443,423	
Career Ladder Program		7,600	
Educational Assistants		113,355	
Other Salaries and Wages		55,450	
Non-certified Substitute Teachers		7,122	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

Social Security	\$	36,810	
State Retirement		47,368	
Life Insurance		1,852	
Medical Insurance		117,283	
Employer Medicare		8,609	
Travel		8,077	
Instructional Supplies and Materials		42,595	
Other Supplies and Materials		10,770	
In Service/Staff Development		17,913	
Other Charges		36,400	
Other Equipment		23,108	
Total Early Childhood Education			\$ 977,735

Capital Outlay

Regular Capital Outlay

Architects	\$	40,743	
Engineering Services		14,932	
Building Construction		314,123	
Building Improvements		1,481,064	
Other Capital Outlay		278,306	
Total Regular Capital Outlay			2,129,168

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	2,685,777	
Total Education			2,685,777

Total General Purpose School Fund \$ 39,643,896

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	1,261,257	
Educational Assistants		206,216	
Other Salaries and Wages		21,828	
Non-certified Substitute Teachers		14,768	
Social Security		88,455	
State Retirement		121,476	
Life Insurance		3,764	

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Regular Instruction Program (Cont.)

Medical Insurance	\$	254,020	
Employer Medicare		20,689	
Instructional Supplies and Materials		254,436	
Other Supplies and Materials		6,642	
Regular Instruction Equipment		81,533	
Total Regular Instruction Program			\$ 2,335,084

Special Education Program

Teachers	\$	301,315	
Educational Assistants		374,614	
Other Salaries and Wages		13,194	
Non-certified Substitute Teachers		3,768	
Social Security		39,132	
State Retirement		45,489	
Life Insurance		2,612	
Medical Insurance		231,397	
Employer Medicare		9,152	
Contracts with Private Agencies		58,479	
Other Supplies and Materials		5,032	
Total Special Education Program			1,084,184

Vocational Education Program

Educational Assistants	\$	25,061	
Social Security		1,313	
State Retirement		1,632	
Life Insurance		163	
Medical Insurance		14,946	
Employer Medicare		307	
Other Supplies and Materials		39,052	
Vocational Instruction Equipment		10,000	
Total Vocational Education Program			92,474

Support Services

Health Services

Medical Personnel	\$	13,693	
Social Security		836	
State Retirement		891	
Life Insurance		54	
Employer Medicare		196	
Total Health Services			15,670

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Other Student Support

Social Workers	\$	18,112	
Other Salaries and Wages		50,853	
Social Security		4,176	
State Retirement		3,498	
Life Insurance		163	
Medical Insurance		9,273	
Employer Medicare		977	
Evaluation and Testing		30,123	
Other Contracted Services		11,166	
Other Supplies and Materials		6,523	
Total Other Student Support			\$ 134,864

Regular Instruction Program

Supervisor/Director	\$	80,703	
Secretary(ies)		27,722	
Other Salaries and Wages		494,319	
Non-certified Substitute Teachers		1,980	
Social Security		35,857	
State Retirement		45,599	
Life Insurance		965	
Medical Insurance		89,829	
Employer Medicare		8,387	
Consultants		59,000	
Maintenance and Repair Services - Equipment		4,998	
Travel		7,875	
Other Contracted Services		30,790	
Other Supplies and Materials		20,600	
In Service/Staff Development		414,823	
Other Charges		4,119	
Other Equipment		101,814	
Total Regular Instruction Program			1,429,380

Special Education Program

Psychological Personnel	\$	83,705	
Clerical Personnel		28,913	
Social Security		6,801	
State Retirement		1,882	
Life Insurance		70	
Medical Insurance		11,880	

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Employer Medicare	\$	1,591	
Maintenance and Repair Services - Equipment		6,435	
Travel		2,000	
In Service/Staff Development		3,428	
Total Special Education Program			\$ 146,705

Vocational Education Program

Travel	\$	37,135	
In Service/Staff Development		8,349	
Total Vocational Education Program			45,484

Transportation

Bus Drivers	\$	55,998	
Other Salaries and Wages		29,415	
Social Security		5,296	
State Retirement		1,073	
Employer Medicare		1,238	
Maintenance and Repair Services - Vehicles		7,456	
Diesel Fuel		5,195	
Gasoline		23,920	
Transportation Equipment		74,401	
Total Transportation			203,992

Operation of Non-Instructional Services

Early Childhood Education

Teachers	\$	37,395	
Educational Assistants		12,746	
Social Security		2,877	
State Retirement		4,214	
Life Insurance		186	
Medical Insurance		12,163	
Employer Medicare		673	
Total Early Childhood Education			70,254

Total School Federal Projects Fund \$ 5,558,091

(Continued)

Exhibit J-8

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

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	75,968	
Accountants/Bookkeepers		25,272	
Clerical Personnel		52,050	
Cafeteria Personnel		972,395	
Other Salaries and Wages		78,304	
Social Security		69,029	
State Retirement		65,515	
Life Insurance		5,433	
Medical Insurance		310,896	
Unemployment Compensation		273	
Employer Medicare		16,144	
Other Fringe Benefits		53,120	
Communication		9,245	
Maintenance and Repair Services - Equipment		46,009	
Postal Charges		500	
Travel		3,625	
Other Contracted Services		26,068	
Food Preparation Supplies		129,273	
Food Supplies		1,238,026	
Uniforms		8,463	
USDA - Commodities		167,544	
Other Supplies and Materials		12,165	
In Service/Staff Development		2,110	
Other Charges		62,875	
Food Service Equipment		254,025	
Total Food Service			\$ 3,684,327

Total Central Cafeteria Fund \$ 3,684,327

Total Governmental Funds - Campbell County School Department \$ 48,886,314

Exhibit J-9

Campbell County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2012

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 3,094,061
Total Cash Receipts	<u>\$ 3,094,061</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 3,063,122
Trustee's Commission	<u>30,939</u>
Total Cash Disbursements	<u>\$ 3,094,061</u>
 Excess of Cash Receipts Over (Under)	
Cash Disbursements	\$ 0
Cash Balance, July 1, 2011	<u>0</u>
 Cash Balance, June 30, 2012	<u><u>\$ 0</u></u>

SINGLE AUDIT SECTION



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT 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 17, 2013

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

To the County Mayor and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Campbell County, Tennessee, as of and for the year ended June 30, 2012, which collectively comprise Campbell County's basic financial statements and have issued our report thereon dated January 17, 2013. Our report on the aggregate discretely presented component units financial statements was qualified due to not including the financial statements of the Campbell County Emergency Communications District, which were not available from other auditors as of the date of this report. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

express an opinion on the effectiveness of Campbell County's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies in internal control over financial reporting: 12.01, 12.03, 12.07(A,B), and 12.08. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

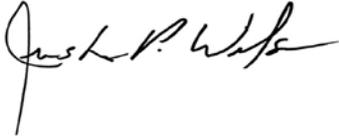
As part of obtaining reasonable assurance about whether Campbell County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items 12.02, 12.04, 12.05, 12.06, and 12.07(C).

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

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

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

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a prominent initial "J" and "W".

Justin P. Wilson
Comptroller of the Treasury

JPW/yu



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT 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

Independent Auditor's Report

January 17, 2013

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

To the County Mayor and Board of County Commissioners:

Compliance

We have audited Campbell County's compliance 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, 2012. Campbell County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Campbell County's management. Our responsibility is to express an opinion on Campbell County's compliance based on our audit.

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

basis, evidence about Campbell County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Campbell County's compliance with those requirements.

In our opinion, Campbell County complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and are described in the accompanying Schedule of Findings and Questioned Costs as items 12.02 and 12.09.

Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying Schedule of Findings and Questioned Costs as items 12.03 and 12.10. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

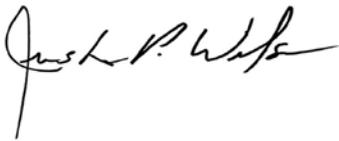
Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Campbell County as of and for the year ended June 30, 2012, and have issued our report thereon dated January 17, 2013. Our report on the aggregate discretely presented component units financial statements was qualified due to not including the financial statements of the Campbell County Emergency Communications District which were not available from other auditors as of the date of this report. Our audit was performed for the purpose of forming our opinions on the financial statements as a whole. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

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

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury

JPW/yu

Campbell County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2012

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	\$ 167,544 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	632,757
National School Lunch Program	10.555	N/A	1,793,165 (3)
Fresh Fruit and Vegetable Program	10.582	N/A	25,339
Direct Program:			
Rural Business Enterprise Grants	10.769	N/A	9,000
Total U.S. Department of Agriculture			\$ 2,627,805
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program	14.288	GG-11-35948-00	\$ 230,030
Total U.S. Department of Housing and Urban Development			\$ 230,030
U.S. Department of the Interior:			
Passed-through State Department of Economic and Community Development:			
Abandoned Mine Land Reclamation (AMLR) Program	15.252	GG-11-36720-00	\$ 284,958
Total U.S. Department of the Interior			\$ 284,958
U.S. Department of Justice:			
Direct Programs:			
Bulletproof Vest Partnership Program	16.607	N/A	\$ 10,861
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government	16.804	N/A	16,052
Total U.S. Department of Justice			\$ 26,913
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Open Container Requirements	20.607	(2)	\$ 24,487
Total U.S. Department of Transportation			\$ 24,487
Appalachian Regional Commission:			
Passed-through State Department of Economic and Community Development:			
Appalachian Research, Technical Assistance, and Demonstration Projects	23.011	TN-17163-302-11	\$ 66,666
Total Appalachian Regional Commission			\$ 66,666
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	(2)	\$ 101,282
Passed-through State Department of Education:			
Title I Cluster:			
Title I Grants to Local Educational Agencies	84.010	N/A	2,286,434
Title I Grants to Local Educational Agencies, Recovery Act	84.389	N/A	45,734
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,409,072
Special Education - Preschool Grants	84.173	N/A	41,478
Career and Technical Education - Basic Grants to States	84.048	N/A	126,189
Safe and Drug-free Schools and Communities	84.184	(2)	9,228
Education Technology State Grants Cluster:			
Education Technology State Grants	84.318	N/A	7,883
Education Technology State Grants, Recovery Act	84.386	N/A	2,712
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	N/A	9,531
Rural Education	84.358	N/A	146,849
English Language Acquisition Grants	84.365	(2)	19,490
Improving Teacher Quality State Grants	84.367	N/A	387,082
School Improvement Grants, Recovery Act	84.388	N/A	258,354

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
U.S. Department of Education (Cont):			
Passed-through State Department of Education (Cont):			
State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	84.397	N/A	\$ 45,449
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	786,138
Education Jobs Fund	84.410	N/A	80,735
Total U.S. Department of Education			\$ 5,763,640
U.S. Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.401	(2)	\$ 31,440
Total U.S. Election Assistance Commission			\$ 31,440
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance	97.036	N/A	\$ 31,421
Emergency Management Performance Grants	97.042	(2)	10,000
Homeland Security Grant Program	97.067	(4)	176,904
Total U.S. Department of Homeland Security			\$ 218,325
Total Expenditures of Federal Awards			\$ 9,274,264
<u>State Grants</u>			
Waste Tire Program - State Department of Environment and Conservation	N/A	(2)	\$ 5,652
Litter Program - State Department of Transportation	N/A	(2)	43,087
Local Health Services - State Department of Health	N/A	(2)	569,333
Airport Maintenance - State Department of Transportation	N/A	(2)	15,106
Aging Program - State Commission on Aging	N/A	(2)	10,872
Juvenile Service Program - State Commission on Children and Youth	N/A	(2)	9,000
Public Assistance Grant - State Department of Military	N/A	(2)	3,928
Flood Debris Removal and Repair - State Department of Environment and Conservation	N/A	(2)	100,000
SOC Readiness Grant - Tennessee Valley Authority	N/A	(2)	1,500
Coordinated School Health Grant - State Department of Education	N/A	(2)	100,000
Family Resource Center - State Department of Education	N/A	(2)	53,612
Safe Schools Grant - State Department of Education	N/A	(2)	28,677
Early Childhood Education Program - State Department of Education	N/A	(2)	676,041
High Schools That Work - State Department of Education	N/A	(2)	11,958
Student Ticket Subsidy Grant - State Arts Commission	N/A	(2)	3,726
Drug Grant - State Department of Finance and Administration	N/A	(2)	46,044
Lottery for Education: After School Program - State Department of Education	N/A	(2)	111,330
Total State Grants			\$ 1,789,866

CFDA - Catalog of Federal Domestic Assistance

N/A - Not Applicable

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

(2) Information not available.

(3) Total for CFDA No. 10.555 is \$1,960,709

(4) 2007-GE-T7-0051: \$88,452; 2009-SS-T9-0086: \$88,452

Campbell County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2012

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below is the finding from the Annual Financial Report for Campbell County, Tennessee, for the year ended June 30, 2011, which has not been corrected.

OFFICES OF COUNTY CLERK, CLERK AND MASTER, AND REGISTER

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
11.04	185	Duties were not segregated adequately

CAMPBELL COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2012

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the aggregate discretely presented component units is qualified. Our report on the governmental activities, each major fund, and the aggregate remaining fund information is unqualified.
2. The audit of the financial statements of Campbell County disclosed significant deficiencies in internal control. None of these deficiencies was considered to be material weaknesses.
3. The audit disclosed one instance of noncompliance that is material to the financial statements of Campbell County.
4. The audit disclosed one significant deficiency in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed two findings that are required to be reported under Section 510(a) of *OMB Circular A-133*.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555), the Title I Cluster: Title I Grants to Local Education Agencies and Title I Grants to Local Education Agencies – Recovery Act (CFDA Nos. 84.010 and 84.389), the Special Education Cluster: Special Education Grants to States and Special Education Preschool Grants (CFDA Nos. 84.027 and 84.173), Improving Teacher Quality State Grants (CFDA No. 84.367), and State Fiscal Stabilization Fund – Race-to-the-Top Incentive Grants, Recovery Act (CFDA No. 84.395) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Campbell County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICES OF FINANCE DIRECTOR AND DIRECTOR OF SCHOOLS

FINDING 12.01 **THE SCHOOL DEPARTMENT ENTERED INTO A CONTRACT THAT WAS POORLY PLANNED, EXECUTED, AND SUPERVISED**

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

In August 2011, the Board of Education engaged a local contractor to construct a handicapped accessible covered walkway from White Oak Elementary School to a portable classroom located on the school site, and to make related modifications to the school as necessary to implement the project. The job was awarded based on the contractor submitting a bid estimate totaling \$9,850, which included a list of the work to be completed and a purchase requisition listing the specifications submitted by the director of schools to the Campbell County Finance Office. However, the purchase requisition did not contain specifications that the work must meet local codes. In October 2011, the director of schools was notified by the state Fire Marshal's Office that a recent inspection had resulted in noted deficiencies related to the work, and corrective action was necessary. The county's finance director, at the request of the director of schools, agreed to pay the contractor half the agreed upon amount (\$4,925) and to pay the balance when the work was completed in accordance with code specifications as evidenced by the approval of the state Fire Marshal's Office. However, by September 2012, it became apparent that the contractor's work could not be fixed to bring the project into code compliance. The project was subsequently abandoned, and the portable classroom, along with the additions, was removed from service. At this time, the Board of Education, based on options presented by their attorney, voted to pay the contractor in full. The remaining balance of the invoice totaling \$4,925 was paid to the contractor on September 14, 2012, despite the protest of the Campbell County Finance Director. This contract resulted in a loss to the Campbell County School Department of the contract price (\$9,850) with no benefit whatsoever.

RECOMMENDATION

Management should properly plan, monitor, and supervise contract work to ensure that the work meets the needs of the contracting agency. In addition, any contract should include detailed specifications of the work to be performed, including details of specific code requirements that must be met.

FINDING 12.02

THE TENNESSEE DEPARTMENT OF EDUCATION HAS QUESTIONED COSTS OF \$4,667.50 RELATED TO UNAPPROVED EXTENDED LEARNING ACTIVITIES FUNDED BY THE FEDERAL AMERICAN RECOVERY AND REINVESTMENT ACT STATE FISCAL STABILIZATION FUND GOVERNMENT SERVICES GRANT PROGRAM

(Noncompliance Under OMB Circular A-133)

The Tennessee Department of Education (TDOE) Internal Audit Section recently reviewed Extended Learning Program Activities in Campbell County and discovered questioned costs of \$4,667.50 related to unapproved and undisclosed activities funded by the American Recovery and Reinvestment Act (ARRA) State Fiscal Stabilization Fund (SFSF) Government Services Grant Program.

TDOE's monitoring found that two educators, (one an administrative level employee), were paid for providing substitute teacher training under the program. The School Department did not disclose these activities on the district-wide plan, which must be approved by TDOE for non-administrative employees extended contracts, nor did it list the activities in the school district's year-end close-out report for the program. Furthermore, the portion of funds paid to administrators under extended contracts was not reported as required by the TDOE.

As a result, the TDOE required the School Department to reimburse \$4,667.50 of funds, including benefits, paid to the non-administrator educator for providing training to substitute teachers. These funds were repaid on June 12, 2012. A copy of this monitoring report may be obtained from the State of Tennessee, Department of Education, 6th Floor Andrew Johnson Tower, 710 James Robertson Parkway, Nashville, TN 37243-0375.

RECOMMENDATION

The School Department should accurately report extended learning activities and use of funds in its plan and close-out report.

MANAGEMENT'S RESPONSE – FINANCE DIRECTOR AND DIRECTOR OF SCHOOLS

Upon notification that substitute teacher training was not an approved outlay of career ladder extended contract funds, the Board of Education refunded such funds to the state Department of Education. Any future substitute teacher training programs will be conducted using General Purpose School Funds.

FINDING 12.03

THE STATE DEPARTMENT OF EDUCATION NOTED DEFICIENCIES IN REPORTING FOR CERTAIN FEDERAL PROGRAMS

(Internal Control – Significant Deficiency Under *Government Auditing Standards* and OMB Circular A-133)

During February 2012, the Tennessee Department of Education (TDOE) conducted a comprehensive monitoring of all federal programs funded under the Elementary and

Secondary Education Act. The TDOE requires that funds for these programs should be drawn down regularly from the state's Federal Application Consolidated Tracking System (FACTS). These drawdowns should correlate to expenditures, and these expenditures should be reported at least quarterly in both the state's FACTS and E-Reporting software systems. The state monitors found that for fiscal year 2012, reports were not completed quarterly and/or reports did not correlate to expenditures for the Title I Grants to Local Educational Agencies (CFDA No. 84.010), Improving Teacher Quality State Grants (CFDA No. 84.367), and Rural Education (CFDA No. 84.358) programs.

A copy of this monitoring report may be obtained from the State of Tennessee, Department of Education, 6th Floor Andrew Johnson Tower, 710 James Robertson Parkway, Nashville, TN 37243-0375.

RECOMMENDATION

Reports should be made at least quarterly and should reflect expenditures.

MANAGEMENT'S RESPONSE – FINANCE DIRECTOR AND DIRECTOR OF SCHOOLS

With the exception of the quarter ending date of September 30, 2011, all expenditure reporting was performed within 45 days of the fiscal quarter ending dates using the FACTS System for all No Child Left Behind (NCLB) funds. The expenditure reporting for the quarter ending date of September 30, 2011, was performed on November 30, 2011.

In regard to the correlation of drawdowns to reported expenditures, there appears to be a precedent within the design of FACTS that reported expenditures should equate to NCLB funds received. It is assumed this process was initially established in an effort to determine if LEAs receive and hold federal funds for a period of time greater than three days without expending such funds. This control mechanism fails to recognize that LEAs can expend funds in an amount greater than the drawdowns requested for a specific quarter, specifically if there is a payroll occurrence that transpires on the last day of a quarter. Campbell County has made provisions to have a local/non-federal funds equity account within the School Federal Projects Fund to provide for such occurrences and allow the school system the ability to expend funds that can only be received on a reimbursement basis. Moreover, the design of the control mechanism within the FACTS to effectuate the aforementioned control appears to have underlying user interface flaws, since from time to time for undetermined reasons the FACTS "kicks" the user out when the user attempts to enter actual expenditure data that directly correlates to the realized expenditures reflected in the LEAs accounting records. Lastly, from time-to-time journal entries are required to be made to reclassify expenditures from one program to another, and such journal entries may not be made until sometime after the initial quarter ending financial data has been entered into the FACTS, which in turn produces the appearance of non-correlated expenditure reporting for a specific quarter in a post period review of this data.

Campbell County will report actual expenditures within 45 days of the quarter's ending date in accordance with state standards. Additionally, to alleviate and/or minimize future expenditure correlation problems between the expenditure data reflected in the LEAs accounting records, the expenditure data entered into the FACTS, and the receipt of federal funds reflected in the FACTS, Campbell County implemented a reconciliation process

wherein all information from these various sources is reconciled at least quarterly beginning September 30, 2012, and continuing thereafter. With the realization of the apparent user interface flaws in the design of the current FACTS, Campbell County will communicate any future data entry problems to the appropriate state agency by email and request the appropriate state agency to respond to such reporting by email for the purpose of having written evidence of the reporting problems encountered, which in turn can be provided to monitors during any future compliance reviews.

OFFICE OF ASSESSOR OF PROPERTY

FINDING 12.04 **THE ASSESSOR DID NOT COLLECT THE LATE FEE ON CERTAIN GREENBELT APPLICATIONS**
(Noncompliance Under *Government Auditing Standards*)

The assessor accepted new greenbelt applications after the March 1 deadline without collecting the \$50 late fee. Section 67-5-1005(a)(1), *Tennessee Code Annotated*, provides that the assessor shall collect a \$50 late application fee after March 1 for new greenbelt applications. This deficiency can be attributed to the lack of management oversight, which resulted in a loss of county revenue.

RECOMMENDATION

The assessor should collect the \$50 late application fee on all greenbelt applications filed after March 1.

OFFICE OF TRUSTEE

FINDING 12.05 **SOME COUNTY FUNDS WERE NOT INVESTED IN ACCORDANCE WITH STATE STATUTE**
(Material Noncompliance Under *Government Auditing Standards*)

In March 2012, the trustee contracted with an investment company to invest idle county funds of \$750,000. The company was given the authority to act on behalf of the county to select and dispose of various investment instruments and to receive reasonable compensation for its services rendered. The trustee did not sufficiently monitor the activity of the invested funds to ensure the investments were of the type permitted by state statute. As a result, some investments made by the investment company were not permitted by state statutes:

- A. The investment company invested idle county funds in mutual funds while superior investments were sought. Mutual funds are not an investment type permitted by Section 5-8-301, *Tennessee Code Annotated (TCA)*. This statute provides that county funds be invested in: (a) bonds, notes, or treasury bills of the United States or other obligations guaranteed as to principal and interest by the United States or any of its agencies; (b) certificates of deposit and

other evidence of deposits at Tennessee state chartered banks and savings and loan associations and federally chartered banks and savings and loan associations; (c) certain repurchase agreements; (d) the state investment pool; (e) certain bonds issued by states and political subdivisions; (f) nonconvertible debt securities of certain federal government sponsored enterprises; and (g) the county's own debt issued in accordance with Title 9, Chapter 21, *TCA*. Amounts invested in mutual funds ranged from \$750,000 on March 30, 2012, to \$193,265 on June 30, 2012.

- B. County funds were invested in collateralized mortgage obligations and mortgage backed securities of the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association with maturities ranging from November 11, 2016, through December 15, 2041. However, the length of maturity of these investments did not meet criteria established by Section 5-8-301, *TCA*, which provides that no idle funds are to be invested for a maturity of greater than two years, unless first the county legislative body shall appoint an Investment Committee as authorized by Sections 5-8-302 or 5-21-105, *TCA*, and such Investment Committee shall give its prior approval. Such Investment Committee may approve investments in maturities of up to five years, and investments with maturities greater than five years only if the funds are derived from the sale of assets, settlements, or other infrequent or unusual occurrences. In addition, the state Comptroller of the Treasury must approve those investments. Furthermore, the statute provides that investments of this type must be rated in the highest category by at least two nationally recognized rating services.

Campbell County does not have an Investment Committee, and the funds invested were not derived from the sale of assets, settlements, or other infrequent or unusual occurrences. Also, the investments were not approved by the state Comptroller of the Treasury, and all but one of the investments were not rated by nationally recognized rating services. The fair value of these investments totaled \$386,010 at June 30, 2012.

RECOMMENDATION

The trustee should sufficiently monitor investment activity to ensure that investments are authorized by state statute.

MANAGEMENT'S RESPONSE - TRUSTEE

I understand one of the duties of the trustee is to invest any idle funds that may be available. I did invest monies with Community Trust and Investment Company and with all the information that was given to me thought that this investment was legal and permitted. I was unaware this account was going to be a mutual fund account, and a mutual fund account is not permitted.

My intention was to earn more interest for Campbell County, and there was no money missing and never has been. This deficiency has been corrected. All money was returned

back to the Trustee's Office with interest that earned more than if it was in one of our banks.

I have been the county trustee for 22 years now, and this is the first time this has happened, and it will not happen again. I apologize for this mistake, and I will continue to operate the Trustee's Office of Campbell County to the best of my ability.

OFFICE OF COUNTY CLERK

FINDING 12.06 A CASH SHORTAGE OF \$155.11 EXISTED IN THE COUNTY CLERK'S JELICO OFFICE AT JANUARY 11, 2012
(Noncompliance Under *Government Auditing Standards*)

On January 11, 2012, the county clerk informed auditors of suspected irregularities concerning receipts, deposits, and daily collection logs in the county clerk's satellite office in Jellico. As a result of these irregularities, we extended our audit procedures to include transactions from July 1, 2010, through January 11, 2012. We conducted interviews with employees, reconciled receipts with deposits, and examined the audit logs. Also, we performed a cash count and discovered that operating cash on hand totaling \$155.11 was missing from the vault on January 11, 2012. However, we were unable to determine who may have taken the funds. The county clerk liquidated the cash shortage of \$155.11 from personal funds.

RECOMMENDATION

The county clerk should improve internal controls over the operating cash on hand to ensure the cash reconciles with collections.

FINDING 12.07 THE OFFICE HAD ACCOUNTING DEFICIENCIES
(A. and B. – Internal Control – Significant Deficiency Under *Government Auditing Standards*; C. – Noncompliance Under *Government Auditing Standards*)

We noted the following accounting deficiencies in the County Clerk's Office:

- A. The make-up of cash and checks collected and remitted by the Jellico Office for deposit preparation was not compared with the cash and check totals on the daily collection reports. Collections were only compared in total with the daily collection reports. Numerous clerical errors between cash and check collections were noted during our investigation. It is important to maintain adequate internal controls over cash collections to ensure that all collections are properly receipted and deposited.

- B. During the year, the Jacksboro and Jellico offices routinely cashed personal checks for employees from the office deposits. This practice weakens internal controls over collections by substituting non-business related checks for cash.
- C. Some refunds for overpayments in the Jellico Office were issued with no supporting documentation as required by office policy. A notarized affidavit is required for each refund issued with the recipient's signature.

RECOMMENDATION

The county clerk should strengthen the internal controls of the office by adequately segregating the duties among employees and providing adequate supervision of employees. Internal control procedures should be implemented to ensure cash collections are accounted for properly. The practice of cashing personal checks from office funds should be discontinued. All refunds should be supported by appropriate documentation.

OFFICES OF COUNTY CLERK, CLERK AND MASTER, AND REGISTER

FINDING 12.08 **DUTIES WERE NOT SEGREGATED ADEQUATELY**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

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

RECOMMENDATION

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

BEST PRACTICE

CAMPBELL COUNTY SHOULD ESTABLISH AN AUDIT COMMITTEE

Campbell County does not have an Audit Committee. Sound business practices dictate that establishing an Audit Committee would significantly improve management oversight and accountability. The absence of an Audit Committee has been a management decision by the County Commission. The Division of Local Government Audit strongly believes that an

Audit Committee is a best practice that should be adopted to assist the County Commission by providing independent and objective reviews of the financial reporting process, internal controls, the audit function, and being responsible for monitoring management's plans to address various risks.

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

Federal Agency	Finding Number	Federal CFDA Number	Criteria	Explanation	Amount Questioned
U.S. Department of Education: Passed-through State Department of Education: State Fiscal Stabilization Fund - Government Services, Recovery Act	12.09	84.397	Circular A-133, Compliance Supplement Part 3.B.	Funds were expended for costs that were not allowable under the program. See Finding 12.02	\$ 4,667
U.S. Department of Education: Passed-through State Department of Education: Title I Grants to Local Educational Agencies Rural Education Improving Teacher Quality State Grants	12.10	84.010 84.358 84.367	Circular A-133, Compliance Supplement Part 3.L.	Expenditures were not reported quarterly and did not correlate with reported amounts. See Finding 12.03	0

**CAMPBELL COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2012**

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

Finance Director and Director of Schools – Corrective Action Plan for Current-Year's Findings

FINDINGS 12.02 and 12.09

Contact Persons: Jeff Marlow and Donnie Poston

Corrective Action Planned: Any future Substitute Teacher Training Programs will be conducted using General Purpose School Funds.

Anticipated Completion Date: Immediately

FINDINGS 12.03 and 12.10

Contact Persons: Jeff Marlow and Donnie Poston

Corrective Action Planned: Campbell County will report actual expenditures within 45 days of the quarter's ending date in accordance with state standards. Additionally, to alleviate and/or minimize future expenditure correlation problems between the expenditure data reflected in the LEAs accounting records, the expenditure data entered into the FACTS System, and the receipt of Federal Funds reflected in the FACTS System, Campbell County implemented a reconciliation process wherein all information from these various sources is reconciled at least quarterly beginning with the quarter ending September 30, 2012, and continuing thereafter. With the realization of the apparent user interface flaws in the design of the current FACTS System, Campbell County will communicate any future data entry problems to the appropriate state agency by email and request the appropriate state agency to respond to such reporting by email for the purpose of having written evidence of the reporting problems encountered, which in turn can be provided to monitors during any future compliance reviews.

Anticipated Completion Date: Immediately