
ANNUAL FINANCIAL REPORT COFFEE COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2012



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

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

***DIVISION OF LOCAL GOVERNMENT AUDIT
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Director***

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

COFFEE COUNTY, TENNESSEE

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Audit Highlights

Annual Financial Report
Coffee County, Tennessee
For the Year Ended June 30, 2012

Scope

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

Results

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

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

Findings and Best Practice

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

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ The Extended School Program did not deposit some collections within three days of receipt.
- ◆ Insurance payroll liability accounts were not reconciled monthly.
- ◆ Amounts withheld from contractor payments were not deposited to an escrow account.

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

- ◆ The accounting software did not identify the user who processed transactions.

OFFICE OF REGISTER

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

**OFFICES OF DIRECTOR OF SCHOOLS, TRUSTEE, COUNTY CLERK,
REGISTER, AND SHERIFF**

- ◆ Duties were not segregated adequately.
-

BEST PRACTICE

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

INTRODUCTORY SECTION

Coffee County Officials
June 30, 2012

Officials

David Pennington, County Mayor
Steve Parks, Road Superintendent
Kenny Casteel, Director of Schools
James Wilhelm, Trustee
Jimmy White, Assessor of Property
Teresa McFadden, County Clerk
Heather Hinds Duncan, Circuit, General Sessions, and Juvenile Courts Clerk
Charlotte Broyles, Clerk and Master
Ellen Vaughn, Register
Steve Graves, Sheriff
Marianna Edinger, Director of Accounts and Budgets

Board of County Commissioners

David Pennington, County Mayor, Chairman	Kerry Farrar
Virgil Alford	Anne Frisby
Rennie Bell	Robin Hines
Steven Jones	Barry West
Jimmy Bradford	Mark Kelly
B. Rush Bricken	Tim Morris
Bobby Bryan	Wendell Norton
Eric Chance	Myra Patton
Lee Duckett	Wilma Thomas
Jackie Duncan	Warren Walker
Janet Fann	

Road Commission

Ronald Bell, Chairman
Raymond Duke
William Reed
Grady Finney
Jamie Spry

Board of Education

Ester Sims, Chairwoman
Janet Galyen
Brett Henley
Reggie Johnson
Freda Jones
Marilyn Morris
Kathy Norton

Coffee County Officials (Cont.)

Budget and Finance Committee

B. Rush Bricken, Chairman
Bobby Bryan
Lee Duckett
Robin Hines
Wilma Thomas

Audit Committee

B. Rush Bricken
Lee Duckett
Anne Frisby

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

February 28, 2013

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

To the County Mayor and Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Coffee County, Tennessee, as of and for the year ended June 30, 2012, which collectively comprise Coffee County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Coffee County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Coffee County Emergency Communications District, which represent 3.8 percent and 2.1 percent, respectively, of the assets and revenues of the aggregate discretely presented component units; the Public Building Authority of Coffee County, which represent 13.6 percent and 2.2 percent, respectively, of the assets and revenues of the aggregate discretely presented component units; or the Industrial Board of Coffee County, which represent 4.1 percent and .7 percent, respectively, of the assets and revenues of the aggregate discretely presented component units as of June 30, 2012, and for the year then ended. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Coffee County Emergency Communications District, the Public Building Authority of Coffee County, and the Industrial Board of Coffee County is based on the reports of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material

misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Coffee County, Tennessee, as of June 30 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

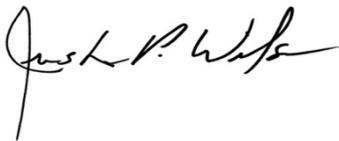
In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2013, on our consideration of Coffee County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and 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 85 through 91 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 Coffee County's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds, combining and individual fund financial statements of the Coffee 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, combining and individual fund financial statements of the Coffee County School Department (a discretely presented component unit), and the miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Very truly yours,

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

Justin P. Wilson
Comptroller of the Treasury

JPW/sb

BASIC FINANCIAL STATEMENTS

Exhibit A

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

	Primary Government		Component Units						
	Governmental Activities	Business-type Activities	Total	Coffee County		Public Building Authority of Coffee County		Industrial Board of Coffee County	
				School Department	Coffee County Emergency Communications District	Coffee County	Public Building Authority of Coffee County	Coffee County	Industrial Board of Coffee County
ASSETS									
Cash	\$ 559,924	\$ 0	\$ 559,924	\$ 4,367	\$ 1,414,137	\$ 189,615	\$ 863,195		
Equity in Pooled Cash and Investments	11,388,458	803	11,389,261	4,666,617	0	0	0		
Inventories	4,192	0	4,192	0	0	33,144	0		
Accounts Receivable	4,182,853	2,544	4,185,397	48,252	18,291	5,444,621	79,129		
Allowance for Uncollectibles	(1,460,942)	0	(1,460,942)	0	0	0	0		
Due from Other Governments	1,957,069	0	1,957,069	910,481	20,335	0	0		
Due from Other Funds	1,166	0	1,166	0	0	0	0		
Due from Primary Government	0	0	0	555,897	0	0	0		
Property Taxes Receivable	11,659,514	0	11,659,514	8,639,063	0	0	0		
Allowance for Uncollectible Property Taxes	(371,009)	0	(371,009)	(215,750)	0	0	0		
Prepaid Items	0	0	0	0	11,105	0	0		
Accrued Interest Receivable	0	0	0	0	5,762	71,867	2,061		
Other Restricted Assets	0	0	0	0	0	16,619	0		
Deferred Charges - Debt Issuance Costs	788,795	0	788,795	0	0	205,226	0		
Capital Assets:									
Assets Not Depreciated:									
Land	3,978,949	30,120	4,009,069	1,438,853	0	25,000	0		
Construction in Progress	0	0	0	3,447,819	0	0	1,190,459		
Assets Net of Accumulated Depreciation:									
Buildings and Improvements	10,330,586	733,271	11,063,857	24,163,580	88,465	1,808,668	0		
Infrastructure	8,023,567	0	8,023,567	0	0	0	0		
Other Capital Assets	2,575,523	0	2,575,523	1,698,131	642,357	41,506	200,836		
Total Assets	\$ 53,618,645	\$ 766,738	\$ 54,385,383	\$ 45,357,310	\$ 2,200,452	\$ 7,836,266	\$ 2,335,680		
	\$ 112,145	\$ 714	\$ 112,859	\$ 13,628	\$ 4,380	\$ 70,052	\$ 0		
Accounts Payable	0	0	0	2,418,612	0	0	0		
Accrued Payroll	130,107	0	130,107	847,721	48	0	0		
Payroll Deductions Payable	0	0	0	153,859	0	0	0		
Claims and Judgments Payable	268,451	0	268,451	0	0	71,867	0		
Accrued Interest Payable	0	0	0	0	0	0	0		

LIABILITIES

Accounts Payable	\$ 112,145	\$ 714	\$ 112,859	\$ 13,628	\$ 4,380	\$ 70,052	\$ 0
Accrued Payroll	0	0	0	2,418,612	0	0	0
Payroll Deductions Payable	130,107	0	130,107	847,721	48	0	0
Claims and Judgments Payable	0	0	0	153,859	0	0	0
Accrued Interest Payable	268,451	0	268,451	0	0	71,867	0

(Continued)

Exhibit A

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

	Primary Government		Total	Component Units								
	Governmental Activities	Business-type Activities		Coffee County School Department	Coffee County Emergency Communications District	Public Building Authority of Coffee County	Industrial Board of Coffee County					
	\$	0	\$	1,166	\$	1,166	\$	0	\$	0	\$	0
Due to Other Funds		555,897		0		555,897		0		0		0
Due to Component Units		3,037		3,037		3,037		0		0		0
Due to State of Tennessee		10,887,955		0		10,887,955		8,183,797		0		0
Deferred Revenue - Current Property Taxes		0		0		0		0		205,226		0
Unamortized Premiums on Debt		2,793,676		4,489		2,798,165		133,755		0		60,000
Noncurrent Liabilities:												
Due Within One Year												
Due in More Than One Year (net of deferred amount on refunding and unamortized premiums on debt)		33,983,765		297,799		34,281,564		4,047,072		0		4,935,000
Total Liabilities	\$	48,793,083	\$	304,168	\$	49,039,201	\$	15,798,444	\$	4,428	\$	5,737,145
	\$	15,038,802	\$	461,103	\$	15,499,905	\$	30,462,670	\$	0	\$	1,875,174
Invested in Capital Assets, Net of Related Debt		0		0		0		0		730,822		0
Invested in Capital Assets Restricted for:												
Solid Waste/Sanitation		1,316,972		0		1,316,972		0		0		0
Local Purpose Tax		244,637		0		244,637		0		0		0
Drug Control		565,303		0		565,303		0		0		0
District Attorney General		111,167		0		111,167		0		0		0
Highway/Public Works		527,179		0		527,179		0		0		0
School Federal Projects		0		0		0		32,857		0		0
Central Cafeteria		0		0		0		678,395		0		0
Capital Projects		577,231		0		577,231		343,754		0		0
Debt Service		6,830,920		0		6,830,920		0		0		0
Other Purposes		2,579,265		0		2,579,265		25,355		0		16,619
Unrestricted		(22,907,864)		1,467		(22,906,397)		(1,984,165)		1,465,202		207,327
Total Net Assets	\$	4,883,612	\$	462,570	\$	5,346,182	\$	29,558,866	\$	2,196,024	\$	2,099,120
												1,373,680

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

Exhibit B

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

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets											
	Program Revenues					Component Units						
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total	Primary Government	Business-type Activities	Governmental Activities	Coffee County School Department	Coffee County Emergency Communications District	Public Building Authority of Coffee County	Industrial Board of Coffee County
Primary Government:												
General Government Activities:												
Finance	\$ 2,074,760	\$ 896,069	\$ 102,412	\$ 0	\$ (1,076,279)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Administration of Justice	1,640,894	1,562,575	0	0	(78,319)	0	0	0	0	0	0	0
Public Safety	2,405,503	2,371,356	0	0	(34,147)	0	0	0	0	0	0	0
Public Health and Welfare	7,980,697	1,003,191	303,977	1,690	(6,671,839)	0	0	0	0	0	0	0
Social, Cultural, and Recreational Services	4,897,825	2,608,376	675,118	0	(1,614,331)	0	0	0	0	0	0	0
Agriculture and Natural Resources	1,139,041	58,393	19,338	0	(1,061,310)	0	0	0	0	0	0	0
Other Operations	293,260	0	1,000	0	(292,260)	0	0	0	0	0	0	0
Highways	497,224	0	0	0	(497,224)	0	0	0	0	0	0	0
Education	2,620,754	3,196	1,877,474	91,397	(648,687)	0	0	0	0	0	0	0
Interest on Long-term Debt	3,288,407	0	0	0	(3,288,407)	0	0	0	0	0	0	0
Other Debt Service	2,099,688	0	0	0	(2,099,688)	0	0	0	0	0	0	0
Total Governmental Activities	263,767	0	0	0	(263,767)	0	0	0	0	0	0	0
	\$ 29,201,820	\$ 8,503,156	\$ 2,979,319	\$ 93,087	\$ (17,626,258)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Business-type Activities:												
Wayside Acres Sewer Fund	\$ 69,931	\$ 30,528	\$ 0	\$ 0	(39,403)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Business-type Activities	\$ 69,931	\$ 30,528	\$ 0	\$ 0	(39,403)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Primary Government	\$ 29,271,751	\$ 8,533,684	\$ 2,979,319	\$ 93,087	\$ (17,665,661)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Component Units:												
School Department	\$ 39,563,049	\$ 1,003,281	\$ 4,989,272	\$ 3,288,407	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Emergency Communications District	544,019	353,952	188,875	0	0	0	0	0	(1,192)	0	0	0
Public Building Authority	975,269	521,797	0	0	0	0	0	0	0	0	(453,472)	0
Industrial Development Board	249,479	0	0	0	0	0	0	0	0	0	0	(249,479)
Total Component Units	\$ 41,331,816	\$ 1,879,030	\$ 5,178,147	\$ 3,288,407	\$ 0	\$ 0	\$ 0	\$ 0	\$ (1,192)	\$ (453,472)	\$ (249,479)	\$ 0

(Continued)

Exhibit B

Coffee County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets										
	Program Revenues				Primary Government Business-type Activities			Component Units			
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Expenses	Governmental Activities	Business-type Activities	Total	Coffee County School Department	Coffee County Emergency Communications District	Public Building Authority of Coffee County	Industrial Board of Coffee County
General Revenues:											
Taxes:											
Property Taxes Levied for General Purposes				\$ 9,020,117	\$ 0	\$ 0	\$ 9,020,117	\$ 8,285,927	\$ 0	\$ 0	\$ 0
Property Taxes Levied for Debt Service				2,083,733	0	2,083,733	2,083,733	0	0	0	0
Local Option Sales Taxes				2,857,818	0	2,857,818	2,857,818	3,797,290	0	0	0
Litigation Taxes				739,763	0	739,763	739,763	0	0	0	0
Wholesale Beer Tax				255,107	0	255,107	255,107	0	0	0	0
Mineral Severance Tax				36,958	0	36,958	36,958	0	0	0	0
Business Tax				880,635	0	880,635	880,635	0	0	0	0
Other Local Taxes				1,572	0	1,572	1,572	1,509	0	0	0
Grants and Contributions Not Restricted for Specific Programs				1,151,063	0	1,151,063	1,151,063	19,826,681	315,724	184,490	251,761
Unrestricted Investment Earnings				128,412	0	128,412	128,412	2,406	35,791	228,994	23,212
Miscellaneous				17,600	0	17,600	17,600	45,767	0	0	1,750
Sale of Property				18,548	0	18,548	18,548	0	0	0	20,000
Amortized Premium				21,781	0	21,781	21,781	0	0	0	0
Total General Revenues				\$ 17,213,107	\$ 0	\$ 17,213,107	\$ 17,213,107	\$ 31,959,580	\$ 351,515	\$ 413,484	\$ 296,723
Insurance Recovery				\$ 13,419	\$ 0	\$ 13,419	\$ 13,419	\$ 9,660	\$ 2,387	\$ 0	\$ 0
Change in Net Assets				\$ (399,732)	\$ (39,403)	\$ (439,135)	\$ (439,135)	\$ 1,687,151	\$ 352,710	\$ (39,988)	\$ 47,244
Prior-period Adjustment				0	0	0	0	0	0	(5,300)	0
Net Assets, July 1, 2011				5,283,344	501,973	5,785,317	5,785,317	27,871,715	1,843,314	2,144,408	1,326,436
Net Assets, June 30, 2012				\$ 4,883,612	\$ 462,570	\$ 5,346,182	\$ 5,346,182	\$ 29,558,866	\$ 2,196,024	\$ 2,099,120	\$ 1,373,680

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

Exhibit C-1

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

	Major Funds		Nonmajor Funds		Total Governmental Funds
	General	Debt Service	Rural Debt Service	Other Governmental Funds	
	General	Debt Service	Rural Debt Service	Other Governmental Funds	
<u>ASSETS</u>					
Cash	\$ 1,870	\$ 0	\$ 0	\$ 558,054	\$ 559,924
Equity in Pooled Cash and Investments	2,422,675	938,283	5,380,089	2,647,411	11,388,458
Inventories	4,192	0	0	0	4,192
Accounts Receivable	4,099,887	0	0	82,966	4,182,853
Allowance for Uncollectibles	(1,460,942)	0	0	0	(1,460,942)
Due from Other Governments	477,017	0	558,321	921,731	1,957,069
Due from Other Funds	196,764	0	0	41,820	238,584
Property Taxes Receivable	7,732,963	1,801,494	1,097,137	1,027,920	11,659,514
Allowance for Uncollectible Property Taxes	(200,935)	(36,275)	(52,329)	(81,470)	(371,009)
Total Assets	\$ 13,273,491	\$ 2,703,502	\$ 6,983,218	\$ 5,198,432	\$ 28,158,643
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 75,995	\$ 0	\$ 0	\$ 36,150	\$ 112,145
Payroll Deductions Payable	116,757	0	0	13,350	130,107
Due to Other Funds	41,820	0	0	195,598	237,418
Due to Component Units	0	0	0	555,897	555,897
Due to State of Tennessee	2,657	0	0	380	3,037
Deferred Revenue - Current Property Taxes	7,300,362	1,734,538	986,934	866,121	10,887,955
Deferred Revenue - Delinquent Property Taxes	209,614	27,760	55,295	78,320	370,989
Other Deferred Revenues	2,450,695	0	174,574	194,801	2,820,070
Total Liabilities	\$ 10,197,900	\$ 1,762,298	\$ 1,216,803	\$ 1,940,617	\$ 15,117,618
<u>Fund Balances</u>					
Nonspendable:					
Inventory	\$ 4,192	\$ 0	\$ 0	\$ 0	\$ 4,192
Restricted:					
Restricted for General Government	28,712	0	0	0	28,712
Restricted for Finance	119,124	0	0	0	119,124
Restricted for Administration of Justice	43,690	0	0	177,171	220,861
Restricted for Public Safety	14,008	0	0	599,503	613,511
Restricted for Public Health and Welfare	6,025	0	0	1,511,165	1,517,190
Restricted for Other Operations	0	0	0	216,193	216,193
Restricted for Highways/Public Works	0	0	0	381,150	381,150
Restricted for Capital Outlay	0	0	0	245,517	245,517
Restricted for Debt Service	0	941,204	5,766,415	0	6,707,619
Committed:					
Committed for Public Safety	15,617	0	0	0	15,617
Committed for Public Health and Welfare	129,595	0	0	0	129,595
Committed for Social, Cultural, and Recreational Services	413,007	0	0	0	413,007
Assigned:					
Assigned for General Government	15,118	0	0	0	15,118
Assigned for Administration of Justice	14,866	0	0	0	14,866

(Continued)

Exhibit C-1

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

Major Funds			Nonmajor Funds	Total
General	Debt Service	Rural Debt Service	Other Govern- mental Funds	Govern- mental Funds

LIABILITIES AND FUND BALANCES (CONT.)

Fund Balances (Cont.)

Assigned (Cont.):					
Assigned for Public Safety	\$ 54,665	\$ 0	\$ 0	\$ 95,983	\$ 150,648
Assigned for Public Health and Welfare	4,528	0	0	31,133	35,661
Assigned for Social, Cultural, and Recreational Services	30,473	0	0	0	30,473
Assigned for Other Operations	450	0	0	0	450
Unassigned	2,181,521	0	0	0	2,181,521
Total Fund Balances	\$ 3,075,591	\$ 941,204	\$ 5,766,415	\$ 3,257,815	\$ 13,041,025
Total Liabilities and Fund Balances	\$ 13,273,491	\$ 2,703,502	\$ 6,983,218	\$ 5,198,432	\$ 28,158,643

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

Exhibit C-2

Coffee 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)		\$ 13,041,025
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 3,978,949	
Add: buildings and improvements net of accumulated depreciation	10,330,586	
Add: infrastructure net of accumulated depreciation	8,023,567	
Add: other capital assets net of accumulated depreciation	<u>2,575,523</u>	24,908,625
(2) Long-term liabilities are not due in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	\$ (18,286,719)	
Less: notes payable	(2,385,380)	
Less: other loans payable	(15,044,600)	
Add: deferred amount on refunding	129,897	
Add: deferred charges - debt issuance costs	788,795	
Less: compensated absences payable	(645,825)	
Less: other postemployment benefits liability	(426,608)	
Less: accrued interest on outstanding debt	(268,451)	
Less: other deferred revenue - premium on debt	<u>(118,206)</u>	(36,257,097)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>3,191,059</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 4,883,612</u>

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

Exhibit C-3

Coffee 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	General	Rural	Other Govern- mental Funds	
		Debt Service	Debt Service		
<u>Revenues</u>					
Local Taxes	\$ 9,832,933	\$ 1,398,742	\$ 1,177,365	\$ 3,608,804	\$ 16,017,844
Licenses and Permits	192,868	0	0	6,626	199,494
Fines, Forfeitures, and Penalties	500,699	0	0	206,187	706,886
Charges for Current Services	2,574,103	0	0	91,697	2,665,800
Other Local Revenues	315,273	229,076	0	93,122	637,471
Fees Received from County Officials	3,217,104	0	0	0	3,217,104
State of Tennessee	2,111,455	0	0	2,055,171	4,166,626
Federal Government	267,839	0	0	502,189	770,028
Other Governments and Citizens Groups	47,228	0	0	0	47,228
Total Revenues	\$ 19,059,502	\$ 1,627,818	\$ 1,177,365	\$ 6,563,796	\$ 28,428,481
<u>Expenditures</u>					
Current:					
General Government	\$ 1,666,897	\$ 0	\$ 0	\$ 22,746	\$ 1,689,643
Finance	1,326,760	0	0	92,579	1,419,339
Administration of Justice	2,199,465	0	0	183,698	2,383,163
Public Safety	6,651,057	0	0	274,609	6,925,666
Public Health and Welfare	2,862,094	0	0	1,298,758	4,160,852
Social, Cultural, and Recreational Services	1,092,044	0	0	0	1,092,044
Agriculture and Natural Resources	292,617	0	0	0	292,617
Other Operations	972,580	0	0	100,924	1,073,504
Highways	0	0	0	2,682,454	2,682,454
Debt Service:					
Principal on Debt	350,000	785,000	330,000	661,400	2,126,400
Interest on Debt	0	261,881	55,800	1,800,523	2,118,204
Other Debt Service	1,750,000	25,819	14,692	33,203	1,823,714
Capital Projects	0	0	0	2,006,528	2,006,528
Capital Projects - Donated	0	0	0	3,288,407	3,288,407
Total Expenditures	\$ 19,163,514	\$ 1,072,700	\$ 400,492	\$ 12,445,829	\$ 33,082,535
Excess (Deficiency) of Revenues Over Expenditures	\$ (104,012)	\$ 555,118	\$ 776,873	\$ (5,882,033)	\$ (4,654,054)
<u>Other Financing Sources (Uses)</u>					
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 300,000	\$ 300,000
Notes Issued	0	0	0	2,424,380	2,424,380
Other Loans Issued	1,750,000	0	0	0	1,750,000
Insurance Recovery	11,238	0	0	2,181	13,419
Transfers In	0	0	4,368,219	73,381	4,441,600
Transfers Out	(73,381)	0	0	(4,368,219)	(4,441,600)
Total Other Financing Sources (Uses)	\$ 1,687,857	\$ 0	\$ 4,368,219	\$ (1,568,277)	\$ 4,487,799
Net Change in Fund Balances	\$ 1,583,845	\$ 555,118	\$ 5,145,092	\$ (7,450,310)	\$ (166,255)
Fund Balance, July 1, 2011	1,491,746	386,086	621,323	10,708,125	13,207,280
Fund Balance, June 30, 2012	\$ 3,075,591	\$ 941,204	\$ 5,766,415	\$ 3,257,815	\$ 13,041,025

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

Exhibit C-4

Coffee 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)		\$ (166,255)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 1,655,378	
Less: current-year depreciation expense	<u>(1,339,237)</u>	316,141
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		
Less: loss on the disposal of capital assets		(12,441)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported in the governmental funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2012	\$ 3,191,059	
Less: deferred delinquent property taxes and other deferred June 30, 2011	<u>(2,852,653)</u>	338,406
(4) The issuance of long-term debt (e.g., bonds, 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 net effect of these differences in the treatment of long-term debt and related items:		
Less: bond proceeds	\$ (2,424,380)	
Less: note proceeds	(300,000)	
Less: other loan proceeds	(1,750,000)	
Add: change in premium on debt issuances	21,781	
Less: change in deferred debt issuance costs	(154,285)	
Add: principal payments on bonds	1,095,000	
Add: principal payments on notes	39,000	
Add: principal payments on other loans	992,400	
Less: change in deferred amount on refunding debt	<u>(35,767)</u>	(2,516,251)
(5) Some expenses reported in the statement of activities do not require the uses of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 18,516	
Change in claims and judgments payable	1,750,000	
Change in compensated absences payable	(39,223)	
Change in other postemployment benefits liability	<u>(88,625)</u>	1,640,668
Change in net assets of governmental activities (Exhibit B)		<u>\$ (399,732)</u>

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

Exhibit D-1

Coffee County, Tennessee
Statement of Net Assets
Proprietary Fund
June 30, 2012

	Business-type Activities
	Nonmajor Enterprise Fund
	Wayside Acres Sewer Fund
<u>ASSETS</u>	
Current Assets:	
Equity in Pooled Assets and Investments	\$ 803
Accounts Receivable	2,544
Total Current Assets	<u>\$ 3,347</u>
Noncurrent Assets:	
Capital Assets (Net of Accumulated Depreciation):	
Land	\$ 30,120
Buildings and Improvements	733,271
Total Noncurrent Assets	<u>\$ 763,391</u>
Total Assets	<u>\$ 766,738</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 714
Due to Other Funds	1,166
Current Portion of Long-term Debt	4,489
Total Current Liabilities	<u>\$ 6,369</u>
Noncurrent Liabilities:	
Due in More Than One Year	\$ 297,799
Total Noncurrent Liabilities	<u>\$ 297,799</u>
Total Liabilities	<u>\$ 304,168</u>
<u>NET ASSETS</u>	
Invested in Capital Assets, Net of Related Debt	\$ 461,103
Unrestricted	<u>1,467</u>
Total Net Assets	<u>\$ 462,570</u>

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

Exhibit D-2

Coffee County, Tennessee
Statement of Revenues, Expenses, and
Changes in Net Assets
Proprietary Fund
For the Year Ended June 30, 2012

	Business-type Activities
	Nonmajor Enterprise Fund
	Wayside Acres Sewer Fund
<u>Operating Revenues</u>	
Charges for Current Services	\$ 30,528
Total Operating Revenues	<u>\$ 30,528</u>
<u>Operating Expenses</u>	
Public Health and Welfare	\$ 21,581
Depreciation	35,475
Total Operating Expenses	<u>\$ 57,056</u>
Operating Income (Loss)	<u>\$ (26,528)</u>
<u>Nonoperating Revenues (Expenses)</u>	
Interest on Other Loans	\$ (12,875)
Total Nonoperating Expenses	<u>\$ (12,875)</u>
Change in Net Assets	\$ (39,403)
Net Assets, July 1, 2011	<u>501,973</u>
Net Assets, June 30, 2012	<u><u>\$ 462,570</u></u>

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

Exhibit D-3

Coffee County, Tennessee
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2012

	Business-type Activities
	Nonmajor Enterprise Fund
	Wayside Acres Sewer Fund
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 30,528
Payments to Suppliers	(20,558)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 9,970</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Principal Paid on Other Loans	\$ (4,237)
Interest Paid on Other Loans	(12,875)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (17,112)</u>
Net Increase (Decrease) in Cash	\$ (7,142)
Cash, July 1, 2011	<u>7,945</u>
Cash, June 30, 2012	<u><u>\$ 803</u></u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>	
<u> Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (26,528)
Adjustment to Reconcile Net Operating Income	
to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	35,475
Change in Assets and Liabilities:	
Increase (Decrease) in Accounts Payable	(143)
Increase (Decrease) in Due to Other Funds	<u>1,166</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ 9,970</u></u>

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

Exhibit E

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 2,078,344
Equity in Pooled Cash and Investments	293,915
Due from Other Governments	1,874,256
Property Taxes Receivable	8,220,237
Allowance for Uncollectible Property Taxes	<u>(203,696)</u>
Total Assets	<u>\$ 12,263,056</u>

<u>LIABILITIES</u>	
Accounts Payable	\$ 450
Payroll Deductions Payable	108
Due to Other Taxing Units	9,976,291
Due to Litigants, Heirs, and Others	2,078,344
Due to Joint Ventures	<u>207,863</u>
Total Liabilities	<u>\$ 12,263,056</u>

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Coffee 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 Coffee County:

A. Reporting Entity

Coffee County is a public municipal corporation governed by an elected 21-member board. As required by GAAP, these financial statements present Coffee 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 Coffee County School Department operates the public school system in the county, and the voters of Coffee 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 Coffee County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Coffee County, and the Coffee 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 Industrial Board of Coffee County provides and assists industry in Coffee County, and the Coffee County Commission appoints its board of directors. The board comprises three members each from the City of Tullahoma, the City of Manchester, and from rural areas. The board is primarily funded by appropriations from the county.

The Coffee County Public Building Authority oversees the operations of the conference center, which benefits the citizens of the City of Manchester and Coffee County. The Coffee County Commission appoints the seven-member board of directors, and Coffee County and the City of Manchester share equally in the profits and losses of the conference center. The center is primarily funded by charges assessed for the use of the facility.

The Coffee County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the School Department are included in this report as listed in the table of contents. Complete financial statements of the Coffee County Emergency Communications District, Industrial Board of Coffee County, and Public Building Authority of Coffee County can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Coffee County Emergency Communications District
911 Jack Welch Drive
Manchester, TN 37355

Industrial Board of Coffee County
1329 McArthur Street, Suite 4
Manchester, TN 37355

Public Building Authority of Coffee County
147 Hospitality Boulevard
Manchester, TN 37355

B. Government-wide and Fund Financial Statements

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

Coffee County issues all debt for the discretely presented Coffee County School Department. Net debt issues totaling \$3,288,407 were contributed by the county to the School Department during the year ended June 30, 2012.

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

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable

and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the 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. Coffee 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 county's debt service funds for payments to be made early in the following year.

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

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

Coffee 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.

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.

Rural 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 issued for school projects outside the territorial limits of the Special School District.

Additionally, Coffee County reports the following fund types:

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

Capital Projects Funds – These funds are used to account for and report that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital assets.

Enterprise Fund – The Wayside Acres Sewer Fund is used to account for the transactions of the Wayside Acres sewer operation.

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Coffee County, the city school systems' share of educational revenues, and state grants and other restricted revenues held for the benefit of the Fourteenth Judicial District Drug Task Force. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

The discretely presented Coffee County School Department reports the following major governmental fund:

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

Additionally, the Coffee County School Department reports the following fund types:

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

Capital Projects Fund – The Other Capital Projects Fund is used to account for school building construction and renovations.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to the same limitations. Coffee County has elected not to follow subsequent private-sector guidance.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has one proprietary fund, an enterprise fund used to account for the transactions of the Wayside Acres sewer operation. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the county's enterprise fund are charges for services.

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

For purposes of the Statement of Cash Flows, cash includes cash on deposit with the county trustee.

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 Coffee 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. Coffee County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit and investments in the State Treasurer's Investment Pool are reported at cost. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. State statutes require the state treasurer to administer the pool under the same terms and conditions, including

collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

Activity between funds for unremitted current collections outstanding at the end of the fiscal year is referred to as due to/from other funds.

All ambulance 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 1.45 percent of total taxes levied.

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

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

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

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

Most payables are disaggregated on the face of the financial statements. Claims and judgments payable totaling \$153,859 is discussed in Note V.A. Risk Management.

3. Inventories

Inventories in governmental funds consist of expendable supplies held for consumption and are valued at the lower of cost or market based on the first-in, first-out method. Inventories 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 and business-type columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 (\$10,000 for the discretely presented Coffee County School Department) or more and an estimated useful life of more than three 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	10 - 50
Land Improvements	10 - 50
Infrastructure	15 - 40
Other Capital Assets	3 - 20
Library Assets	2 - 40

5. Compensated Absences

The general policy of Coffee County allows employees to accumulate a limited number of unused vacation days; however, the unused vacation days that exceed the limit allowed by county policy are transferred to sick days on the employee's anniversary date. The remaining unused vacation days are paid to employees when they 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.

County employees are allowed to accumulate unlimited sick leave days; however, the granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded.

The general policy of the discretely presented Coffee County School Department does not allow for the accumulation of vacation days beyond year-end for professional employees. Support staff are allowed to accumulate unused vacation days. Vacation pay is accrued for support staff when incurred in the government-wide financial statements for the School Department. A liability for vacation pay is reported in the governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements. All professional personnel (teachers) of the School Department are allowed to accumulate unlimited sick leave days. The granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded.

6. Long-term Obligations

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

In the fund financial statements, governmental funds recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported

as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences, claims and judgments, 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 and the proprietary fund in the fund financial statements, equity is classified as net assets and displayed in three components:

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

On the government-wide Statement of Net Assets (Exhibit A), the account Restricted for Other Purposes for the primary government consists of various restrictions totaling \$2,579,265, with the primary restriction being for Ambulance Service patient charges (\$2,363,514).

As of June 30, 2012, Coffee County had \$25,901,319 in outstanding debt for capital purposes for the discretely presented Coffee County School Department. This debt is a liability of Coffee County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Coffee 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 has authorized the county's Budget/Finance Committee to make assignments for the general government. The Board of Education makes assignments for the School Department.

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.

8. Minimum Fund Balance Policy

To provide management with appropriate guidelines and direction to assist in making sound decisions related to managing the fund balance of certain governmental funds, the following minimum fund balance policy exists and consists of the sum of committed, assigned, and unassigned fund balance:

General Fund – four percent of current-year appropriations

Debt Service Funds – an amount equal to debt requirements for the first six months of the subsequent fiscal year

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 Coffee County School Department

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

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

Primary Government

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

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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 and District Attorney General funds (special revenue funds), which are not budgeted, and the capital projects funds, which adopt project length budgets. All annual appropriations lapse at fiscal year end.

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

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, 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 the GAAP basis is presented on the face of each budgetary schedule.

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

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
Primary Government		
Major Fund:		
General	Jail food supplies	\$ 23,039
"	Data equipment	24,357
"	Library books	32,498
Nonmajor Funds:		
Solid Waste/Sanitation	Vehicles	25,304
Drug Control	Vehicles	94,140

Fund (Cont.)	Description	Amount
School Department		
Major Fund:		
General Purpose School	High school building improvements	\$ 233,431
"	HVAC systems	75,620
Nonmajor Fund:		
School Federal Projects	Computer hardware/supplies	20,300

B. Cash Shortage – Prior Year

In the prior-year audit report, a cash shortage of \$4,768.06 was reported at June 30, 2011. This shortage was a result of the county continuing to pay an employee of the Sheriff's Department between December 22, 2010, and March 12, 2011, who was physically unable to work and had exhausted all accrued leave balances. This shortage was not collected during the year ended June 30, 2012, and county officials advised that the county does not intend to pursue the matter further and will make no attempt to collect these funds. Therefore, this cash shortage has been written off.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Coffee County and the Coffee 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 in the fund financial statements represents nonpooled amounts held separately by individual funds.

Deposits

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

Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

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

Investments

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

The county had no pooled or nonpooled investments as of June 30, 2012.

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	\$ 3,428,680	\$ 550,269	\$ 0	\$ 3,978,949
Total Capital Assets Not Depreciated	\$ 3,428,680	\$ 550,269	\$ 0	\$ 3,978,949

Governmental Activities (Cont.):

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Capital Assets Depreciated:				
Buildings and				
Improvements	\$ 17,919,385	\$ 105,400	\$ 0	\$ 18,024,785
Infrastructure	14,620,119	251,566	0	14,871,685
Other Capital Assets	5,283,567	748,143	(25,534)	6,006,176
Total Capital Assets				
Depreciated	<u>\$ 37,823,071</u>	<u>\$ 1,105,109</u>	<u>\$ (25,534)</u>	<u>\$ 38,902,646</u>
Less Accumulated				
Depreciation For:				
Buildings and				
Improvements	\$ 7,309,955	\$ 384,244	\$ 0	\$ 7,694,199
Infrastructure	6,348,666	499,452	0	6,848,118
Other Capital Assets	2,988,205	455,541	(13,093)	3,430,653
Total Accumulated				
Depreciation	<u>\$ 16,646,826</u>	<u>\$ 1,339,237</u>	<u>\$ (13,093)</u>	<u>\$ 17,972,970</u>
Total Capital Assets				
Depreciated, Net	<u>\$ 21,176,245</u>	<u>\$ (234,128)</u>	<u>\$ (12,441)</u>	<u>\$ 20,929,676</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 24,604,925</u>	<u>\$ 316,141</u>	<u>\$ (12,441)</u>	<u>\$ 24,908,625</u>

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

Governmental Activities:

General Government	\$ 332,503
Finance	5,373
Administration of Justice	5,069
Public Safety	116,172
Public Health and Welfare	153,653
Social, Cultural, and Recreational	130,886
Other General Government	1,255
Highways/Public Works	<u>594,326</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,339,237</u>

Business-type Activities

	Balance 7-1-11	Increases	Balance 6-30-12
Capital Assets Not Depreciated:			
Land	\$ 30,120	\$ 0	\$ 30,120
Total Capital Assets Not Depreciated	<u>\$ 30,120</u>	<u>\$ 0</u>	<u>\$ 30,120</u>
Capital Assets Depreciated:			
Infrastructure	\$ 886,852	\$ 0	\$ 886,852
Total Capital Assets Depreciated	<u>\$ 886,852</u>	<u>\$ 0</u>	<u>\$ 886,852</u>
Less Accumulated Depreciation For:			
Infrastructure	\$ 118,107	\$ 35,474	\$ 153,581
Total Accumulated Depreciation	<u>\$ 118,107</u>	<u>\$ 35,474</u>	<u>\$ 153,581</u>
Total Capital Assets Depreciated, Net	<u>\$ 768,745</u>	<u>\$ (35,474)</u>	<u>\$ 733,271</u>
Business-type Activities Capital Assets, Net	<u>\$ 798,865</u>	<u>\$ (35,474)</u>	<u>\$ 763,391</u>

The business-type activities had no decreases in capital assets during the year ended June 30, 2012.

Discretely Presented Coffee County School Department

Governmental Activities:

	Balance 7-1-11	Increases	Balance 6-30-12
Capital Assets Not Depreciated:			
Land	\$ 1,438,853	\$ 0	\$ 1,438,853
Construction in Progress	196,750	3,251,069	3,447,819
Total Capital Assets Not Depreciated	<u>\$ 1,635,603</u>	<u>\$ 3,251,069</u>	<u>\$ 4,886,672</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 32,981,169	\$ 0	\$ 32,981,169
Other Capital Assets	3,620,540	0	3,620,540
Total Capital Assets Depreciated	<u>\$ 36,601,709</u>	<u>\$ 0</u>	<u>\$ 36,601,709</u>

Governmental Activities (Cont.):

	Balance 7-1-11	Increases	Balance 6-30-12
Less Accumulated Depreciation:			
Buildings and Improvements	\$ 8,103,394	\$ 714,195	\$ 8,817,589
Other Capital Assets	1,677,801	244,608	1,922,409
Total Accumulated Depreciation	<u>\$ 9,781,195</u>	<u>\$ 958,803</u>	<u>\$ 10,739,998</u>
Total Capital Assets Depreciated, Net	<u>\$ 26,820,514</u>	<u>\$ (958,803)</u>	<u>\$ 25,861,711</u>
Governmental Activities Capital Assets, Net	<u>\$ 28,456,117</u>	<u>\$ 2,292,266</u>	<u>\$ 30,748,383</u>

The discretely presented Coffee County School Department had no decreases in capital assets during the year ended June 30, 2012. Depreciation expense was charged to functions of the School Department as follows:

Governmental Activities:

Instruction	\$ 717,248
Support Services	221,420
Operation of Non-Instructional Services	<u>20,135</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 958,803</u>

C. Interfund Receivables, Payables, and Transfers

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

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor enterprise	\$ 1,166
"	Constitutional Officers - Fees	195,598
Solid Waste/Sanitation	General	41,820

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

Interfund Transfers:

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

Primary Government

Transfers Out	Transfers In	
	Rural Debt Service	Nonmajor Governmental Funds
General Fund	\$ 0	\$ 73,381
Nonmajor governmental funds	4,368,219	0
Total	\$ 4,368,219	\$ 73,381

Discretely Presented Coffee County School Department

Transfer Out	Transfer In
	General Purpose School Fund
Nonmajor governmental fund	\$ 22,349

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.

During the current year, Coffee County closed the Special Debt Service, Education Debt Service, and Other Rural Debt Service funds by transferring the balances of these funds into the Rural Debt Service Fund.

D. Long-term Debt

Primary Government

General Obligation Bonds, Notes, and Other Loans

The county issues general obligation bonds and other loans to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds and other loans have been issued to refund other general obligation bonds and other loans. 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 and other loans outstanding were issued for original terms of up to 33 years for bonds, 11 years for notes, and up to 18 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. General obligation bonds included in long-term debt as of June 30, 2012, will be retired from the General Debt Service and Rural Debt Service funds. Notes included in long-term debt will be retired from the General Debt Service, Highway/Public Works, and Rural Debt Service funds. Other loans included in long-term debt will be retired from the General, General Debt Service, and Rural Debt Service funds.

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

Type	Interest Rate		Final Maturity	Original Amount of Issue	Balance 6-30-12
General Obligation Bonds	4.75	%	6-1-43	\$ 12,666,719	\$ 12,666,719
General Obligation Bonds - Refunding	2.56 to 4		2-1-18	10,970,000	5,620,000
Notes	0 to 2.3		9-1-22	2,424,380	2,385,380
Other Loans	0 to 4.75		7-1-27	16,887,000	15,044,600

The county was the defendant in a lawsuit filed by the City of Tullahoma and its board of education. The city was seeking reimbursement of certain sales tax proceeds that they alleged was due them since Coffee County failed to follow state statute relative to the disbursement of sales tax proceeds, which are used for educational purposes. In October 2009, a settlement was reached between the parties for a payment to the City of Tullahoma totaling \$2,000,000. In accordance with the settlement, Coffee County made a payment to the City of Tullahoma for \$250,000 from the General Fund on October 1, 2010. The balance of \$1,750,000 was originally to be paid on or before December 31, 2011; however, an agreement was reached between the county and the City of Tullahoma to allow the balance to be repaid over a period of five years. This amount is reflected as an Other Loans Payable and is to be repaid in five equal installments of \$350,000 at a variable interest rate based on the Fed Funds Rate.

On November 6, 2006, Coffee County entered into a loan agreement with the Public Building Authority of Coffee County. Under this agreement, the authority loaned \$4,510,000 to Coffee County at interest rates ranging from 3.55 to four percent to refinance a portion of the outstanding balance of a loan issued to the county during the 2000-01 year.

On December 10, 2008, Coffee County entered into a loan agreement with the Tennessee Local Government Alternative Loan Program. Under this agreement the program loaned \$7,600,000 to Coffee County at an interest rate of 4.75 percent for school construction projects and agreed to refinance the outstanding balance of debt issued in prior years.

On October 7, 2010, Coffee County entered into a loan agreement with the Tennessee State School Board Authority. Under this loan agreement, the authority loaned Coffee County \$3,027,000 from Qualified School Construction Bonds, Series 2010 for rehabilitation and repairs of county school buildings. This loan earns interest monthly based upon the local government investment pool rate, which is netted against the annual principal payment. The county pays an annual administrative fee of \$2,422 under this agreement. The loan retirement schedule also includes equal monthly payments of interest; however, the county will semi-annually receive a federal interest subsidy, which will offset these payments resulting in a zero percent interest rate.

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2013	\$ 577,503	\$ 29,301	\$ 606,804
2014	590,004	20,842	610,846
2015	591,004	12,382	603,386
2016	91,004	3,910	94,914
2017	91,004	3,439	94,443
2018-2022	400,861	9,970	410,831
2023	44,000	506	44,506
Total	<u>\$ 2,385,380</u>	<u>\$ 80,350</u>	<u>\$ 2,465,730</u>

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2013	\$ 1,058,880	\$ 618,257	\$ 1,677,137
2014	1,103,880	597,457	1,701,337
2015	1,138,880	574,857	1,713,737
2016	1,388,880	550,857	1,939,737
2017	1,098,880	515,782	1,614,662
2018-2022	5,719,400	1,978,531	7,697,931
2023-2027	3,517,994	1,064,495	4,582,489
2028	17,806	73,374	91,180
Total	\$ 15,044,600	\$ 5,973,610	\$ 21,018,210

Year Ending June 30	Bonds		
	Principal	Interest	Total
2013	\$ 1,125,000	\$ 1,430,725	\$ 2,555,725
2014	1,160,000	1,388,725	2,548,725
2015	1,200,000	1,345,325	2,545,325
2016	1,005,000	1,300,325	2,305,325
2017	1,035,000	1,264,888	2,299,888
2018-2022	95,000	6,125,158	6,220,158
2023-2027	0	6,121,500	6,121,500
2028-2032	0	6,121,500	6,121,500
2033-2037	0	6,121,500	6,121,500
2038-2042	11,650,000	5,196,350	16,846,350
2043	1,016,719	149,828	1,166,547
Total	\$ 18,286,719	\$ 36,565,824	\$ 54,852,543

There is \$6,707,619 available in the debt service funds to service long-term debt. Bonded debt per capita totaled \$346, based on the 2010 federal census. Debt per capita, including bonds and other loans totaled \$676, 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:

	Notes	Other Loans	Bonds
Balance, July 1, 2011	\$ 0	\$ 14,287,000	\$ 19,081,719
Additions	2,424,380	1,750,000	300,000
Reductions	(39,000)	(992,400)	(1,095,000)
Balance, June 30, 2012	\$ 2,385,380	\$ 15,044,600	\$ 18,286,719
Balance Due Within One Year	\$ 577,503	\$ 1,058,880	\$ 1,125,000

	Claims and Judgments	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2011	\$ 1,750,000	\$ 606,602	\$ 337,983
Additions	0	633,499	103,168
Reductions	(1,750,000)	(594,276)	(14,543)
Balance, June 30, 2012	\$ 0	\$ 645,825	\$ 426,608
Balance Due Within One Year	\$ 0	\$ 32,293	\$ 0

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2012	\$ 36,789,132
Less: Balance Due Within One Year	(2,793,676)
Add: Unamortized Premium on Debt	118,206
Less: Deferred Amount on Refunding	(129,897)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 33,983,765</u>

Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General and Highway/Public Works funds. The amount of claims and judgments payable (\$1,750,000) that was reflected in the prior year is now included in Other Loans in the long-term debt schedule.

Wayside Acres Sewer Fund (enterprise fund)

Other loans outstanding were issued for original terms of up to 38 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. The other loans included in long-term liabilities as of June 30, 2012, will be retired by the enterprise fund.

Other loans outstanding as of June 30, 2012, for business-type activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-12
Other Loans	4.125 to 4.375 %	12-20-44	\$ 324,000	\$ 302,288

The annual requirements to amortize all other loans outstanding as of June 30, 2012, including interest payments, are presented in the following table:

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2013	\$ 4,489	\$ 12,623	\$ 17,112
2014	4,680	12,432	17,112
2015	4,880	12,232	17,112
2016	5,089	12,023	17,112
2017	5,306	11,806	17,112
2018-2022	30,136	55,424	85,560
2023-2027	37,157	48,403	85,560
2028-2032	45,822	39,738	85,560
2033-2037	56,510	29,050	85,560
2038-2042	69,699	15,860	85,559
2043-2045	38,520	1,984	40,504
Total	<u>\$ 302,288</u>	<u>\$ 251,575</u>	<u>\$ 553,863</u>

Changes in Long-term Liabilities

Long-term liability activity for the Wayside Acres Sewer Fund (enterprise fund) for the year ended June 30, 2012, was as follows:

Business-type Activities:

	Other Loans
Balance, July 1, 2011	\$ 306,525
Reductions	<u>(4,237)</u>
Balance, June 30, 2012	<u>\$ 302,288</u>
Balance Due Within One Year	<u>\$ 4,489</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2012	\$ 302,288
Less: Balance Due Within One Year	<u>(4,489)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 297,799</u>

Discretely Presented Coffee County School Department

Capital Outlay Notes

Coffee County issues capital outlay notes on behalf of the School Department to fund capital facilities and other capital outlay purchases, such as equipment.

Capital outlay notes are direct obligations and pledge the full faith and credit of the government. Capital outlay notes outstanding were issued for an original term of up to eight years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. Capital outlay notes outstanding at June 30, 2012, will be retired from the General Purpose School Fund.

The capital outlay notes 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>
Notes	0	% 7-15-15	\$ 500,000	\$ 285,713

The annual requirements to amortize capital outlay notes outstanding as of June 30, 2012, are presented in the following table:

<u>Year Ending June 30</u>	<u>Notes Principal</u>
2013	\$ 71,429
2014	71,428
2015	71,428
2016	<u>71,428</u>
Total	<u>\$ 285,713</u>

Debt per capita for the School Department totaled \$5, 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:

	Notes	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2011	\$ 357,142	\$ 65,943	\$ 3,174,944
Additions	0	56,986	1,160,192
Reductions	(71,429)	(45,020)	(517,931)
Balance, June 30, 2012	<u>\$ 285,713</u>	<u>\$ 77,909</u>	<u>\$ 3,817,205</u>
Balance Due Within One Year	<u>\$ 71,429</u>	<u>\$ 62,326</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2012	\$ 4,180,827
Less: Balance Due Within One Year	<u>(133,755)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 4,047,072</u>

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

E. On-Behalf Payments

Discretely Presented Coffee County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Coffee 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 \$175,105 and \$31,509, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

F. Short-term Debt

The county issued revenue anticipation notes in advance of collections and deposited the proceeds in the General, General Purpose School, and School Federal Projects funds. These notes were necessary because funds were not available to meet fund obligations coming due before current revenue collections. Short-term debt activity for the year ended June 30, 2012, was as follows:

Fund	Balance 7-1-11	Issued	Paid	Balance 6-30-12
Primary Government:				
General	\$ 0	\$ 1,500,000	\$ (1,500,000)	\$ 0
School Department:				
General Purpose School	0	900,000	(900,000)	0
School Federal Projects	0	200,000	(200,000)	0

V. OTHER INFORMATION

A. Risk Management

Primary Government

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

The Highway Department's risk of loss relating to general liability, property, casualty, and workers' compensation is covered by participation in the Local Government Property and Casualty Fund (LGPCF) and the Local Government Workers' Compensation Fund, which are public entity risk pools established by the Tennessee County Services Association, an association of member counties. The Highway Department pays an annual premium to the pools for its general liability, property, casualty, and workers' compensation insurance coverage. The creation of these pools provides for them to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims of more than \$100,000 for each insured event.

The Coffee County Ambulance Service purchases commercial insurance for the risk of losses to which it is exposed. These risks include general liability,

property, casualty, and accident. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

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

Discretely Presented Coffee County School Department

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

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

The School Department provides a self-insured dental and vision plan for all full-time employees through the General Purpose School Fund. Retirees are not allowed to participate in the program. The cost of this plan was provided by appropriations made for that purpose. Payroll deductions were made from employees' compensation for the portion of premiums relating to family coverage. The dental and vision plan provides maximum yearly benefit amounts for participants. The maximum calendar year benefit under the dental plan is \$1,500 per person. The vision plan also contains limits on benefits and the number of procedures covered by the plan. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The self-insurance program funds established claims liabilities based on estimates of the ultimate cost of claims that have been reported but not settled and of claims that have been incurred but not reported. Claims liabilities include specific, incremental claim

adjustments and expenditures, if any. In addition, estimated recoveries, if any, on settled claims have been deducted from the liability for unpaid claims. The process used to compute claims liabilities does not necessarily result in an exact amount. Changes in the balance of claims liabilities during the past two fiscal years are as follows:

	Beginning of Fiscal Year Liability	Current Year Claims and Estimates	Payments	End of Fiscal Year Liability
2010-11	\$ 205,931	\$ 428,379	\$ 453,720	180,590
2011-12	180,590	429,310	456,041	153,859

B. Change in Administration

On June 30, 2012, Kenny Casteel left the Office of Director of Schools and was succeeded by Dr. LaDonna McFall.

C. Subsequent Events

Between July 1, 2012, and February 26, 2013, the county’s Rural Debt Service Fund issued \$1,500,000 in tax/revenue anticipation notes for temporary operating funds to the General Purpose School Fund (\$300,000), School Federal Projects Fund (\$200,000), and the General Fund (\$1,000,000).

Also, between July 1, 2012, and February 26, 2013, the county made drawdowns of funds available from the Qualified School Construction Bonds (\$1,577,719) and the Build America Bonds (\$1,650,000).

On December 18, 2012, the county issued bond anticipation notes totaling \$19,985,000 for the construction of a new jail.

D. Contingent Liabilities

The county is involved in several pending lawsuits. The county attorney estimates that the potential claims not covered by insurance resulting from such litigation would not materially affect the county’s financial statements. Attorneys for the School Department have not responded to requests to provide estimates of the potential claims not covered by insurance. However, management believes that any claims resulting from such litigation would not materially affect the School Department’s financial statements.

E. Joint Venture

The Fourteenth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Fourteenth Judicial District and participating municipalities in the

district. The DTF interlocal agreement was signed by the sheriff of Coffee County and the police chiefs of the cities of Manchester and Tullahoma. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriff, and police chiefs of participating law enforcement agencies within each judicial district. Coffee County made no contributions to the DTF for the year ended June 30, 2012.

Coffee County does not have an equity interest in the above-noted 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
Fourteenth Judicial District
307 South Woodland
Manchester, TN 37355

F. Jointly Governed Organization

Primary Government

The Tri-County Railroad Authority is jointly operated by Coffee County, in conjunction with Warren and White counties. The authority's board comprises the county mayor/executive of each county and one member selected by the governing body of each county; however, the counties do not have any ongoing financial interest or responsibility for the entity.

Discretely Presented Coffee County School Department

The Coffee County School Department is a member of the Volunteer State Cooperative (VOLCO). The cooperative was established through a contractual agreement between the Boards of Education of Bedford County, Coffee County, Dickson County, Humphreys County, Marshall County, Fayetteville City, Manchester City, Maury County, Stewart County, and Robertson County. The cooperative was established to obtain lower prices for food supplies, materials, equipment, and services by combining the purchasing requirements of each member's school food service systems. The cooperative has contracted with a coordinating district (Stewart County School Department) and a service provider to provide these services. The cooperative is governed by a Representative Committee, including one representative from each of the member districts, and an Executive Council, consisting of the chair, vice chair, secretary, treasurer, and a member-at-large from the Representative Committee. The cooperative began operations in July 1998.

G. Retirement Commitments

Plan Description

Employees of Coffee 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 Coffee 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

The county requires employees to contribute five percent of their earnable compensation to the plan. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2012, was 8.88 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, the county's annual pension cost of \$1,155,394 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 postretirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The 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 nine years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-12	\$1,155,394	100%	\$0
6-30-11	1,019,296	100	0
6-30-10	1,126,006	100	0

Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the plan was 94.8 percent funded. The actuarial accrued liability for benefits was \$31.48 million, and the actuarial value of assets was \$29.85 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$1.64 million. The covered payroll (annual payroll of active employees covered by the plan) was \$12.8 million, and the ratio of the UAAL to the covered payroll was 12.78 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

Plan Description

The Coffee 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 SETHEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at www.tn.gov/treasury/tcrs/Schools.

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 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 \$1,580,444, \$1,545,257, and \$1,059,169, respectively, equal to the required contributions for each year.

H. Other Postemployment Benefits (OPEB)

Plan Description

Coffee County and the Coffee County School Department participate in the state-administered Local Government Group Insurance Plan and the Local Education Group Insurance Plan for healthcare benefits. For accounting purposes, the plans are agent multiple-employer defined benefit OPEB plans. Benefits are established and amended by an insurance committee created by

Section 8-27-302, *Tennessee Code Annotated (TCA)*, for local education employees and Section 8-27-207, *TCA*, for local governments. 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 plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://tennessee.gov/finance/act/cafr.html>.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop 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 does not provide a subsidy for local government participants, however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. The required contribution rate for retirees ranges from ten percent to 55 percent based on the years of service. During the year ended June 30, 2012, the county and the discretely presented School Department contributed \$14,543 and \$517,931, respectively, for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Government Group Plan	Local Education Group Plan
	<hr/>	<hr/>
ARC	\$ 104,000	\$ 1,168,000
Interest on the NPO	13,519	126,998
Adjustment to the ARC	(14,351)	(134,806)
Annual OPEB cost	<hr/> \$ 103,168	<hr/> \$ 1,160,192
Amount of contribution	(14,543)	(517,931)
Increase/decrease in NPO	<hr/> \$ 88,625	<hr/> \$ 642,261
Net OPEB obligation, 7-1-11	<hr/> 337,983	<hr/> 3,174,944
Net OPEB obligation, 6-30-12	<hr/> <hr/> \$ 426,608	<hr/> <hr/> \$ 3,817,205

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-10	Local Government Group	\$ 135,277	19 %	\$ 225,470
6-30-11	"	140,536	20	337,983
6-30-12	"	103,169	14	426,608
6-30-10	Local Education Group	1,363,553	38	2,343,161
6-30-11	"	1,382,568	40	3,174,944
6-30-12	"	1,160,192	45	3,817,205

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2011, was as follows:

	Local Government Group Plan	Local Education Group Plan
Actuarial valuation date	7-1-11	7-1-11
Actuarial accrued liability (AAL)	\$ 730,000	\$ 9,495,000
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 730,000	\$ 9,495,000
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 7,408,776	\$ 22,107,684
UAAL as a % of covered payroll	10%	43%

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, 2011, actuarial valuation for the Local Government Plan and the Local Education Plan, 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) and an annual healthcare cost trend rate of 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. Both rates include 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.

I. Office of Central Accounting and Budgeting

Office of Director of Accounts and Budgets

Coffee County operates under the provisions a local resolution for central accounting and budgeting covering all funds administered by the county mayor and road superintendent. These funds are maintained in the Office of Central Accounting, Budgeting, and Purchasing under the supervision of the director of accounts and budgets.

J. Purchasing Laws

Offices of County Mayor and Road Superintendent

Purchasing procedures for these offices are governed by provisions of the County Purchasing Law of 1957, Section 5-14-101, et seq., *Tennessee Code Annotated (TCA)*. Purchasing procedures in the Highway Department are also governed by the Uniform Road Law, Section 54-7-113, *TCA*. These statutes provide for the purchasing agent to make purchases for these departments, with purchases exceeding \$7,500 (\$10,000 Highway Department) to be made on the basis of competitive bids solicited through public advertisement.

Office of Director of Schools

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

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

A. **Summary of Significant Accounting Policies**

The Coffee County Emergency Communications District was established on April 4, 1987, to provide an enhanced level of 911 service to Coffee County citizens by acquiring certain types of equipment that enable emergency service providers to respond more rapidly and more effectively due to increased speed in the transmittal of critical information and improved reliability of address and information. It is a discretely presented component unit of Coffee County. A board of directors appointed by Coffee County runs the Coffee County Emergency Communications District. The district must file a budget with Coffee County each year. Any bond issued by the district is subject to approval by Coffee County.

The district uses the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when incurred. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units*, and by the Financial Accounting Standards Board. As allowed in Section P80 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, the board has elected not to apply to its proprietary activities Financial Accounting Standards Board Statements and Interpretations issued after November 30, 1989.

1. **Depreciation**

Depreciation is computed at rates designed to amortize the cost of the individual assets over their useful lives using the straight-line method. Depreciation begins when the capital assets are placed in service. Depreciation is summarized as follows:

	<u>Method</u>	<u>Estimated Useful Life (Years)</u>	<u>2012 Depreciation</u>
Buildings/Improvements	S/L	10-30	\$ 6,231
Office Equipment	S/L	5-10	3,354
Furniture and Fixtures	S/L	5-10	5,970
Communication Equipment	S/L	5-20	<u>83,094</u>
Total			<u>\$ 98,649</u>

2. Major Source of Revenue

The major source of operating revenue is emergency telephone and wireless surcharges. The district's nonoperating revenue consists of a grant, contributions from other governments and agencies, insurance proceeds, interest/investment income, and sales of map books.

B. Cash and Cash Investments

The following is a schedule of bank accounts at June 30, 2012:

Checking – First National Bank	\$ 84,756
Money Market – American City Bank	50,149
Tower Fund – Coffee County Bank	26,332
Certificates of Deposit – Coffee County Bank	290,271
Certificates of Deposit – Coffee County Bank	253,008
Certificates of Deposit – Peoples Bank	155,986
Certificates of Deposit – Peoples Bank	253,635
Certificates of Deposit – First National Bank	<u>300,000</u>
 Total	 <u><u>\$ 1,414,137</u></u>

At June 30, 2012, the carrying amount of the Coffee County Emergency Communications District's cash deposits was \$1,414,137. The district's deposit accounts are covered up to \$250,000 by the Federal Deposit Insurance Corporation. Any amounts over \$250,000 are covered by collateralization held by First National Bank and Coffee County Bank in the district's name. Peoples Bank and American City Bank are members of the Government Collateralization Pool. The district is authorized to deposit and invest funds according to the provisions of Section 5-8-301, *Tennessee Code Annotated*.

C. Bonding and Insurance

Coffee County Emergency Communications District had a bond covering certain members of the board at June 30, 2012. The district has liability insurance covering the building and its contents. The policy also insures employees automobiles used in the conduct of business. The district had no settlements that exceeded the coverage for the past three years.

D. Capital Assets

The following is a schedule of capital assets at June 30, 2012:

Assets	Cost	Accumulated Depreciation	Net
Buildings/Improvements	\$ 186,628	\$ 98,163	\$ 88,465
Office Equipment	29,519	26,364	3,155
Furniture and Fixtures	42,249	38,091	4,158
Communication Equipment	1,111,619	476,575	635,044
Total	\$ 1,370,015	\$ 639,193	\$ 730,822

Assets	Balance 7-1-11	Additions	Reductions	Balance 6-30-12
Depreciable Assets				
Buildings/Improvements	\$ 185,451	\$ 1,178	\$ 0	\$ 186,629
Office Equipment	38,279	0	(8,761)	29,518
Furniture and Fixtures	50,031	0	(7,782)	42,249
Communication Equipment	846,194	325,356	(59,931)	1,111,619
Subtotal	<u>\$ 1,119,955</u>	<u>\$ 326,534</u>	<u>\$ (76,474)</u>	<u>\$ 1,370,015</u>
Total	\$ 1,119,955	\$ 326,534	\$ (76,474)	\$ 1,370,015

E. Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits with original maturities of three months or less with local financial institutions.

F. Accounts Receivable/Due from Other Governments

The amounts due to the district from subscriber services and wireless charges include the following:

BellSouth	\$ 9,767
Charter and Ben Lomand	7,019
Other Telephone Companies	1,505
Sub-total	<u>\$ 18,291</u>
State Emergency Communications Board	<u>20,335</u>
Total	<u>\$ 38,626</u>

G. Compensated Absences

There were no compensated absences as of June 30, 2012.

H. Salaries and Wages

In accordance with a contract, Coffee County provides the director and dispatcher for the district.

I. Calculation of Invested in Capital Assets

Net Book Value	\$ 730,822
Current and Noncurrent Debt	<u>0</u>
Total Invested in Capital Assets	<u><u>\$ 730,822</u></u>

J. Budgetary Information

The district must file a budget with the county each year, which must be legally adopted by the county. The budget is prepared on the accrual basis of accounting. Compliance with the legally adopted budget is required at the program level as well as the object level.

VII. OTHER NOTES – DISCRETELY PRESENTED PUBLIC BUILDING AUTHORITY OF COFFEE COUNTY

A. Summary of Significant Accounting Policies

The Public Building Authority of Coffee County, Tennessee (the authority), was incorporated September 5, 2000. The purpose of the authority is to provide the capital resources (through the sale of bonds, notes, and other obligations) necessary to acquire, construct, reconstruct, rehabilitate, or improve facilities necessary or convenient to the operation of the related entities. In accordance with Section 12-10-108, *Tennessee Code Annotated*, the authority has seven Board of Directors that are elected by the governing body, the County Commission of Coffee County, Tennessee, and they hold office for staggered six-year terms. As defined in GASB Statement No. 14, the authority is a legal entity that meets the definition of a component unit of Coffee County in that a financial benefit/burden relationship exists between the county and the authority.

The accompanying financial statements are presented in conformity with accounting principles generally accepted in the United States of America for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and other authoritative sources.

1. Reporting Entity

The authority follows the standards promulgated by GASB Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, to define the reporting entity. The financial statements include all

operations over which the authority is financially accountable. The authority is not a participant in any joint venture and has not identified any entities, which would be component units of the authority.

2. 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 authority's activities. 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 or segment. 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 as general revenues. The effect of interfund activity has been removed from the government-wide financial statements.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

3. Measurement Focus and Basis of Accounting

Government-wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements are met. Expenses are recorded when liabilities are incurred.

Governmental Fund Financial Statements

Governmental fund financial statements (i.e., balance sheet and statement of revenues, expenditures, and changes in fund balances) are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are 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. Revenues susceptible to accrual are interest on investments and intergovernmental revenues. Interest on invested funds is recognized when earned. Intergovernmental revenues that are

reimbursements for specific expenditures are recognized when all eligibility requirements are met. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The authority has presented the following major governmental funds:

General Fund – This fund is the main operating fund of the authority. This fund is used to account for all financial resources not accounted for in other funds. All general revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges, and capital improvement costs that are not paid through other funds are paid from the General Fund.

Bond Fund – This fund is a special revenue fund used to account for the loans made by the authority to the city and county for capital projects such as the joint industrial park, vocational rehab center, and water lines for the county. The collection of principal and interest on these loans is recorded in the bond fund.

Proprietary Fund Financial Statements

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's ongoing operations. The principal operating revenues of the conference center are charges for catering, space rental, and related services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The authority applies all applicable GASB pronouncements (including all NCGA Statements and Interpretations currently in effect) as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB) of the Committee on Accounting Procedure. In addition, the authority applies all applicable FASB Statements and Interpretations issued after November 30, 1989, except those that conflict with or contradict GASB pronouncements to its business-type activities.

The authority has presented the following major proprietary fund:

Manchester Conference Center – This fund is used to account for the services provided at the conference center.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

4. **Equipment**

Plant and equipment are stated at cost, and depreciation is computed using the straight-line method based upon the estimated useful lives of the assets. The estimated useful lives vary from five to 40 years. Major expenditures for plant and equipment are capitalized while maintenance and repairs are expensed when incurred.

5. **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

6. **Statement of Cash Flows**

For purposes of the Statement of Cash Flows, the authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased and all local government investment pools to be cash equivalents.

7. **Interfund Receivables, Payables, and Transactions Between Funds**

Short-term amounts owed between funds are classified as Due to/from Other Funds. Legally authorized transfers are treated as operating transfers and are included in the results of operations of both governmental and proprietary funds.

8. **Fund Balance Classification**

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based

primarily on the extent to which the authority is bound to honor constraints on specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The authority has classified certain prepaid expenses and inventories as being nonspendable as these items are not expected to be converted to cash or are not expected to be converted to cash within the next year. The authority did not have any nonspendable resources as of June 30, 2012.

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The authority did not have any restricted resources as of June 30, 2012.

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the board. These amounts cannot be used for any other purpose unless the board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The authority did not have any committed resources as of June 30, 2012.

Assigned: This classification includes amounts that are constrained by the authority's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the board or through the board delegating this responsibility to the manager through the budgetary process. The authority did not have any assigned resources as of June 30, 2012.

Unassigned: This classification includes the residual fund balance for the General Fund.

The authority would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to deter the use of these other classified funds.

9. Conference Center

During the year ended June 30, 2002, the Coffee County Public Building Authority (PBA) completed construction of the Manchester-Coffee County Conference Center, located adjacent to the Holiday Inn in Manchester. The PBA is responsible for operating the conference center. Operations of the conference center are reported as an enterprise fund of the PBA. In an agreement with the authority, the City of Manchester and Coffee County are jointly responsible for underwriting the debt and operations of the center. Furthermore, any net profits and losses attributable to the operation of the conference center are born equally by the City of Manchester and Coffee County.

B. Cash

The authority is authorized to invest funds in financial institutions and direct obligations of the federal government. During 2012, the authority invested funds that are not immediately needed in certificates of deposit, savings accounts, and money market accounts. The authority's deposits at year-end were entirely covered by federal depository insurance or by collateral held by the authority's bank in the authority's name. The carrying amount of total cash deposits (including petty cash) at June 30, 2012, was \$206,235.

C. Receivables

A summary of governmental receivables for the year ended June 30, 2012, follows:

Governmental Entity:	Balance 6-30-12
Coffee County	\$ 4,050,000
City of Manchester	<u>1,340,000</u>
Total	<u>\$ 5,390,000</u>

Of the total, the Public Building Authority expects to receive \$90,000 from the City of Manchester and \$365,000 from Coffee County for bond payment within the next 12 months.

The business-type activities consist of the following receivables for the year ended June 30, 2012:

	Balance 6-30-12
Trade Receivables	\$ 32,079
Coffee County	15,249
City of Manchester	<u>7,293</u>
Total	<u>\$ 54,621</u>

D. Capital Assets

A summary of changes in property, plant, and equipment for the year ended June 30, 2012, follows:

Governmental Activities

	Balance 7-1-11	Increases	Balance 6-30-12
Capital Assets Not Depreciated:			
Land	\$ 25,000	\$ 0	\$ 25,000
Total Capital Assets Not Depreciated	<u>\$ 25,000</u>	<u>\$ 0</u>	<u>\$ 25,000</u>
Capital Assets Depreciated:			
Other Capital Assets	\$ 27,042	\$ 0	\$ 27,042
Total Capital Assets Depreciated	<u>\$ 27,042</u>	<u>\$ 0</u>	<u>\$ 27,042</u>
Less Accumulated Depreciation For:			
Other Capital Assets	\$ 3,604	\$ 1,758	\$ 5,362
Total Accumulated Depreciation	<u>\$ 3,604</u>	<u>\$ 1,758</u>	<u>\$ 5,362</u>
Total Capital Assets Depreciated, Net	<u>\$ 23,438</u>	<u>\$ (1,758)</u>	<u>\$ 21,680</u>
Governmental Activities			
Capital Assets, Net	<u>\$ 48,438</u>	<u>\$ (1,758)</u>	<u>\$ 46,680</u>

Depreciation expense totaled \$1,758 for the year ended June 30, 2012.

Business-type Activities:

	Balance 7-1-11	Increases	Balance 6-30-12
Capital Assets Depreciated:			
Buildings	\$ 2,403,606	\$ 0	\$ 2,403,606
Other Capital Assets	323,645	0	323,645
Total Capital Assets Depreciated	\$ 2,727,251	\$ 0	\$ 2,727,251
Less Accumulated Depreciation For:			
Buildings	\$ 533,970	\$ 60,968	\$ 594,938
Other Capital Assets	298,913	4,906	303,819
Total Accumulated Depreciation	\$ 832,883	\$ 65,874	\$ 898,757
Total Capital Assets, Net	\$ 1,894,368	\$ (65,874)	\$ 1,828,494

Depreciation expense totaled \$68,874 for the year ended June 30, 2012.

E. Bonds Payable

The following is a summary of the authority's bonded debt transactions for the year ended June 30, 2012:

	Series Z-4A 4.5% to 5%
Balance, July 1, 2011	\$ 5,815,000
Reductions	(425,000)
Balance, June 30, 2012	\$ 5,390,000

Annual debt service requirements for bonds, Series Z-4A outstanding to maturity are as follows:

Year Ending June 30	Principal	Interest	Total
2013	\$ 455,000	\$ 215,600	\$ 670,600
2014	490,000	197,400	687,400
2015	520,000	177,800	697,800
2016	555,000	157,000	712,000
2017	590,000	134,800	724,800
2018-2021	2,780,000	286,600	3,066,600
Total	\$ 5,390,000	\$ 1,169,200	\$ 6,559,200

The City of Manchester and Coffee County are jointly responsible for the bonds payable.

F. Conduit Debt

The authority is an unauthorized conduit debt issuer under the Tennessee Local Government Alternative Loan Program (TN-LOANS Program). The authority has issued bonds as conduit debt on behalf of the cities of Manchester, Winchester, Fayetteville, White House, Lawrenceburg, Harrison, and Coffee County, Tennessee. The borrowers have guaranteed, insured, and pledged certain revenues for repayments of these bond issues. The bonds do not constitute a debt or pledge of faith and credit of the authority and, accordingly, have not been reported in the accompanying financial statements. The total conduit debt outstanding as of June 30, 2012, for all conduit bond issues is \$39,075,000.

G. Inventory

Inventory is stated at cost and includes food and supplies used by the conference center.

H. Budgetary Data

Formal budgetary accounting is employed as a management control for all funds of the authority. Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required, and the same basis of accounting is used to reflect actual revenues and expenditures/expenses recognized on a generally accepted accounting principles basis. Budgetary control is exercised at the department level.

I. Risk Financing Activities

It is the policy of the authority to purchase commercial insurance for the risks of losses to which it is exposed. These risks include general liability, property and casualty, worker's compensation, and environmental. Settled claims have not exceeded commercial coverage in the past three fiscal years, and there are currently no pending lawsuits.

J. Retirement Plan

The employees of the authority are covered under the plan covering employees of Coffee County. The Coffee County government unit pays for this plan.

K. Allowance for Doubtful Accounts

The authority has adopted the direct write-off method to account for bad debt expense. Receivables are reviewed annually, and uncollectable accounts are currently expensed. There was no bad debt expense in 2012.

L. Restatement

During 2012, certain matters were noted that required restatement of the prior year. Material payables were discovered during the audit, which required restatement to correctly report certain expense accounts.

The following summarizes the aforementioned adjustments to net assets at July 1, 2011:

	Governmental Activities	Business-type Activities
Nets Assets, beginning, as previously reported	\$ 49,747	\$ 2,094,661
Restatement, as discussed above	(1,300)	(4,000)
Net Assets, beginning of year, restated	<u>\$ 48,447</u>	<u>\$ 2,090,661</u>

VIII. OTHER NOTES – DISCRETELY PRESENTED INDUSTRIAL BOARD OF COFFEE COUNTY, TENNESSEE, INC.

A. Summary of Significant Accounting Policies

The Industrial Board of Coffee County, Tennessee, Inc. (the board) was incorporated in 1969. As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the Industrial Board of Coffee County, Tennessee, Inc. The board is a component unit of Coffee County, Tennessee (the primary government). The primary government appoints the members of the Board of Directors, and the board is funded primarily by appropriations from the county. The purpose of the board is to promote industry and develop trade for Coffee County, Tennessee.

The financial statements of the board have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the board's accounting policies are described below.

1. Government-wide Statements

In the government-wide Statement of Net Assets, the governmental activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The government-wide Statement of Activities reports both the gross and the net cost of the board's programs. The functions are also supported by general government

revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with this function.

The board adopted provisions of Governmental Accounting Standards Board Statement No. 34 *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Statement No. 34 established standards for external financial reporting for all state and local governmental entities, which includes a statement of net assets, a statement of activities and changes in net assets, and a statement of cash flows. It requires classification of net assets into three components – invested in capital assets, net of related debt; restricted, and unrestricted. These classifications are defined as follows:

- Invested in capital assets, net of related debt – This component of net assets 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. If there are significant unspent debt proceeds at year-end, the portion of debt is included in the same net assets component as unspent proceeds.
- Restricted – This component of net assets consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted – This component of net assets consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

2. Fund Financial Statements

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (i.e., both measurable and available). Available means collectible within the current period or within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

The financial statements of the board are reported in individual funds in the fund financial statement. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its

assets, liabilities, reserves, fund balance, revenues, and expenditures. The board reports the following fund:

General Fund – This fund is used as the general operating fund of the board. It is used to account for all financial resources except those required to be accounted for in another fund.

The board adopts a budget for the General Fund as a management control device. The budget is adopted on a basis consistent with generally accepted accounting principles.

3. Date of Management’s Subsequent Review

Management has evaluated subsequent events through December 30, 2012, which is the date the financial statements were available to be issued.

4. Estimates

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

5. Equipment

Equipment is stated at cost, less accumulated depreciation, which is computed by the straight-line method over an estimated useful life of five to 20 years. Major expenditures for equipment and for repairs, which substantially increase the useful lives, are capitalized. Maintenance, minor repairs, and minor acquisitions are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in revenue or expense.

6. Cash and Cash Equivalents

For the purpose of reporting cash flows, cash equivalents include all short-term, highly liquid investments with maturities of three months or less.

7. Accounts Receivable

The board considers accounts receivable to be fully collectible at June 30, 2012; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged off when that determination is made.

8. Compensated Absences

There were no compensated absences to be accrued.

9. Federal Income Taxes

The board is exempt from federal and state income tax.

10. Pension Plan

The board does not provide a pension plan for its employees; however, they are covered under the plan for Coffee County. Employees of Coffee 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).

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.treasury.state.tn.us/tcrs/PS/>.

B. Cash Deposits with Financial Institutions

The board is authorized to deposit its funds in banks, trust companies, or other depositories as the board may select. Deposits are carried at cost. At year-end, the carrying amount of deposits was \$863,195, and the bank balance was \$881,800. Deposits in financial institutions are required by state statute to be secured and collateralized by the institutions. The collateral must meet certain requirements and must have a total minimum market value of 105 percent of the value of the deposits placed in the institutions, less the amount protected by federal depository insurance. At June 30, 2012, all deposits were insured.

C. Capital Assets

Property, plant, and equipment consist of various office machines and improvements, which are being depreciated over five to 20 years using the straight line method.

A summary of changes in capital assets is as follows:

Assets	Balance 7-1-11	Additions	Balance 6-30-12
Non-Depreciable Assets			
Construction in Progress	\$ 1,190,459	\$ 0	\$ 1,190,459
Depreciable Assets:			
Equipment	\$ 23,891	\$ 0	\$ 23,891
Land Improvement	45,080	0	45,080
Vehicles	199,705	0	199,705
Total Depreciable Assets	\$ 268,676	\$ 0	\$ 268,676
Accumulated Depreciation:			
Equipment	\$ 15,372	\$ 2,542	\$ 17,914
Vehicles	39,941	9,985	49,926
Total Accumulated Depreciation	\$ 55,313	\$ 12,527	\$ 67,840
Total	\$ 1,403,822	\$ (12,527)	\$ 1,391,295

Depreciation expense for the year ended June 30, 2012, was \$12,527.

D. Notes Payable

1. Transaction Summary

Note obligation activity for the year ended June 30, 2012, was as follows:

	Notes
Balance, July 1, 2011	\$ 1,014,500
Reductions	(52,500)
Balance, June 30, 2012	\$ 962,000
Balance Due Within One Year	\$ 60,000

2. Description of Amounts Payable

Notes payable as of June 30, 2012:

Note payable with DREMC at no interest. No principal payments for 24 months, then 96 monthly principal payments of \$3,750.	\$	322,500
Construction loan with bank. No principal payments for 24 months, then annual principal payments of \$15,000 with no interest. If the building has not sold after two years, the loan will be amortized over an eight-year term at an interest rate of three percent.		485,000
Note payable with City of Manchester, due when speculative building is sold.		<u>154,500</u>
Total	<u>\$</u>	<u>962,000</u>

3. Annual Debt Service Requirements

Annual debt service requirements for notes outstanding to maturity are as follows:

Year Ending June 30	Notes		
	Principal	Interest	Total
2013	\$ 60,000	\$ 0	\$ 60,000
2014	60,000	0	60,000
2015	60,000	0	60,000
2016	60,000	0	60,000
2017	60,000	0	60,000
2018-2022	<u>97,500</u>	<u>0</u>	<u>97,500</u>
Total	<u>\$ 397,500</u>	<u>\$ 0</u>	<u>\$ 397,500</u>

E. Commitments and Contingencies

The board receives a substantial amount of its support from the local county government. A significant reduction in the level of such support, if this were to occur, may have an effect on the board's programs and activities.

The board had entered into an agreement to build a speculative building in the City of Manchester Industrial Park. The infrastructure is to be partially paid with a Fast Trac Grant of \$750,000 obtained by the City of Manchester.

The Industrial Board will fund \$135,000 of the cost. These funds will be reimbursed by the city to the board upon the sale of the property. The total cost of the spec building project is estimated now to be \$1,835,000 (not including the land cost). The City of Manchester sold 10.3 acres of land for the building to the board for \$154,500. This amount is to be reimbursed when the building is sold. Funding for the project will be from loans through local banks, grant funds to the City of Manchester, DREMC loan, and TVA loan. Construction costs as of June 30, 2012, total \$1,190,459.

F. Note Receivable

The board has a note receivable from an individual dated September 28, 2006, to sell 17.42 acres located in the Coffee County Interstate Industrial Park. The gross sales price was \$104,520, with \$42,000 paid to the board at closing and a note receivable for the remainder of \$62,520. The note is due September 28, 2013, and is secured by a deed of trust on the property. No monthly payments were due until September 28, 2010, at which time payments of \$633 were commenced for not more than three years with the remainder being due at September 28, 2013. According to the terms of the note, interest is added to the principal balance annually. The interest rate is 5.5 percent. The balance of the note receivable at June 30, 2012, was \$79,129. No payments have been received during the 2012 fiscal year; however, the note is considered to be collectible; therefore, no provision for loss has been recorded.

Schedule of changes to note receivable during the year follows:

	Teal Note
Balance, July 1, 2011	\$ 74,904
Additions	4,225
	79,129
Balance, June 30, 2012	\$ 79,129
	2,659
Balance Due Within One Year	\$ 2,659

G. Lease Agreement

The board purchased a fire truck in July 2007 for \$199,705. The truck is to be leased to the Hickerson Station Fire Department. There is no stated monthly lease payment with the fire station responsible for insurance, maintenance, and service on the truck with ownership remaining with the board. The lease is for continuous 12-month periods with 60-day notice by either party required to terminate the lease agreement.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

Coffee 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:		Add:	Actual Revenues/ Expenditures (Budgetary Basis)		Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Encumbrances 7/1/2011	Encumbrances 6/30/2012		Original	Final			
Revenues									
Local Taxes	\$ 9,832,933	\$ 0	\$ 0	\$ 9,832,933	\$ 9,502,894	\$ 9,565,403	\$ 267,530		
Licenses and Permits	192,868	0	0	192,868	172,500	172,500	20,368		
Fines, Forfeitures, and Penalties	500,699	0	0	500,699	389,400	434,015	66,684		
Charges for Current Services	2,574,103	0	0	2,574,103	2,266,850	2,266,850	307,253		
Other Local Revenues	315,273	0	0	315,273	324,590	324,590	(9,317)		
Fees Received from County Officials	3,217,104	0	0	3,217,104	2,921,109	2,999,812	217,292		
State of Tennessee	2,111,455	0	0	2,111,455	2,011,341	2,060,341	51,114		
Federal Government	267,839	0	0	267,839	110,201	354,387	(86,548)		
Other Governments and Citizens Groups	47,228	0	0	47,228	29,350	29,350	17,878		
Total Revenues	\$ 19,059,502	\$ 0	\$ 0	\$ 19,059,502	\$ 17,728,235	\$ 18,207,248	\$ 852,254		
Expenditures									
<u>General Government</u>									
County Commission	\$ 49,884	\$ 0	\$ 0	49,884	46,949	50,449	565		
Board of Equalization	1,620	0	0	1,620	4,306	4,306	2,686		
Other Boards and Committees	33,891	0	0	33,891	24,685	34,374	483		
County Mayor/Executive	183,792	0	0	183,792	213,954	213,954	30,162		
County Attorney	44,460	0	0	44,460	52,800	52,800	8,340		
Election Commission	305,778	0	10,638	316,416	352,168	362,668	46,252		
Register of Deeds	247,618	(1,170)	0	246,448	269,781	269,781	23,333		
Codes Compliance	72,156	0	0	72,156	99,563	106,873	34,717		
County Buildings	634,768	(5,635)	4,480	633,613	792,393	792,393	158,780		
Other General Administration	92,930	0	0	92,930	94,000	94,000	1,070		
Preservation of Records	0	0	0	0	250	250	250		

(Continued)

Exhibit F-1

Coffee 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>Finance</u>							
Accounting and Budgeting	\$ 337,148	\$ (158)	\$ 0	\$ 336,990	\$ 349,879	\$ 349,879	\$ 12,889
Property Assessor's Office	371,074	0	0	371,074	379,218	401,218	30,144
Reappraisal Program	6,155	0	0	6,155	15,992	15,992	9,837
County Trustee's Office	270,540	0	0	270,540	279,419	279,419	8,879
County Clerk's Office	341,843	0	0	341,843	392,789	397,896	56,053
<u>Administration of Justice</u>							
Circuit Court	1,046,480	0	14,866	1,061,346	979,491	1,071,940	10,594
General Sessions Judge	353,439	0	0	353,439	361,972	361,972	8,533
Drug Court	201,758	0	0	201,758	195,000	201,760	2
Chancery Court	263,962	0	0	263,962	264,383	267,492	3,530
Judicial Commissioners	123,292	0	0	123,292	128,919	128,919	5,627
Probation Services	210,534	0	0	210,534	256,404	256,404	45,870
<u>Public Safety</u>							
Sheriff's Department	2,484,322	(47,429)	0	2,436,893	2,468,689	2,508,689	71,796
Traffic Control	14,092	0	0	14,092	22,500	22,500	8,408
Administration of the Sexual Offender Registry	1,100	0	0	1,100	2,000	2,000	900
Jail	2,443,050	(26,817)	28,039	2,444,272	2,523,163	2,530,763	86,491
Juvenile Services	296,533	(418)	0	296,115	303,317	303,317	7,202
Rural Fire Protection	282,000	0	0	282,000	282,000	282,000	0
Civil Defense	268,139	(18,007)	26,626	276,758	128,516	288,821	12,063
Rescue Squad	17,000	0	0	17,000	17,000	17,000	0
County Coroner/Medical Examiner	50,000	0	0	50,000	38,000	50,000	0
Other Public Safety	794,821	0	0	794,821	812,991	824,991	30,170

(Continued)

Exhibit F-1

Coffee 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 Health and Welfare</u>							
Local Health Center	\$ 650,423	\$ (750)	\$ 0	\$ 649,673	\$ 757,697	\$ 757,697	\$ 108,024
Rabies and Animal Control	95,170	(406)	0	94,764	97,916	97,916	3,152
Ambulance/Emergency Medical Services	1,981,523	(2,074)	4,528	1,983,977	2,080,478	2,080,478	96,501
Alcohol and Drug Programs	2,000	0	0	2,000	2,000	2,000	0
Appropriation to State	82,378	0	0	82,378	82,378	82,378	0
General Welfare Assistance	8,780	0	0	8,780	8,780	8,780	0
Other Waste Disposal	41,820	0	0	41,820	82,838	82,838	41,018
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	187,502	0	0	187,502	188,478	188,478	976
Libraries	880,838	(17,659)	29,646	892,825	899,725	899,725	6,900
Other Social, Cultural, and Recreational	23,704	0	827	24,531	0	32,319	7,788
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	213,677	0	0	213,677	220,665	221,665	7,988
Soil Conservation	78,940	0	0	78,940	79,261	79,261	321
<u>Other Operations</u>							
Industrial Development	251,761	0	0	251,761	251,761	251,761	0
Veterans' Services	10,985	0	0	10,985	10,825	11,804	819
Other Charges	680,384	(6,262)	450	674,572	1,057,000	691,150	16,578
Contributions to Other Agencies	14,450	0	0	14,450	14,450	14,450	0
Payments to Cities	15,000	0	0	15,000	15,000	15,000	0
<u>Principal on Debt</u>							
General Government	350,000	0	0	350,000	0	410,280	60,280
<u>Other Debt Service</u>							
General Government	1,750,000	0	0	1,750,000	0	1,750,000	0
Total Expenditures	\$ 19,163,514	\$ (126,785)	\$ 120,100	\$ 19,156,829	\$ 18,001,743	\$ 20,222,800	\$ 1,065,971

(Continued)

Exhibit F-1

Coffee 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	
Excess (Deficiency) of Revenues Over Expenditures	\$ (104,012)	\$ 126,785	\$ (120,100)	\$ (97,327)	\$ (273,508)	\$ (2,015,552)	\$ 1,918,225
<u>Other Financing Sources (Uses)</u>							
Other Loans Issued	\$ 1,750,000	\$ 0	\$ 0	\$ 1,750,000	\$ 0	\$ 1,750,000	\$ 0
Insurance Recovery	11,238	0	0	11,238	0	9,500	1,738
Transfers Out	(73,381)	0	0	(73,381)	0	(73,381)	0
Total Other Financing Sources (Uses)	\$ 1,687,857	\$ 0	\$ 0	\$ 1,687,857	\$ 0	\$ 1,686,119	\$ 1,738
Net Change in Fund Balance	\$ 1,583,845	\$ 126,785	\$ (120,100)	\$ 1,590,530	\$ (273,508)	\$ (329,453)	\$ 1,919,963
Fund Balance, July 1, 2011	1,491,746	(126,785)	0	1,364,961	1,009,323	1,009,323	355,638
Fund Balance, June 30, 2012	\$ 3,075,591	\$ 0	\$ (120,100)	\$ 2,955,491	\$ 735,815	\$ 679,890	\$ 2,275,601

Exhibit F-2

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

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-11	\$ 29,848	\$ 31,485	\$ 1,637	94.80 %	\$ 12,802	12.78 %
7-1-09	23,177	24,813	1,636	93.40	12,247	13.36
7-1-07	20,582	22,459	1,877	91.64	11,243	16.69

Exhibit F-3

Coffee County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and the Discretely Presented Coffee 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 (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
<u>PRIMARY GOVERNMENT</u>							
Local Government Group	7-1-09	\$ 0	\$ 1,040	\$ 1,040	0 %	\$ 7,193	15 %
"	7-1-10	0	1,114	1,114	0	7,193	15
"	7-1-11	0	730	730	0	7,409	10
<u>DISCRETELY PRESENTED COFFEE COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	7-1-09	0	11,462	11,462	0	19,838	58
"	7-1-10	0	11,583	11,583	0	19,838	58
"	7-1-11	0	9,495	9,495	0	22,108	43

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

A. BUDGETARY INFORMATION

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the 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 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, Coffee County reported the following significant encumbrances:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
Primary Government		
Major Fund:		
General	Jail food supplies	\$ 23,039
"	Data equipment	24,357
"	Library books	32,498

B. Cash Shortage - Prior Year

In the prior year audit report, a cash shortage of \$4,768.06 was reported at June 30, 2011. This shortage was a result of the county continuing to pay an employee of the Sheriff's Department between December 22, 2010, and March 12, 2011, who was physically unable to work and had exhausted all accrued leave balances. This shortage was not collected during the year ended June 30, 2012, and county officials advised that the county does not intend to pursue the matter further and will make no attempt to collect these funds. Therefore, this cash shortage has been written off.

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for the transactions relating to the disposal of solid waste.

Local Purpose Tax Fund – The Local Purpose Tax Fund is used to account for a special property tax levied on the Interstate Industrial Park to provide city services for the park.

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

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

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.

Highway/Public Works Fund – The Highway/Public Works Fund is used to account for transactions of the county's Highway Department.

Debt Service Funds

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

Special Debt Service Fund – The Special Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs of school construction and renovation projects to be financed with the first-half of the additional three-fourths cent sales tax approved in 2007. This fund was closed during the year examined.

Education Debt Service Fund – The Education Debt Service Fund is used to account for the retirement of bonds issued for improvements to the county’s senior high school. This fund was closed during the year examined.

Other Rural Debt Service Fund – The Other Rural Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs of future school construction and renovation projects to be financed with the second-half of the additional three-fourths cent sales tax approved in 2007. This fund was closed during the year examined.

Capital Projects Funds

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

General Capital Projects Fund – The General Capital Projects Fund is used to account for general capital expenditures of the county. The remaining balance in this fund represents unexpended bond proceeds to be used for various projects including renovation of the justice center, construction of a workhouse at the jail, paving projects, and construction of water and sewer lines in the rural areas of the county.

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for debt proceeds issued by Coffee County that are contributed to the Coffee County School Department.

Exhibit G-1

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

Special Revenue Funds						
	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	District Attorney General	Constitutional Officers - Fees	
\$	0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 181,020
	1,204,964	216,193	661,355	111,167	0	0
	68,290	0	0	0	14,578	0
	55,518	0	0	0	0	0
	41,820	0	0	0	0	0
	852,622	175,298	0	0	0	0
	(46,913)	(34,557)	0	0	0	0
\$	2,176,301	\$ 356,934	\$ 661,355	\$ 111,167	\$ 195,598	

ASSETS

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

LIABILITIES AND FUND BALANCES

<u>Liabilities</u>	
Accounts Payable	
Payroll Deductions Payable	
Due to Other Funds	
Due to Component Units	
Due to State of Tennessee	
Deferred Revenue - Current Property Taxes	
Deferred Revenue - Delinquent Property Taxes	
Other Deferred Revenues	
Total Liabilities	

(Continued)

Exhibit G-1

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

Special Revenue Funds						
	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	District Attorney General	Constitutional Officers - Fees	
\$	0	0	0	111,167	0	0
	0	0	565,303	0	0	0
	1,297,442	0	0	0	0	0
	0	216,193	0	0	0	0
	0	0	0	0	0	0
	0	0	0	0	0	0
	0	0	95,983	0	0	0
	31,133	0	0	0	0	0
\$	1,328,575	216,193	661,286	111,167	0	0
\$	2,176,301	356,934	661,355	111,167	195,598	

LIABILITIES AND FUND BALANCES (CONT.)

<u>Fund Balances</u>	
Restricted:	
Restricted for Administration of Justice	
Restricted for Public Safety	
Restricted for Public Health and Welfare	
Restricted for Other Operations	
Restricted for Highways/Public Works	
Restricted for Capital Outlay	
Assigned:	
Assigned for Public Safety	
Assigned for Public Health and Welfare	
Total Fund Balances	
Total Liabilities and Fund Balances	

(Continued)

Exhibit G-1

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

	Special Revenue Funds (Cont.)		Capital Projects Funds			Total Nonmajor Governmental Funds
	Highway / Public Works	Total	General Capital Projects	Education Capital Projects	Total	
\$	0	181,020	0	377,034	377,034	558,054
	220,952	2,414,631	232,780	0	232,780	2,647,411
	98	82,966	0	0	0	82,966
	342,599	398,117	99,234	424,380	523,614	921,731
	0	41,820	0	0	0	41,820
	0	1,027,920	0	0	0	1,027,920
	0	(81,470)	0	0	0	(81,470)
\$	563,649	4,065,004	332,014	801,414	1,133,428	5,198,432

ASSETS

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

Total Assets

LIABILITIES AND FUND BALANCES

Liabilities
 Accounts Payable
 Payroll Deductions Payable
 Due to Other Funds
 Due to Component Units
 Due to State of Tennessee
 Deferred Revenue - Current Property Taxes
 Deferred Revenue - Delinquent Property Taxes
 Other Deferred Revenues

Total Liabilities

(Continued)

Exhibit G-1

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

	Special Revenue Funds (Cont.)		Capital Projects Funds			Total Nonmajor Governmental Funds
	Highway / Public Works	Total	General Capital Projects	Education Capital Projects	Total	
\$	0	\$ 111,167	\$ 66,004	\$ 0	\$ 66,004	\$ 177,171
	0	565,303	34,200	0	34,200	599,503
	0	1,297,442	213,723	0	213,723	1,511,165
	0	216,193	0	0	0	216,193
	381,150	381,150	0	0	0	381,150
	0	0	0	245,517	245,517	245,517
	0	95,983	0	0	0	95,983
	0	31,133	0	0	0	31,133
	\$ 381,150	\$ 2,698,371	\$ 313,927	\$ 245,517	\$ 559,444	\$ 3,257,815
	\$ 563,649	\$ 4,065,004	\$ 332,014	\$ 801,414	\$ 1,133,428	\$ 5,198,432

LIABILITIES AND FUND BALANCES (CONT.)

Fund Balances

Restricted:

Restricted for Administration of Justice
 Restricted for Public Safety
 Restricted for Public Health and Welfare
 Restricted for Other Operations
 Restricted for Highways/Public Works
 Restricted for Capital Outlay

Assigned:

Assigned for Public Safety
 Assigned for Public Health and Welfare

Total Fund Balances

Total Liabilities and Fund Balances

Exhibit G-2

Coffee 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
	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	District Attorney General	Constitutional Officers - Fees	Highway / Public Works		
Revenues								
Local Taxes	\$ 1,140,583	\$ 148,670	\$ 0	\$ 0	\$ 0	\$ 36,958	\$ 1,326,211	
Licenses and Permits	6,626	0	0	0	0	0	6,626	
Fines, Forfeitures, and Penalties	0	0	168,283	37,904	0	0	206,187	
Charges for Current Services	91,697	0	0	0	0	0	91,697	
Other Local Revenues	77,040	0	500	0	0	3,598	81,138	
State of Tennessee	95,201	0	0	0	0	1,959,970	2,055,171	
Federal Government	0	0	310	0	0	0	310	
Total Revenues	\$ 1,411,147	\$ 148,670	\$ 169,093	\$ 37,904	\$ 0	\$ 2,000,526	\$ 3,767,340	
Expenditures								
Current:								
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 22,746	\$ 0	\$ 22,746	
Finance	0	0	0	0	92,579	0	92,579	
Administration of Justice	0	0	0	43,052	140,646	0	183,698	
Public Safety	0	0	274,433	0	176	0	274,609	
Public Health and Welfare	1,298,758	0	0	0	0	0	1,298,758	
Other Operations	22,951	77,973	0	0	0	0	100,924	
Highways	0	0	0	0	0	2,682,454	2,682,454	
Debt Service:								
Principal on Debt	0	0	0	0	0	39,000	39,000	
Interest on Debt	0	0	0	0	0	4,121	4,121	
Other Debt Service	0	0	0	0	0	0	0	
Capital Projects	0	0	0	0	0	0	0	
Capital Projects - Donated	0	0	0	0	0	0	0	
Total Expenditures	\$ 1,321,709	\$ 77,973	\$ 274,433	\$ 43,052	\$ 256,147	\$ 2,725,575	\$ 4,698,889	
Excess (Deficiency) of Revenues Over Expenditures	\$ 89,438	\$ 70,697	\$ (105,340)	\$ (5,148)	\$ (256,147)	\$ (725,049)	\$ (931,549)	

(Continued)

Exhibit G-2

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

	Special Revenue Funds							Total
	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	District Attorney General	Constitutional Officers - Fees	Highway / Public Works		
Other Financing Sources (Uses)								
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Notes Issued	0	0	0	0	0	500,000	0	500,000
Insurance Recovery	0	0	2,181	0	0	0	0	2,181
Transfers In	0	0	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	0	0	0
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 2,181	\$ 0	\$ 0	\$ 500,000	\$ 0	\$ 502,181
Net Change in Fund Balances	\$ 89,438	\$ 70,697	\$ (103,159)	\$ (5,148)	\$ (256,147)	\$ (225,049)	\$ (429,368)	
Fund Balance, July 1, 2011	1,239,137	145,496	764,445	116,315	256,147	606,199	3,127,739	
Fund Balance, June 30, 2012	\$ 1,328,575	\$ 216,193	\$ 661,286	\$ 111,167	\$ 0	\$ 381,150	\$ 2,698,371	

(Continued)

Exhibit G-2

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

	Debt Service Funds				Capital Projects Funds				Total Nonmajor Governmental Funds
	Special Debt Service	Education Debt Service	Other		General Capital Projects	Education Capital Projects	Total	Total	
			Rural Debt Service	Total					
Revenues									
Local Taxes	\$ 1,254,365	\$ 463,961	\$ 280,709	\$ 1,999,035	\$ 283,558	\$ 0	\$ 283,558	\$ 3,608,804	
Licenses and Permits	0	0	0	0	0	0	0	6,626	
Fines, Forfeitures, and Penalties	0	0	0	0	0	0	0	206,187	
Charges for Current Services	0	0	0	0	0	0	0	91,697	
Other Local Revenues	154	1,687	0	1,841	8,000	2,143	10,143	93,122	
State of Tennessee	0	0	0	0	0	0	0	2,055,171	
Federal Government	493,134	8,745	0	501,879	0	0	0	502,189	
Total Revenues	\$ 1,747,653	\$ 474,393	\$ 280,709	\$ 2,502,755	\$ 291,558	\$ 2,143	\$ 293,701	\$ 6,563,796	
Expenditures									
Current:									
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 22,746	
Finance	0	0	0	0	0	0	0	92,579	
Administration of Justice	0	0	0	0	0	0	0	183,698	
Public Safety	0	0	0	0	0	0	0	274,609	
Public Health and Welfare	0	0	0	0	0	0	0	1,298,758	
Other Operations	0	0	0	0	0	0	0	100,924	
Highways	0	0	0	0	0	0	0	2,682,454	
Debt Service:									
Principal on Debt	150,000	472,400	0	622,400	0	0	0	661,400	
Interest on Debt	1,543,135	253,267	0	1,796,402	0	0	0	1,800,523	
Other Debt Service	17,059	12,239	3,905	33,203	0	0	0	33,203	
Capital Projects	0	0	0	0	2,006,528	0	2,006,528	2,006,528	
Capital Projects - Donated	0	0	0	0	0	3,288,407	3,288,407	3,288,407	
Total Expenditures	\$ 1,710,194	\$ 737,906	\$ 3,905	\$ 2,452,005	\$ 2,006,528	\$ 3,288,407	\$ 5,294,935	\$ 12,445,829	
Excess (Deficiency) of Revenues Over Expenditures	\$ 37,459	\$ (263,513)	\$ 276,804	\$ 50,750	\$ (1,714,970)	\$ (3,286,264)	\$ (5,001,234)	\$ (5,882,033)	

(Continued)

Exhibit G-2

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

	Debt Service Funds				Capital Projects Funds				Total Nonmajor Governmental Funds
	Special Debt Service	Education Debt Service	Other Rural Debt Service	Total	General Capital Projects	Education Capital Projects	Total		
<u>Other Financing Sources (Uses)</u>									
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 300,000	\$ 300,000	\$ 300,000	
Notes Issued	0	0	0	0	1,500,000	424,380	1,924,380	2,424,380	
Insurance Recovery	0	0	0	0	0	0	0	2,181	
Transfers In	0	73,381	0	73,381	0	0	0	73,381	
Transfers Out	(2,451,312)	(55,341)	(1,861,566)	(4,368,219)	0	0	0	(4,368,219)	
Total Other Financing Sources (Uses)	\$ (2,451,312)	\$ 18,040	\$ (1,861,566)	\$ (4,294,838)	\$ 1,500,000	\$ 724,380	\$ 2,224,380	\$ (1,568,277)	
<u>Net Change in Fund Balances</u>	\$ (2,413,853)	\$ (245,473)	\$ (1,584,762)	\$ (4,244,088)	\$ (214,970)	\$ (2,561,884)	\$ (2,776,854)	\$ (7,450,310)	
Fund Balance, July 1, 2011	2,413,853	245,473	1,584,762	4,244,088	528,897	2,807,401	3,336,298	10,708,125	
Fund Balance, June 30, 2012	\$ 0	\$ 0	\$ 0	\$ 0	\$ 313,927	\$ 245,517	\$ 559,444	\$ 3,257,815	

Exhibit G-3

Coffee 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		Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Encumbrances 7/1/2011	6/30/2012	Original	Final	
<u>Revenues</u>								
Local Taxes	\$ 1,140,583	\$ 0	\$ 0	\$ 1,140,583	\$ 1,112,945	\$ 1,112,945	\$ 27,638	
Licenses and Permits	6,626	0	0	6,626	6,500	6,500	126	
Charges for Current Services	91,697	0	0	91,697	125,838	125,838	(34,141)	
Other Local Revenues	77,040	0	0	77,040	25,000	25,000	52,040	
State of Tennessee	95,201	0	0	95,201	79,007	80,707	14,494	
Total Revenues	\$ 1,411,147	\$ 0	\$ 0	\$ 1,411,147	\$ 1,349,290	\$ 1,350,990	\$ 60,157	
<u>Expenditures</u>								
<u>Public Health and Welfare</u>								
Sanitation Management	\$ 169,665	(350)	5,050	174,365	180,419	186,766	12,401	
Waste Pickup	743,354	0	26,083	769,437	751,934	920,934	151,497	
Convenience Centers	301,186	0	0	301,186	348,251	348,251	47,065	
Other Waste Collection	84,553	(2,724)	0	81,829	124,338	124,338	42,509	
Other Waste Disposal	0	0	0	0	4,500	4,500	4,500	
<u>Other Operations</u>								
Other Charges	22,951	0	0	22,951	27,174	27,174	4,223	
Total Expenditures	\$ 1,321,709	(3,074)	31,133	\$ 1,349,768	\$ 1,436,616	\$ 1,611,963	\$ 262,195	
Excess (Deficiency) of Revenues Over Expenditures	\$ 89,438	3,074	(31,133)	\$ 61,379	(87,326)	(260,973)	\$ 322,352	
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ 89,438	3,074	(31,133)	\$ 61,379	(87,326)	(260,973)	\$ 322,352	
	1,239,137	(3,074)	0	1,236,063	1,245,164	1,245,164	(9,101)	
Fund Balance, June 30, 2012	\$ 1,328,575	0	(31,133)	\$ 1,297,442	\$ 1,157,838	\$ 984,191	\$ 313,251	

Exhibit G-4

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Local Purpose Tax Fund
For the Year Ended June 30, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 148,670	\$ 141,105	\$ 141,105	\$ 7,565
Total Revenues	\$ 148,670	\$ 141,105	\$ 141,105	\$ 7,565
<u>Expenditures</u>				
<u>Other Operations</u>				
Industrial Development	\$ 77,973	\$ 79,000	\$ 79,000	\$ 1,027
Total Expenditures	\$ 77,973	\$ 79,000	\$ 79,000	\$ 1,027
Excess (Deficiency) of Revenues Over Expenditures	\$ 70,697	\$ 62,105	\$ 62,105	\$ 8,592
Net Change in Fund Balance	\$ 70,697	\$ 62,105	\$ 62,105	\$ 8,592
Fund Balance, July 1, 2011	145,496	145,496	145,496	0
Fund Balance, June 30, 2012	\$ 216,193	\$ 207,601	\$ 207,601	\$ 8,592

Exhibit G-5

Coffee 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	\$ 168,283	\$ 0	\$ 0	\$ 168,283	\$ 250,000	\$ 143,000	\$ 25,283
Other Local Revenues	500	0	0	500	25,000	5,000	(4,500)
Federal Government	310	0	0	310	0	0	310
Total Revenues	\$ 169,093	\$ 0	\$ 0	\$ 169,093	\$ 275,000	\$ 148,000	\$ 21,093
<u>Expenditures</u>							
<u>Public Safety</u>							
Drug Enforcement	\$ 274,433	\$ (74,611)	\$ 95,983	\$ 295,805	\$ 453,945	\$ 490,120	\$ 194,315
Total Expenditures	\$ 274,433	\$ (74,611)	\$ 95,983	\$ 295,805	\$ 453,945	\$ 490,120	\$ 194,315
Excess (Deficiency) of Revenues Over Expenditures	\$ (105,340)	\$ 74,611	\$ (95,983)	\$ (126,712)	\$ (178,945)	\$ (342,120)	\$ 215,408
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 2,181	\$ 0	\$ 0	\$ 2,181	\$ 0	\$ 4,200	\$ (2,019)
Total Other Financing Sources (Uses)	\$ 2,181	\$ 0	\$ 0	\$ 2,181	\$ 0	\$ 4,200	\$ (2,019)
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ (103,159)	\$ 74,611	\$ (95,983)	\$ (124,531)	\$ (178,945)	\$ (337,920)	\$ 213,389
	764,445	(74,611)	0	689,834	689,835	689,835	(1)
Fund Balance, June 30, 2012	\$ 661,286	\$ 0	\$ (95,983)	\$ 565,303	\$ 510,890	\$ 351,915	\$ 213,388

Exhibit G-6

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 36,958	\$ 79,000	\$ 39,000	\$ (2,042)
Other Local Revenues	3,598	350	3,650	(52)
State of Tennessee	1,959,970	2,351,553	2,351,553	(391,583)
Total Revenues	<u>\$ 2,000,526</u>	<u>\$ 2,430,903</u>	<u>\$ 2,394,203</u>	<u>\$ (393,677)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 282,331	\$ 274,532	\$ 283,435	\$ 1,104
Highway and Bridge Maintenance	1,404,641	1,565,224	1,470,224	65,583
Operation and Maintenance of Equipment	440,983	405,469	451,769	10,786
Other Charges	136,676	155,260	155,260	18,584
Capital Outlay	417,823	988,302	817,823	400,000
<u>Principal on Debt</u>				
Highways and Streets	39,000	0	75,000	36,000
<u>Interest on Debt</u>				
Highways and Streets	4,121	0	13,302	9,181
Total Expenditures	<u>\$ 2,725,575</u>	<u>\$ 3,388,787</u>	<u>\$ 3,266,813</u>	<u>\$ 541,238</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (725,049)</u>	<u>\$ (957,884)</u>	<u>\$ (872,610)</u>	<u>\$ 147,561</u>
<u>Other Financing Sources (Uses)</u>				
Notes Issued	\$ 500,000	\$ 500,000	\$ 500,000	\$ 0
Transfers In	0	80,000	80,000	(80,000)
Total Other Financing Sources (Uses)	<u>\$ 500,000</u>	<u>\$ 580,000</u>	<u>\$ 580,000</u>	<u>\$ (80,000)</u>
Net Change in Fund Balance	\$ (225,049)	\$ (377,884)	\$ (292,610)	\$ 67,561
Fund Balance, July 1, 2011	606,199	606,444	606,444	(245)
Fund Balance, June 30, 2012	<u>\$ 381,150</u>	<u>\$ 228,560</u>	<u>\$ 313,834</u>	<u>\$ 67,316</u>

Exhibit G-7

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Special 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	\$ 1,254,365	\$ 1,320,000	\$ 1,320,000	\$ (65,635)
Other Local Revenues	154	120	120	34
Federal Government	493,134	428,505	428,505	64,629
Total Revenues	<u>\$ 1,747,653</u>	<u>\$ 1,748,625</u>	<u>\$ 1,748,625</u>	<u>\$ (972)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 150,000	\$ 150,000	\$ 150,000	\$ 0
<u>Interest on Debt</u>				
Education	1,543,135	1,544,135	1,544,135	1,000
<u>Other Debt Service</u>				
General Government	0	25,000	0	0
Education	17,059	0	25,000	7,941
Total Expenditures	<u>\$ 1,710,194</u>	<u>\$ 1,719,135</u>	<u>\$ 1,719,135</u>	<u>\$ 8,941</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 37,459</u>	<u>\$ 29,490</u>	<u>\$ 29,490</u>	<u>\$ 7,969</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	<u>\$ (2,451,312)</u>	<u>\$ 0</u>	<u>\$ (2,507,971)</u>	<u>\$ 56,659</u>
Total Other Financing Sources (Uses)	<u>\$ (2,451,312)</u>	<u>\$ 0</u>	<u>\$ (2,507,971)</u>	<u>\$ 56,659</u>
Net Change in Fund Balance	\$ (2,413,853)	\$ 29,490	\$ (2,478,481)	\$ 64,628
Fund Balance, July 1, 2011	<u>2,413,853</u>	<u>2,478,481</u>	<u>2,478,481</u>	<u>(64,628)</u>
Fund Balance, June 30, 2012	<u>\$ 0</u>	<u>\$ 2,507,971</u>	<u>\$ 0</u>	<u>\$ 0</u>

Exhibit G-8

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Education 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	\$ 463,961	\$ 459,515	\$ 459,515	\$ 4,446
Other Local Revenues	1,687	200	200	1,487
Federal Government	8,745	146,750	146,750	(138,005)
Total Revenues	<u>\$ 474,393</u>	<u>\$ 606,465</u>	<u>\$ 606,465</u>	<u>\$ (132,072)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 472,400	\$ 473,000	\$ 473,000	\$ 600
<u>Interest on Debt</u>				
Education	253,267	258,975	258,975	5,708
<u>Other Debt Service</u>				
General Government	0	13,500	0	0
Education	12,239	0	13,500	1,261
Total Expenditures	<u>\$ 737,906</u>	<u>\$ 745,475</u>	<u>\$ 745,475</u>	<u>\$ 7,569</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (263,513)</u>	<u>\$ (139,010)</u>	<u>\$ (139,010)</u>	<u>\$ (124,503)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 73,381	\$ 0	\$ 0	\$ 73,381
Transfers Out	(55,341)	0	(106,463)	51,122
Total Other Financing Sources (Uses)	<u>\$ 18,040</u>	<u>\$ 0</u>	<u>\$ (106,463)</u>	<u>\$ 124,503</u>
Net Change in Fund Balance	\$ (245,473)	\$ (139,010)	\$ (245,473)	\$ 0
Fund Balance, July 1, 2011	<u>245,473</u>	<u>245,473</u>	<u>245,473</u>	<u>0</u>
Fund Balance, June 30, 2012	<u>\$ 0</u>	<u>\$ 106,463</u>	<u>\$ 0</u>	<u>\$ 0</u>

Exhibit G-9

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Other Rural 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	\$ 280,709	\$ 365,000	\$ 365,000	\$ (84,291)
Total Revenues	\$ 280,709	\$ 365,000	\$ 365,000	\$ (84,291)
<u>Expenditures</u>				
<u>Other Debt Service</u>				
General Government	\$ 0	\$ 5,000	\$ 0	\$ 0
Education	3,905	0	5,000	1,095
Total Expenditures	\$ 3,905	\$ 5,000	\$ 5,000	\$ 1,095
Excess (Deficiency) of Revenues Over Expenditures	\$ 276,804	\$ 360,000	\$ 360,000	\$ (83,196)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (1,861,566)	\$ 0	\$ (1,944,762)	\$ 83,196
Total Other Financing Sources (Uses)	\$ (1,861,566)	\$ 0	\$ (1,944,762)	\$ 83,196
Net Change in Fund Balance	\$ (1,584,762)	\$ 360,000	\$ (1,584,762)	\$ 0
Fund Balance, July 1, 2011	1,584,762	1,584,762	1,584,762	0
Fund Balance, June 30, 2012	\$ 0	\$ 1,944,762	\$ 0	\$ 0

Major Governmental Funds

Debt Service Funds

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

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

Rural Debt Service Fund – The Rural Debt Service Fund is used to account for the retirement of bonds issued for school projects outside the territorial limits of the Special School District.

Exhibit H-1

Coffee 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	\$ 1,398,742	\$ 1,295,999	\$ 1,295,999	\$ 102,743
Other Local Revenues	229,076	266,040	266,040	(36,964)
Total Revenues	<u>\$ 1,627,818</u>	<u>\$ 1,562,039</u>	<u>\$ 1,562,039</u>	<u>\$ 65,779</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 785,000	\$ 785,000	\$ 785,000	\$ 0
<u>Interest on Debt</u>				
General Government	261,881	269,000	269,000	7,119
<u>Other Debt Service</u>				
General Government	25,819	29,000	29,000	3,181
Total Expenditures	<u>\$ 1,072,700</u>	<u>\$ 1,083,000</u>	<u>\$ 1,083,000</u>	<u>\$ 10,300</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 555,118</u>	<u>\$ 479,039</u>	<u>\$ 479,039</u>	<u>\$ 76,079</u>
Net Change in Fund Balance	\$ 555,118	\$ 479,039	\$ 479,039	\$ 76,079
Fund Balance, July 1, 2011	386,086	386,477	386,477	(391)
Fund Balance, June 30, 2012	<u>\$ 941,204</u>	<u>\$ 865,516</u>	<u>\$ 865,516</u>	<u>\$ 75,688</u>

Exhibit H-2

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Rural 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	\$ 1,177,365	\$ 876,684	\$ 877,184	\$ 300,181
Total Revenues	\$ 1,177,365	\$ 876,684	\$ 877,184	\$ 300,181
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 330,000	\$ 380,000	\$ 380,000	\$ 50,000
<u>Interest on Debt</u>				
Education	55,800	56,800	56,800	1,000
<u>Other Debt Service</u>				
General Government	0	14,500	0	0
Education	14,692	0	15,000	308
Total Expenditures	\$ 400,492	\$ 451,300	\$ 451,800	\$ 51,308
Excess (Deficiency) of Revenues Over Expenditures	\$ 776,873	\$ 425,384	\$ 425,384	\$ 351,489
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 4,368,219	\$ 0	\$ 4,559,196	\$ (190,977)
Total Other Financing Sources (Uses)	\$ 4,368,219	\$ 0	\$ 4,559,196	\$ (190,977)
Net Change in Fund Balance	\$ 5,145,092	\$ 425,384	\$ 4,984,580	\$ 160,512
Fund Balance, July 1, 2011	621,323	621,324	621,324	(1)
Fund Balance, June 30, 2012	\$ 5,766,415	\$ 1,046,708	\$ 5,605,904	\$ 160,511

Fiduciary Funds

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

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

City School ADA - Tullahoma Fund – The City School ADA - Tullahoma Fund is used to account for the Tullahoma City School's share of education revenues collected by the county that must be apportioned between the school systems on an average daily attendance basis.

City School ADA - Manchester Fund – The City School ADA - Manchester Fund is used to account for the Manchester City School's share of education revenues collected by the county that must be apportioned between the school systems on an average daily attendance basis.

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

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

Exhibit I-1

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

	Agency Funds						Total
	Cities - Sales Tax	City School ADA- Tulahoma Fund	City School ADA- Manchester Fund	Constitu- tional Officers - Agency	Judicial District Drug Fund		
ASSETS							
Cash	\$ 0	\$ 0	\$ 0	\$ 2,078,344	\$ 0	\$ 2,078,344	
Equity in Pooled Cash and Investments	0	64,873	30,134	0	198,908	293,915	
Due from Other Governments	1,864,377	250	116	0	9,513	1,874,256	
Property Taxes Receivable	0	5,613,137	2,607,100	0	0	8,220,237	
Allowance for Uncollectible Property Taxes	0	(139,303)	(64,393)	0	0	(203,696)	
Total Assets	\$ 1,864,377	\$ 5,538,957	\$ 2,572,957	\$ 2,078,344	\$ 208,421	\$ 12,263,056	
LIABILITIES							
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 450	\$ 450	
Payroll Deductions Payable	0	0	0	0	108	108	
Due to Other Taxing Units	1,864,377	5,538,957	2,572,957	0	0	9,976,291	
Due to Litigants, Heirs, and Others	0	0	0	2,078,344	0	2,078,344	
Due to Joint Ventures	0	0	0	0	207,863	207,863	
Total Liabilities	\$ 1,864,377	\$ 5,538,957	\$ 2,572,957	\$ 2,078,344	\$ 208,421	\$ 12,263,056	

Exhibit I-2

Coffee 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	\$ 13,539,575	\$ 13,539,575	\$ 0
Due from Other Governments	1,700,876	1,864,377	1,700,876	1,864,377
Total Assets	\$ 1,700,876	\$ 15,403,952	\$ 15,240,451	\$ 1,864,377
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 1,700,876	\$ 15,403,952	\$ 15,240,451	\$ 1,864,377
Total Liabilities	\$ 1,700,876	\$ 15,403,952	\$ 15,240,451	\$ 1,864,377
<u>City School ADA-Tullahoma Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 13,443	\$ 5,433,428	\$ 5,381,998	\$ 64,873
Due from Other Governments	75	250	75	250
Property Taxes Receivable	5,594,173	5,613,137	5,594,173	5,613,137
Allowance for Uncollectible Property Taxes	(135,924)	135,924	139,303	(139,303)
Total Assets	\$ 5,471,767	\$ 11,182,739	\$ 11,115,549	\$ 5,538,957
<u>Liabilities</u>				
Cash Overdraft	\$ 16,100	\$ 0	\$ 16,100	\$ 0
Due to Other Taxing Units	5,455,667	11,182,739	11,099,449	5,538,957
Total Liabilities	\$ 5,471,767	\$ 11,182,739	\$ 11,115,549	\$ 5,538,957
<u>City School ADA-Manchester Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 36,676	\$ 2,524,638	\$ 2,531,180	\$ 30,134
Due from Other Governments	35	116	35	116
Property Taxes Receivable	2,569,849	2,607,100	2,569,849	2,607,100
Allowance for Uncollectible Property Taxes	(61,532)	61,532	64,393	(64,393)
Total Assets	\$ 2,545,028	\$ 5,193,386	\$ 5,165,457	\$ 2,572,957
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 2,545,028	\$ 5,193,386	\$ 5,165,457	\$ 2,572,957
Total Liabilities	\$ 2,545,028	\$ 5,193,386	\$ 5,165,457	\$ 2,572,957
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,871,503	\$ 9,748,201	\$ 9,541,360	\$ 2,078,344
Accounts Receivable	1,311	0	1,311	0
Total Assets	\$ 1,872,814	\$ 9,748,201	\$ 9,542,671	\$ 2,078,344
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,872,814	\$ 9,748,201	\$ 9,542,671	\$ 2,078,344
Total Liabilities	\$ 1,872,814	\$ 9,748,201	\$ 9,542,671	\$ 2,078,344

(Continued)

Exhibit I-2

Coffee County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds (Cont.)

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Judicial District Drug Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 144,276	\$ 342,458	\$ 287,826	\$ 198,908
Due from Other Governments	7,288	9,513	7,288	9,513
Total Assets	\$ 151,564	\$ 351,971	\$ 295,114	\$ 208,421
<u>Liabilities</u>				
Accounts Payable	\$ 741	\$ 450	\$ 741	\$ 450
Payroll Deductions Payable	883	0	883	0
Due to State of Tennessee	103	108	103	108
Due to Joint Ventures	149,837	351,413	293,387	207,863
Total Liabilities	\$ 151,564	\$ 351,971	\$ 295,114	\$ 208,421
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,871,503	\$ 9,748,201	\$ 9,541,360	\$ 2,078,344
Equity in Pooled Cash and Investments	194,395	21,840,099	21,740,579	293,915
Accounts Receivable	1,311	0	1,311	0
Due from Other Governments	1,708,274	1,874,256	1,708,274	1,874,256
Property Taxes Receivable	8,164,022	8,220,237	8,164,022	8,220,237
Allowance for Uncollectible Property Taxes	(197,456)	197,456	203,696	(203,696)
Total Assets	\$ 11,742,049	\$ 41,880,249	\$ 41,359,242	\$ 12,263,056
<u>Liabilities</u>				
Accounts Payable	\$ 741	\$ 450	\$ 741	\$ 450
Payroll Deductions Payable	883	0	883	0
Cash Overdraft	16,100	0	16,100	0
Due to State of Tennessee	103	108	103	108
Due to Other Taxing Units	9,701,571	31,780,077	31,505,357	9,976,291
Due to Litigants, Heirs, and Others	1,872,814	9,748,201	9,542,671	2,078,344
Due to Joint Ventures	149,837	351,413	293,387	207,863
Total Liabilities	\$ 11,742,049	\$ 41,880,249	\$ 41,359,242	\$ 12,263,056

Coffee County School Department

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

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

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

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

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

Exhibit J-1

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

Functions/Programs	Program Revenues			Expenses	Net (Expense) Revenue and Changes in Net Assets	
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Total	Governmental Activities
Governmental Activities:						
Instruction	\$ 21,145,530	\$ 113,481	\$ 3,313,246	\$ 3,288,407	\$	(14,430,396)
Support Services	11,718,006	0	0	0		(11,718,006)
Operation of Non-Instructional Services	3,609,364	889,800	1,676,026	0		(1,043,538)
Capital Outlay	3,090,149	0	0	0		(3,090,149)
Total Governmental Activities	\$ 39,563,049	\$ 1,003,281	\$ 4,989,272	\$ 3,288,407	\$	(30,282,089)
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$	8,285,927
Local Option Sales Taxes						3,797,290
Other Local Taxes						1,509
Grants and Contributions Not Restricted to Specific Programs						19,826,681
Unrestricted Investment Earnings						2,406
Miscellaneous						45,767
Total General Revenues					\$	31,959,580
Insurance Recovery					\$	9,660
Change in Net Assets					\$	1,687,151
Net Assets, July 1, 2011						27,871,715
Net Assets, June 30, 2012					\$	29,558,866

Exhibit J-2

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

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	<u>Total Govern- mental Funds</u>
	General Purpose School	Other Govern- mental Funds	Govern- mental Funds
<u>ASSETS</u>			
Cash	\$ 2,238	\$ 2,129	\$ 4,367
Equity in Pooled Cash and Investments	3,570,782	1,095,835	4,666,617
Accounts Receivable	48,192	60	48,252
Due from Other Governments	910,269	212	910,481
Due from Other Funds	0	300,000	300,000
Due from Primary Government	555,897	0	555,897
Property Taxes Receivable	8,639,063	0	8,639,063
Allowance for Uncollectible Property Taxes	(215,750)	0	(215,750)
Total Assets	<u>\$ 13,510,691</u>	<u>\$ 1,398,236</u>	<u>\$ 14,908,927</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 13,628	\$ 0	\$ 13,628
Accrued Payroll	2,150,321	268,291	2,418,612
Payroll Deductions Payable	772,782	74,939	847,721
Claims and Judgments Payable	153,859	0	153,859
Due to Other Funds	300,000	0	300,000
Deferred Revenue - Current Property Taxes	8,183,797	0	8,183,797
Deferred Revenue - Delinquent Property Taxes	216,896	0	216,896
Other Deferred Revenues	336,407	0	336,407
Total Liabilities	<u>\$ 12,127,690</u>	<u>\$ 343,230</u>	<u>\$ 12,470,920</u>
<u>Fund Balances</u>			
Restricted:			
Restricted for Education	\$ 25,355	\$ 711,252	\$ 736,607
Restricted for Capital Projects	0	343,754	343,754
Assigned:			
Assigned for Education	407,525	0	407,525
Unassigned	950,121	0	950,121
Total Fund Balances	<u>\$ 1,383,001</u>	<u>\$ 1,055,006</u>	<u>\$ 2,438,007</u>
Total Liabilities and Fund Balances	<u>\$ 13,510,691</u>	<u>\$ 1,398,236</u>	<u>\$ 14,908,927</u>

Exhibit J-3

Coffee County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
Discretely Presented Coffee 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 J-2)		\$ 2,438,007	
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$ 1,438,853		
Add: construction in progress	3,447,819		
Add: buildings and improvements net of accumulated depreciation	24,163,580		
Add: other capital assets net of accumulated depreciation	<u>1,698,131</u>	30,748,383	
(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	\$ (285,713)		
Less: compensated absences payable	(77,909)		
Less: other postemployment benefits liability	<u>(3,817,205)</u>	(4,180,827)	
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>553,303</u>
Net assets of governmental activities (Exhibit A)			<u>\$ 29,558,866</u>

Exhibit J-4

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

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 12,124,358	\$ 0	\$ 12,124,358
Licenses and Permits	2,107	0	2,107
Charges for Current Services	203,272	800,009	1,003,281
Other Local Revenues	81,455	2,406	83,861
State of Tennessee	19,783,946	26,112	19,810,058
Federal Government	336,081	4,615,748	4,951,829
Other Governments and Citizens Groups	2,988,407	300,000	3,288,407
Total Revenues	<u>\$ 35,519,626</u>	<u>\$ 5,744,275</u>	<u>\$ 41,263,901</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 20,189,641	\$ 2,571,976	\$ 22,761,617
Support Services	11,024,473	460,003	11,484,476
Operation of Non-Instructional Services	1,084,969	2,508,904	3,593,873
Capital Outlay	3,090,149	0	3,090,149
Debt Service:			
Principal on Debt	71,429	0	71,429
Capital Projects	0	270,973	270,973
Total Expenditures	<u>\$ 35,460,661</u>	<u>\$ 5,811,856</u>	<u>\$ 41,272,517</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 58,965</u>	<u>\$ (67,581)</u>	<u>\$ (8,616)</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 4,516	\$ 5,144	\$ 9,660
Transfers In	22,349	0	22,349
Transfers Out	0	(22,349)	(22,349)
Total Other Financing Sources (Uses)	<u>\$ 26,865</u>	<u>\$ (17,205)</u>	<u>\$ 9,660</u>
Net Change in Fund Balances	\$ 85,830	\$ (84,786)	\$ 1,044
Fund Balance, July 1, 2011	<u>1,297,171</u>	<u>1,139,792</u>	<u>2,436,963</u>
Fund Balance, June 30, 2012	<u>\$ 1,383,001</u>	<u>\$ 1,055,006</u>	<u>\$ 2,438,007</u>

Exhibit J-5

Coffee County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Coffee 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 J-4)		\$	1,044
(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	\$	3,251,069	
Less: current-year depreciation expense		<u>(958,803)</u>	2,292,266
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Add: deferred delinquent property taxes and other deferred June 30, 2012	\$	553,303	
Less: deferred delinquent property taxes and other deferred June 30, 2011		<u>(576,664)</u>	(23,361)
(3) The issuance of long-term debt (e.g., bonds, 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 net effect of these differences in the treatment of long-term debt and related items:			
Add: principal payments on notes			71,429
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in compensated absences payable	\$	(11,966)	
Change in other postemployment benefits liability		<u>(642,261)</u>	<u>(654,227)</u>
Change in net assets of governmental activities (Exhibit B)			<u>\$ 1,687,151</u>

Exhibit J-6

Coffee County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Coffee County School Department
June 30, 2012

	<u>Special Revenue Funds</u>			<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Total</u> <u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>
	<u>School</u> <u>Federal</u> <u>Projects</u>	<u>Central</u> <u>Cafeteria</u>	<u>Total</u>	<u>Other</u> <u>Capital</u> <u>Projects</u>	
<u>ASSETS</u>					
Cash	\$ 0	\$ 2,129	\$ 2,129	\$ 0	\$ 2,129
Equity in Pooled Cash and Investments	282,486	769,595	1,052,081	43,754	1,095,835
Accounts Receivable	0	60	60	0	60
Due from Other Governments	0	212	212	0	212
Due from Other Funds	0	0	0	300,000	300,000
Total Assets	\$ 282,486	\$ 771,996	\$ 1,054,482	\$ 343,754	\$ 1,398,236
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accrued Payroll	\$ 195,275	\$ 73,016	\$ 268,291	\$ 0	\$ 268,291
Payroll Deductions Payable	54,354	20,585	74,939	0	74,939
Total Liabilities	\$ 249,629	\$ 93,601	\$ 343,230	\$ 0	\$ 343,230
<u>Fund Balances</u>					
Restricted:					
Restricted for Education	\$ 32,857	\$ 678,395	\$ 711,252	\$ 0	\$ 711,252
Restricted for Capital Projects	0	0	0	343,754	343,754
Total Fund Balances	\$ 32,857	\$ 678,395	\$ 711,252	\$ 343,754	\$ 1,055,006
Total Liabilities and Fund Balances	\$ 282,486	\$ 771,996	\$ 1,054,482	\$ 343,754	\$ 1,398,236

Exhibit J-7

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

	Special Revenue Funds			Capital Projects Fund	Total
	School Federal Projects	Central Cafeteria	Total	Other Capital Projects	Nonmajor Governmental Funds
<u>Revenues</u>					
Charges for Current Services	\$ 0	\$ 800,009	\$ 800,009	\$ 0	\$ 800,009
Other Local Revenues	0	2,406	2,406	0	2,406
State of Tennessee	0	26,112	26,112	0	26,112
Federal Government	2,979,237	1,636,511	4,615,748	0	4,615,748
Other Governments and Citizens Groups	0	0	0	300,000	300,000
Total Revenues	\$ 2,979,237	\$ 2,465,038	\$ 5,444,275	\$ 300,000	\$ 5,744,275
<u>Expenditures</u>					
Current:					
Instruction	\$ 2,571,976	\$ 0	\$ 2,571,976	\$ 0	\$ 2,571,976
Support Services	460,003	0	460,003	0	460,003
Operation of Non-Instructional Services	0	2,508,904	2,508,904	0	2,508,904
Capital Projects	0	0	0	270,973	270,973
Total Expenditures	\$ 3,031,979	\$ 2,508,904	\$ 5,540,883	\$ 270,973	\$ 5,811,856
Excess (Deficiency) of Revenues					
Over Expenditures	\$ (52,742)	\$ (43,866)	\$ (96,608)	\$ 29,027	\$ (67,581)
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 0	\$ 5,144	\$ 5,144	\$ 0	\$ 5,144
Transfers Out	(22,349)	0	(22,349)	0	(22,349)
Total Other Financing Sources (Uses)	\$ (22,349)	\$ 5,144	\$ (17,205)	\$ 0	\$ (17,205)
Net Change in Fund Balances					
Fund Balance, July 1, 2011	\$ 107,948	\$ 717,117	\$ 825,065	\$ 314,727	\$ 1,139,792
Fund Balance, June 30, 2012	\$ 32,857	\$ 678,395	\$ 711,252	\$ 343,754	\$ 1,055,006

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Coffee 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		
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 12,124,358	\$ 0	\$ 0	\$ 12,124,358	\$ 12,051,922	\$ 12,051,922	\$ 72,436
Licenses and Permits	2,107	0	0	2,107	2,400	2,400	(293)
Charges for Current Services	203,272	0	0	203,272	164,400	194,400	8,872
Other Local Revenues	81,455	0	0	81,455	50,854	85,694	(4,239)
State of Tennessee	19,783,946	0	0	19,783,946	19,494,121	19,706,575	77,371
Federal Government	336,081	0	0	336,081	358,293	358,293	(22,212)
Other Governments and Citizens Groups	2,988,407	0	0	2,988,407	0	3,333,250	(344,843)
Total Revenues	\$ 35,519,626	\$ 0	\$ 0	\$ 35,519,626	\$ 32,121,990	\$ 35,732,534	\$ (212,908)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 15,732,697	\$ (67,744)	\$ 73,082	\$ 15,738,035	\$ 15,871,758	\$ 15,766,658	\$ 28,623
Alternative Instruction Program	624	0	0	624	0	2,000	1,376
Special Education Program	3,008,017	(1,954)	0	3,006,063	2,861,585	3,008,699	2,636
Vocational Education Program	1,377,324	(20,961)	86	1,356,449	1,340,266	1,367,266	10,817
Student Body Education Program	70,979	0	0	70,979	60,301	71,091	112
<u>Support Services</u>							
Attendance	97,718	0	0	97,718	98,276	98,276	558
Health Services	571,248	(2,763)	277	568,762	547,904	576,758	7,996
Other Student Support	871,153	0	0	871,153	885,033	888,433	17,280
Regular Instruction Program	1,199,159	0	30	1,199,189	1,256,528	1,210,377	11,188
Special Education Program	272,175	0	0	272,175	300,270	277,270	5,095
Vocational Education Program	52,024	0	0	52,024	52,403	52,403	379
Other Programs	206,614	0	0	206,614	0	206,614	0

(Continued)

Exhibit J-8

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Coffee 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		
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Board of Education	\$ 1,089,845	\$ 0	\$ 0	\$ 1,089,845	\$ 1,076,995	\$ 1,101,197	\$ 11,352
Director of Schools	293,281	(15)	0	293,266	283,583	297,617	4,351
Office of the Principal	1,616,103	0	0	1,616,103	1,653,269	1,621,834	5,731
Fiscal Services	256,182	(744)	852	256,290	257,385	257,385	1,095
Operation of Plant	1,965,063	(68)	0	1,964,995	1,954,762	1,966,662	1,667
Maintenance of Plant	558,508	0	200	558,708	557,285	567,368	8,660
Transportation	1,975,400	(393)	0	1,975,007	1,934,960	1,978,591	3,584
<u>Operation of Non-Instructional Services</u>							
Community Services	420,330	(1,908)	0	418,422	452,926	454,737	36,315
Early Childhood Education	664,639	(32,010)	0	632,629	630,417	635,244	2,615
<u>Capital Outlay</u>							
Regular Capital Outlay	3,090,149	(155,150)	332,998	3,267,997	2,922,562	3,444,164	176,167
<u>Principal on Debt</u>							
Education	71,429	0	0	71,429	71,429	71,429	0
Interest on Debt	0	0	0	0	6,000	0	0
Education	0	0	0	0	0	0	0
Total Expenditures	\$ 35,460,661	\$ (283,710)	\$ 407,525	\$ 35,584,476	\$ 35,075,897	\$ 35,922,073	\$ 337,597
Excess (Deficiency) of Revenues Over Expenditures	\$ 58,965	\$ 283,710	\$ (407,525)	\$ (64,850)	\$ (2,953,907)	\$ (189,539)	\$ 124,689
<u>Other Financing Sources (Uses)</u>							
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,833,250	\$ 0	\$ 0

(Continued)

Exhibit J-8

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Coffee 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	
<u>Other Financing Sources (Uses) (Cont.)</u>							
Insurance Recovery	\$ 4,516	\$ 0	\$ 0	\$ 4,516	\$ 0	\$ 14,382	\$ (9,866)
Transfers In	22,349	0	0	22,349	42,000	25,516	(3,167)
Transfers Out	0	0	0	0	(17,895)	(1,411)	1,411
Total Other Financing Sources (Uses)	\$ 26,865	\$ 0	\$ 0	\$ 26,865	\$ 2,857,355	\$ 38,487	\$ (11,622)
Net Change in Fund Balance	\$ 85,830	\$ 283,710	\$ (407,525)	\$ (37,985)	\$ (96,552)	\$ (151,052)	\$ 113,067
Fund Balance, July 1, 2011	1,297,171	(283,710)	0	1,013,461	895,783	895,783	117,678
Fund Balance, June 30, 2012	\$ 1,383,001	\$ 0	\$ (407,525)	\$ 975,476	\$ 799,231	\$ 744,731	\$ 230,745

Exhibit J-9

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Coffee County School Department
School Federal 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>							
Federal Government	\$ 2,979,237	\$ 0	\$ 0	\$ 2,979,237	\$ 3,315,088	\$ 3,313,656	\$ (334,419)
Total Revenues	\$ 2,979,237	\$ 0	\$ 0	\$ 2,979,237	\$ 3,315,088	\$ 3,313,656	\$ (334,419)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 1,265,743	\$ (21,991)	\$ 21,366	\$ 1,265,118	\$ 1,410,564	\$ 1,403,620	\$ 138,502
Special Education Program	1,224,182	(12,358)	6,712	1,218,536	1,209,636	1,220,311	1,775
Vocational Education Program	82,051	(30,763)	8,347	59,635	60,500	59,635	0
<u>Support Services</u>							
Other Student Support	39,119	(4,836)	1,635	35,918	58,719	59,114	23,196
Regular Instruction Program	335,072	(16,058)	449	319,463	488,659	478,340	158,877
Special Education Program	80,401	(13,905)	4,404	70,900	66,759	71,169	269
Vocational Education Program	3,305	(834)	0	2,471	2,471	2,471	0
Office of the Principal	2,106	0	0	2,106	1,000	2,106	0
Total Expenditures	\$ 3,031,979	\$ (100,745)	\$ 42,913	\$ 2,974,147	\$ 3,298,308	\$ 3,296,766	\$ 322,619
Excess (Deficiency) of Revenues Over Expenditures	\$ (52,742)	\$ 100,745	\$ (42,913)	\$ 5,090	\$ 16,780	\$ 16,890	\$ (11,800)
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (22,349)	\$ 0	\$ 0	\$ (22,349)	\$ (25,497)	\$ (25,608)	\$ 3,259
Total Other Financing Sources (Uses)	\$ (22,349)	\$ 0	\$ 0	\$ (22,349)	\$ (25,497)	\$ (25,608)	\$ 3,259
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ (75,091)	\$ 100,745	\$ (42,913)	\$ (17,259)	\$ (8,717)	\$ (8,718)	\$ (8,541)
Fund Balance, July 1, 2011	107,948	(100,745)	0	7,203	107,948	107,948	(100,745)
Fund Balance, June 30, 2012	\$ 32,857	\$ 0	\$ (42,913)	\$ (10,056)	\$ 99,231	\$ 99,230	\$ (109,286)

Exhibit J-10

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 800,009	\$ 751,100	\$ 751,100	\$ 48,909
Other Local Revenues	2,406	3,400	3,400	(994)
State of Tennessee	26,112	30,400	30,400	(4,288)
Federal Government	1,636,511	1,497,500	1,622,500	14,011
Total Revenues	<u>\$ 2,465,038</u>	<u>\$ 2,282,400</u>	<u>\$ 2,407,400</u>	<u>\$ 57,638</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 2,508,904	\$ 2,357,375	\$ 2,587,519	\$ 78,615
Total Expenditures	<u>\$ 2,508,904</u>	<u>\$ 2,357,375</u>	<u>\$ 2,587,519</u>	<u>\$ 78,615</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (43,866)</u>	<u>\$ (74,975)</u>	<u>\$ (180,119)</u>	<u>\$ 136,253</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 5,144	\$ 0	\$ 5,144	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 5,144</u>	<u>\$ 0</u>	<u>\$ 5,144</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (38,722)	\$ (74,975)	\$ (174,975)	\$ 136,253
Fund Balance, July 1, 2011	<u>717,117</u>	<u>711,447</u>	<u>711,447</u>	<u>5,670</u>
Fund Balance, June 30, 2012	<u>\$ 678,395</u>	<u>\$ 636,472</u>	<u>\$ 536,472</u>	<u>\$ 141,923</u>

MISCELLANEOUS SCHEDULES

Exhibit K-1

Coffee County, Tennessee
 Schedule of Changes in Long-term Notes, Other Loans, and Bonds
 Primary Government and Discretely Presented Coffee County School Department
 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	Paid and/or Matured During Period	Outstanding 6-30-12
PRIMARY GOVERNMENT								
GOVERNMENTAL ACTIVITIES:								
NOTES PAYABLE								
Payable through General Debt Service Fund								
Jail Construction - Bond Anticipation Note	(1)	1.6 %	10-4-11	10-1-14	\$ 0	\$ 1,500,000	\$ 0	\$ 1,500,000
Total Payable through General Fund	\$				\$ 0	\$ 1,500,000	\$ 0	\$ 1,500,000
Payable through Highway Public Works Fund								
Equipment and Vehicles	500,000	2.3	9-26-11	8-1-17	\$ 0	\$ 500,000	\$ 39,000	\$ 461,000
Total Payable through Highway/Public Works Fund					\$ 0	\$ 500,000	\$ 39,000	\$ 461,000
Payable through Rural Debt Service Fund								
Energy Efficiency Improvements	(2)	0	7-26-11	9-1-22	0	424,380	0	424,380
Total Payable through Rural Debt Service Fund					\$ 0	\$ 424,380	\$ 0	\$ 424,380
Total Notes Payable					\$ 0	\$ 2,424,380	\$ 39,000	\$ 2,385,380
OTHER LOANS PAYABLE								
Payable through General Fund								
City of Tullahoma Sales Tax Agreement	1,750,000	Variable	11-8-11	12-31-16	\$ 0	\$ 1,750,000	\$ 350,000	\$ 1,400,000
Total Payable through General Fund					\$ 0	\$ 1,750,000	\$ 350,000	\$ 1,400,000
Payable through General Debt Service Fund								
Public Improvement, Series Z-4-A	4,510,000	3.55 to 4	11-2-06	3-1-21	\$ 4,385,000	\$ 0	\$ 335,000	\$ 4,050,000
Total Payable through General Debt Service Fund					\$ 4,385,000	\$ 0	\$ 335,000	\$ 4,050,000
Payable through Rural Debt Service Fund								
Education Improvement Series Z-6-A	7,600,000	4.75	(4)	12-10-08	\$ 6,875,000	\$ 0	\$ 150,000	\$ 6,725,000
Qualified School Construction Bonds Series 2010	3,027,000	0	(3)	10-7-10	\$ 3,027,000	\$ 0	\$ 157,400	\$ 2,869,600
Total Payable through Special Debt Service Fund					\$ 9,902,000	\$ 0	\$ 307,400	\$ 9,594,600
Total Other Loans Payable					\$ 14,287,000	\$ 1,750,000	\$ 992,400	\$ 15,044,600

(Continued)

Exhibit K-1

Coffee County, Tennessee
 Schedule of Changes in Long-term Notes, Other Loans, and Bonds
 Primary Government and Discretely Presented Coffee County School Department (Cont.)

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-11	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-12
PRIMARY GOVERNMENT (CONT.)								
GOVERNMENTAL ACTIVITIES (CONT.):								
BONDS PAYABLE								
Payable through General Debt Service Fund								
General Obligation Refunding Bonds, Series 2006C	\$ 2,745,000	4 %	11-29-06	2-1-15	\$ 930,000	\$ 0	\$ 450,000	\$ 480,000
General Obligation Refunding Bonds, Series 2009	1,500,000	2.56	10-1-09	6-1-17	1,500,000	0	0	1,500,000
Total Payable through General Debt Service Fund					\$ 2,430,000	\$ 0	\$ 450,000	\$ 1,980,000
Payable through Rural Debt Service Fund								
Rural School Refunding, Series 2006B	2,615,000	4	11-29-06	2-1-15	\$ 1,395,000	\$ 0	\$ 330,000	\$ 1,065,000
Senior High School Refunding Bonds, Series 2006A	4,110,000	3.75 to 4	(4) 11-29-06	2-1-18	2,890,000	0	315,000	2,575,000
Build America Bonds	(5)	4.75	(4) 7-15-09	6-1-43	12,366,719	300,000	0	12,666,719
Total Payable through Rural Debt Service Fund					\$ 16,651,719	\$ 300,000	\$ 645,000	\$ 16,306,719
Total Bonds Payable					\$ 19,081,719	\$ 300,000	\$ 1,095,000	\$ 18,286,719
BUSINESS-TYPE ACTIVITIES:								
OTHER LOANS PAYABLE								
Payable through Wayside Acres Sewer Fund								
Sewer Construction	224,000	4.125	10-10-06	10-10-44	\$ 211,578	\$ 0	\$ 2,977	\$ 208,601
Sewer Construction	100,000	4.375	12-20-06	12-20-44	94,947	0	1,260	93,687
Total Other Loans Payable					\$ 306,525	\$ 0	\$ 4,237	\$ 302,288

(Continued)

Exhibit K-1

Coffee County, Tennessee
 Schedule of Changes in Long-term Notes, Other Loans, and Bonds
 Primary Government and Discretely Presented Coffee County School Department (Cont.)

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-11	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-12
<u>DISCRETELY PRESENTED COFFEE COUNTY SCHOOL DEPARTMENT</u>								
<u>NOTES PAYABLE</u>								
Payable through General Purpose School Fund	\$ 500,000	0 %	9-5-07	7-15-15	\$ 357,142	\$ 0	\$ 71,429	\$ 285,713
Energy Efficiency Improvements					\$ 357,142	\$ 0	\$ 71,429	\$ 285,713
Total Notes Payable					\$ 357,142	\$ 0	\$ 71,429	\$ 285,713

(1) Total amount approved was \$2,000,000, of which \$500,000 remains available for draws as of June 30, 2012.

(2) Total amount approved was \$500,000, of which \$75,620 remains available for draws as of June 30, 2012.

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

(4) In prior years, these debts were retired from funds that were closed during the year ended June 30, 2012. They are now being retired from the Rural Debt Service Fund.

(5) Total amount approved was \$17,125,000, of which \$4,458,281 remains available for draws as of June 30, 2012.

Exhibit K-2

Coffee County, Tennessee
Schedule of Long-term Debt Requirements by Year
Primary Government and Discretely Presented Coffee County School Department

PRIMARY GOVERNMENT

GOVERNMENTAL ACTIVITIES:

Year Ending June 30	Notes		Total
	Principal	Interest	
2013	\$ 577,503	\$ 29,301	\$ 606,804
2014	590,004	20,842	610,846
2015	591,004	12,382	603,386
2016	91,004	3,910	94,914
2017	91,004	3,439	94,443
2018	92,004	2,967	94,971
2019	92,004	2,484	94,488
2020	93,004	2,001	95,005
2021	79,849	1,506	81,355
2022	44,000	1,012	45,012
2023	44,000	506	44,506
Total	\$ 2,385,380	\$ 80,350	\$ 2,465,730

Year Ending June 30	Other Loans		Total
	Principal	Interest (1)	
2013	\$ 1,058,880	\$ 618,257	\$ 1,677,137
2014	1,103,880	597,457	1,701,337
2015	1,138,880	574,857	1,713,737
2016	1,388,880	550,857	1,939,737
2017	1,098,880	515,782	1,614,662
2018	1,133,880	479,332	1,613,212
2019	1,203,880	441,284	1,645,164
2020	1,248,880	399,117	1,647,997
2021	1,343,880	354,299	1,698,179
2022	788,880	304,499	1,093,379
2023	753,880	274,499	1,028,379
2024	803,880	246,249	1,050,129
2025	868,880	215,499	1,084,379
2026	883,880	181,499	1,065,379
2027	207,474	146,749	354,223
2028	17,806	73,374	91,180
Total	\$ 15,044,600	\$ 5,973,610	\$ 21,018,210

(Continued)

Exhibit K-2

Coffee County, Tennessee
Schedule of Long-term Debt Requirements by Year
Primary Government and Discretely Presented Coffee County School Department (Cont.)

GOVERNMENTAL ACTIVITIES (CONT.)

Year Ending June 30	Bonds		Total
	Principal	Interest	
2013	\$ 1,125,000	\$ 1,430,725	\$ 2,555,725
2014	1,160,000	1,388,725	2,548,725
2015	1,200,000	1,345,325	2,545,325
2016	1,005,000	1,300,325	2,305,325
2017	1,035,000	1,264,888	2,299,888
2018	95,000	1,227,958	1,322,958
2019	0	1,224,300	1,224,300
2020	0	1,224,300	1,224,300
2021	0	1,224,300	1,224,300
2022	0	1,224,300	1,224,300
2023	0	1,224,300	1,224,300
2024	0	1,224,300	1,224,300
2025	0	1,224,300	1,224,300
2026	0	1,224,300	1,224,300
2027	0	1,224,300	1,224,300
2028	0	1,224,300	1,224,300
2029	0	1,224,300	1,224,300
2030	0	1,224,300	1,224,300
2031	0	1,224,300	1,224,300
2032	0	1,224,300	1,224,300
2033	0	1,224,300	1,224,300
2034	0	1,224,300	1,224,300
2035	0	1,224,300	1,224,300
2036	0	1,224,300	1,224,300
2037	0	1,224,300	1,224,300
2038	2,125,000	1,224,300	3,349,300
2039	2,225,000	1,224,300	3,449,300
2040	2,325,000	1,075,550	3,400,550
2041	2,425,000	919,800	3,344,800
2042	2,550,000	752,400	3,302,400
2043	1,016,719	149,828	1,166,547
Total	\$ 18,286,719	\$ 36,565,824	\$ 54,852,543

(Continued)

Exhibit K-2

Coffee County, Tennessee
Schedule of Long-term Debt Requirements by Year
Primary Government and Discretely Presented Coffee County School Department (Cont.)

BUSINESS-TYPE ACTIVITIES:

Year Ending June 30	Other Loans		Total
	Principal	Interest	
2013	\$ 4,489	\$ 12,623	\$ 17,112
2014	4,680	12,432	17,112
2015	4,880	12,232	17,112
2016	5,089	12,023	17,112
2017	5,306	11,806	17,112
2018	5,533	11,579	17,112
2019	5,770	11,342	17,112
2020	6,016	11,096	17,112
2021	6,274	10,838	17,112
2022	6,543	10,569	17,112
2023	6,822	10,290	17,112
2024	7,114	9,998	17,112
2025	7,418	9,694	17,112
2026	7,736	9,376	17,112
2027	8,067	9,045	17,112
2028	8,412	8,700	17,112
2029	8,773	8,339	17,112
2030	9,149	7,963	17,112
2031	9,540	7,572	17,112
2032	9,948	7,164	17,112
2033	10,375	6,737	17,112
2034	10,818	6,294	17,112
2035	11,282	5,830	17,112
2036	11,766	5,346	17,112
2037	12,269	4,843	17,112
2038	12,795	4,316	17,111
2039	13,344	3,768	17,112
2040	13,915	3,197	17,112
2041	14,511	2,601	17,112
2042	15,134	1,978	17,112
2043	15,782	1,330	17,112
2044	16,458	615	17,073
2045	6,280	39	6,319
Total	\$ 302,288	\$ 251,575	\$ 553,863

(Continued)

Exhibit K-2

Coffee County, Tennessee
Schedule of Long-term Debt Requirements by Year
Primary Government and Discretely Presented Coffee County School Department (Cont.)

DISCRETELY PRESENTED COFFEE
COUNTY SCHOOL DEPARTMENT

Year Ending June 30	Notes		Total
	Principal	Interest	
2013	\$ 71,429	\$ 0	\$ 71,429
2014	71,428	0	71,428
2015	71,428	0	71,428
2016	71,428	0	71,428
Total	\$ 285,713	\$ 0	\$ 285,713

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

Exhibit K-3

Coffee County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Coffee 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>			
General	Education Debt Service	Operations	\$ 73,381
Special Debt Service	Rural Debt Service	To close fund	2,451,312
Education Debt Service	"	"	55,341
Other Rural Debt Service	"	"	1,861,566
Total Transfers Primary Government			<u>\$ 4,441,600</u>
<u>DISCRETELY PRESENTED COFFEE</u> <u>COFFEE SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	\$ <u>22,349</u>

Exhibit K-4

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

Official	Authorization for Salary	Salary Paid During Period	(1)	Bond	Surety
County Mayor	Section 8-24-102, TCA	\$ 80,226	\$	50,000	Auto-Owners Mutual Insurance Company
Road Superintendent	Section 8-24-102, TCA	76,407		100,000	"
Director of Schools	State Board of Education and Coffee County Board of Education	101,134	(2)	(3)	"
Trustee	Section 8-24-102, TCA	69,461		1,727,490	"
Assessor of Property	Section 8-24-102, TCA	69,461		10,000	State Auto Insurance Company
Director of Accounts and Budgets	Coffee County Commission	67,537		20,000	Auto-Owners Mutual Insurance Company
County Clerk	Section 8-24-102, TCA	69,461		50,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, TCA, and Coffee County Personnel Policies	69,461	(4)	50,000	"
Clerk and Master	Section 8-24-102, TCA	69,461		50,000	"
Register	Section 8-24-102, TCA	69,461		25,000	"
Sheriff	Section 8-24-102, TCA	76,407	(5)	25,000	"
Employee Blanket Bonds:					
Public Employee Dishonesty - County Departments (excluding Highway Department)				150,000	Tennessee Risk Management Trust
Public Employee Dishonesty - Highway Department				150,000	Local Government Insurance Pool
Public Employee Dishonesty - School Department				150,000	Tennessee Risk Management Trust

- (1) Until December 2011, all Coffee County employees had an option under the county's personnel policies to opt out of the medical insurance plan and receive an incentive payment equal to 67 percent of the cost of single coverage.
- (2) Includes a chief executive officer training supplement of \$1,000.
- (3) The director is covered under the School Department's blanket bond.
- (4) Does not include a \$1,349 payment in-lieu-of insurance benefits.
- (5) Does not include a law enforcement training supplement of \$600.

Exhibit K-5

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

	Special Revenue Funds						
	General	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	District Attorney General	Highway / Public Works	
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 7,670,998	\$ 726,659	\$ 148,548	\$ 0	\$ 0	\$ 0	0
Trustee's Collections - Prior Year	225,543	17,675	0	0	0	0	0
Trustee's Collections - Bankruptcy	13,432	1,365	0	0	0	0	0
Circuit/Clerk & Master Collections - Prior Years	115,083	27,171	0	0	0	0	0
Interest and Penalty	93,172	14,534	122	0	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	572	128	0	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	15,292	3,425	0	0	0	0	0
<u>County Local Option Taxes</u>							
Local Option Sales Tax	297,387	94,519	0	0	0	0	0
Litigation Tax - General	224,901	0	0	0	0	0	0
Litigation Tax - Special Purpose	117,334	0	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0	0
Litigation Tax - Courtroom Security	75,785	0	0	0	0	0	0
Business Tax	882,549	0	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0	36,958
<u>Statutory Local Taxes</u>							
Bank Excise Tax	99,326	0	0	0	0	0	0
Wholesale Beer Tax	0	255,107	0	0	0	0	0
Interstate Telecommunications Tax	1,559	0	0	0	0	0	0
Total Local Taxes	\$ 9,832,933	\$ 1,140,583	\$ 148,670	\$ 0	\$ 0	\$ 0	\$ 36,958
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Cable TV Franchise	\$ 126,091	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Permits</u>							
Beer Permits	0	6,626	0	0	0	0	0
Building Permits	51,767	0	0	0	0	0	0
Plumbing Permits	1,310	0	0	0	0	0	0
Other Permits	13,700	0	0	0	0	0	0
Total Licenses and Permits	\$ 192,868	\$ 6,626	\$ 0	\$ 0	\$ 0	\$ 0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds						
	General	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	District Attorney General	Highway / Public Works	
<u>Circuit Court</u>							
Fines	\$ 50,597	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	12,337	0	0	0	0	0	0
Drug Control Fines	134,249	0	0	20,740	0	0	0
District Attorney General Fees	0	0	0	0	22,667	0	0
Judicial Commissioner Fees	1,492	0	0	0	0	0	0
DUI Treatment Fines	1,745	0	0	0	0	0	0
Data Entry Fee - Circuit Court	37,854	0	0	0	0	0	0
Courtroom Security Fee	208	0	0	0	0	0	0
<u>General Sessions Court</u>							
Fines	74,506	0	0	0	0	0	0
Officers Costs	74,084	0	0	0	0	0	0
Game and Fish Fines	648	0	0	0	0	0	0
Drug Control Fines	1,560	0	0	113,963	0	0	0
Jail Fees	17,064	0	0	0	0	0	0
Interpreter Fees	899	0	0	0	0	0	0
District Attorney General Fees	0	0	0	0	15,237	0	0
Judicial Commissioner Fees	6,426	0	0	0	0	0	0
DUI Treatment Fines	10,158	0	0	0	0	0	0
Courtroom Security Fee	3,254	0	0	0	0	0	0
<u>Juvenile Court</u>							
Fines	2,221	0	0	0	0	0	0
Officers Costs	5,185	0	0	0	0	0	0
Interpreter Fees	95	0	0	0	0	0	0
Judicial Commissioner Fees	960	0	0	0	0	0	0
<u>Chancery Court</u>							
Officers Costs	2,593	0	0	0	0	0	0
Data Entry Fee - Chancery Court	4,166	0	0	0	0	0	0
Courtroom Security Fee	5,446	0	0	0	0	0	0
<u>Other Courts - In-county</u>							
Drug Control Fines	16,809	0	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds						
	General	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	District Attorney General	Highway / Public Works	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>							
<u>Other Courts - In-county (Cont.)</u>							
Drug Court Fees	\$ 36,143	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property	0	0	0	33,580	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 500,699	\$ 0	\$ 0	\$ 168,283	\$ 37,904	\$ 0	\$ 0
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Convenience Waste Centers Collection Charge	\$ 0	\$ 12,566	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Solid Waste Disposal Fees	0	79,131	0	0	0	0	0
Patient Charges	2,093,302	0	0	0	0	0	0
Work Release Charges for Board	1,660	0	0	0	0	0	0
Other General Service Charges	1,920	0	0	0	0	0	0
<u>Fees</u>							
Subdivision Lot Fees	8,350	0	0	0	0	0	0
Recreation Fees	16,778	0	0	0	0	0	0
Copy Fees	7,156	0	0	0	0	0	0
Library Fees	58,393	0	0	0	0	0	0
Greenbelt Late Application Fee	50	0	0	0	0	0	0
Telephone Commissions	45,320	0	0	0	0	0	0
Constitutional Officers' Fees and Commissions	290	0	0	0	0	0	0
Data Processing Fee - Register	16,058	0	0	0	0	0	0
Probation Fees	271,682	0	0	0	0	0	0
Data Processing Fee - Sheriff	3,591	0	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	3,300	0	0	0	0	0	0
Data Processing Fee - County Clerk	5,038	0	0	0	0	0	0
<u>Other Charges for Services</u>							
Other Charges for Services	41,215	0	0	0	0	0	0
Total Charges for Current Services	\$ 2,574,103	\$ 91,697	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit K-5

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

	Special Revenue Funds						
	General	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	District Attorney General	Highway / Public Works	
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	402
Lease/Rentals	20,230	0	0	0	0	0	0
Sale of Materials and Supplies	0	0	0	0	0	0	262
Commissary Sales	6,084	0	0	0	0	0	0
Sale of Maps	97	0	0	0	0	0	0
Sale of Recycled Materials	0	68,514	0	0	0	0	2,934
Miscellaneous Refunds	17,600	0	0	0	0	0	0
<u>Nonrecurring Items</u>							
Sale of Equipment	936	8,000	0	0	0	0	0
Sale of Property	1,612	0	0	0	0	0	0
Damages Recovered from Individuals	240	526	0	0	0	0	0
Contributions and Gifts	268,474	0	0	500	0	0	0
Total Other Local Revenues	\$ 315,273	\$ 77,040	\$ 0	\$ 500	\$ 0	\$ 0	\$ 3,598
<u>Fees Received from County Officials</u>							
<u>Fees in-Lieu-of Salary</u>							
County Clerk	\$ 586,920	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Circuit Court Clerk	1,173,665	0	0	0	0	0	0
Clerk and Master	252,703	0	0	0	0	0	0
Register	229,252	0	0	0	0	0	0
Sheriff	27,197	0	0	0	0	0	0
Trustee	947,367	0	0	0	0	0	0
Total Fees Received from County Officials	\$ 3,217,104	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
Juvenile Services Program	\$ 14,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Solid Waste Grants	0	36,140	0	0	0	0	0
Public Safety Grants							
Law Enforcement Training Programs	25,200	0	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds						
	General	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	District Attorney General	Highway / Public Works	
<u>State of Tennessee (Cont.)</u>							
<u>Public Safety Grants (Cont.)</u>							
Other Public Safety Grants	\$ 14,169	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Health and Welfare Grants</u>							
Other Health and Welfare Grants	1,000	0	0	0	0	0	0
<u>Public Works Grants</u>							
State Aid Program	0	0	0	0	0	0	91,397
Litter Program	0	59,061	0	0	0	0	0
<u>Other State Revenues</u>							
Income Tax	61,917	0	0	0	0	0	0
Beer Tax	18,421	0	0	0	0	0	0
Alcoholic Beverage Tax	74,762	0	0	0	0	0	0
Mixed Drink Tax	2,428	0	0	0	0	0	0
State Revenue Sharing - T.V.A.	298,805	0	0	0	0	0	0
Contracted Prisoner Boarding	882,459	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	1,830,478
Petroleum Special Tax	0	0	0	0	0	0	38,095
T.B.I. - Equipment Reimbursement	1,690	0	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0	0
Other State Grants	645,917	0	0	0	0	0	0
Other State Revenues	55,523	0	0	0	0	0	0
Total State of Tennessee	\$ 2,111,455	\$ 95,201	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,959,970
<u>Federal Government</u>							
<u>Federal Through State</u>							
Civil Defense Reimbursement	\$ 90,771	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Homeland Security Grants	93,527	0	0	0	0	0	0
Law Enforcement Grants	0	0	0	310	0	0	0
Other Federal through State	10,160	0	0	0	0	0	0
<u>Direct Federal Revenue</u>							
Tax Credit Bond Rebate	73,381	0	0	0	0	0	0
Total Federal Government	\$ 267,839	\$ 0	\$ 0	\$ 310	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit K-5

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

	Special Revenue Funds						
	General	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	District Attorney General	Highway / Public Works	
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Contributions	\$ 21,565	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Services	6,325	0	0	0	0	0	0
<u>Citizens Groups</u>							
Donations	19,338	0	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 47,228	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 19,059,502	\$ 1,411,147	\$ 148,670	\$ 169,093	\$ 37,904	\$ 2,000,526	

(Continued)

Exhibit K-5

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

	Debt Service Funds						Capital Projects Funds				Total
	General Debt Service	Rural Debt Service	Special Debt Service	Education Debt Service	Other		General Capital Projects	Education Capital Projects			
					Rural Debt Service	Education Debt Service					
<u>Local Taxes</u>											
<u>County Property Taxes</u>											
Current Property Tax	\$ 1,015,908	\$ 518,331	\$ 0	\$ 430,510	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,510,954		
Trustee's Collections - Prior Year	29,908	121	0	14,815	0	0	0	0	288,062		
Trustee's Collections - Bankruptcy	1,576	449	0	1,032	0	0	0	0	17,854		
Circuit/Clerk & Master Collections - Prior Years	15,241	1,305	0	9,285	0	0	0	0	168,085		
Interest and Penalty	12,265	1,405	0	6,880	0	0	0	0	128,378		
Payments in-Lieu-of Taxes - T.V.A.	76	91	0	52	0	0	0	0	919		
Payments in-Lieu-of Taxes - Local Utilities	2,025	2,434	0	1,387	0	0	0	0	24,563		
<u>County Local Option Taxes</u>											
Local Option Sales Tax	0	653,229	1,254,365	0	280,709	283,558	0	0	2,863,767		
Litigation Tax - General	0	0	0	0	0	0	0	0	224,901		
Litigation Tax - Special Purpose	0	0	0	0	0	0	0	0	117,334		
Litigation Tax - Jail, Workhouse, or Courthouse	321,743	0	0	0	0	0	0	0	321,743		
Litigation Tax - Courtroom Security	0	0	0	0	0	0	0	0	75,785		
Business Tax	0	0	0	0	0	0	0	0	882,549		
Mineral Severance Tax	0	0	0	0	0	0	0	0	36,958		
<u>Statutory Local Taxes</u>											
Bank Excise Tax	0	0	0	0	0	0	0	0	99,326		
Wholesale Beer Tax	0	0	0	0	0	0	0	0	255,107		
Interstate Telecommunications Tax	0	0	0	0	0	0	0	0	1,559		
Total Local Taxes	\$ 1,398,742	\$ 1,177,365	\$ 1,254,365	\$ 463,961	\$ 280,709	\$ 283,558	\$ 0	\$ 0	\$ 16,017,844		
<u>Licenses and Permits</u>											
<u>Licenses</u>											
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 126,091		
<u>Permits</u>											
Beer Permits	0	0	0	0	0	0	0	0	6,626		
Building Permits	0	0	0	0	0	0	0	0	51,767		
Plumbing Permits	0	0	0	0	0	0	0	0	1,310		
Other Permits	0	0	0	0	0	0	0	0	13,700		
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 199,494		

(Continued)

Exhibit K-5

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

	Debt Service Funds						Capital Projects Funds			Total
	General Debt Service	Rural Debt Service	Special Debt Service	Education Debt Service	Other		General Capital Projects	Education Capital Projects		
					Rural Debt Service	Rural Debt Service				
<u>Fines, Forfeitures, and Penalties</u>										
<u>Circuit Court</u>										
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 50,597	
Officers Costs	0	0	0	0	0	0	0	0	12,337	
Drug Control Fines	0	0	0	0	0	0	0	0	154,989	
District Attorney General Fees	0	0	0	0	0	0	0	0	22,667	
Judicial Commissioner Fees	0	0	0	0	0	0	0	0	1,492	
DUI Treatment Fines	0	0	0	0	0	0	0	0	1,745	
Data Entry Fee - Circuit Court	0	0	0	0	0	0	0	0	37,854	
Courtroom Security Fee	0	0	0	0	0	0	0	0	208	
<u>General Sessions Court</u>										
Fines	0	0	0	0	0	0	0	0	74,506	
Officers Costs	0	0	0	0	0	0	0	0	74,084	
Game and Fish Fines	0	0	0	0	0	0	0	0	648	
Drug Control Fines	0	0	0	0	0	0	0	0	115,523	
Jail Fees	0	0	0	0	0	0	0	0	17,064	
Interpreter Fees	0	0	0	0	0	0	0	0	899	
District Attorney General Fees	0	0	0	0	0	0	0	0	15,237	
Judicial Commissioner Fees	0	0	0	0	0	0	0	0	6,426	
DUI Treatment Fines	0	0	0	0	0	0	0	0	10,158	
Courtroom Security Fee	0	0	0	0	0	0	0	0	3,254	
<u>Juvenile Court</u>										
Fines	0	0	0	0	0	0	0	0	2,221	
Officers Costs	0	0	0	0	0	0	0	0	5,185	
Interpreter Fees	0	0	0	0	0	0	0	0	95	
Judicial Commissioner Fees	0	0	0	0	0	0	0	0	960	
<u>Chancery Court</u>										
Officers Costs	0	0	0	0	0	0	0	0	2,593	
Data Entry Fee - Chancery Court	0	0	0	0	0	0	0	0	4,166	
Courtroom Security Fee	0	0	0	0	0	0	0	0	5,446	
<u>Other Courts - In-county</u>										
Drug Control Fines	0	0	0	0	0	0	0	0	16,809	

(Continued)

Exhibit K-5

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

	Debt Service Funds					Capital Projects Funds				
	General Debt Service	Rural Debt Service	Special Debt Service	Education Debt Service	Other Rural Debt Service	General Capital Projects	Education Capital Projects	Total		
<u>Fines, Forfeitures, and Penalties (Cont.)</u>										
<u>Other Courts - In-county (Cont.)</u>										
Drug Court Fees	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	36,143	
<u>Other Fines, Forfeitures, and Penalties</u>										
Proceeds from Confiscated Property	0	0	0	0	0	0	0	0	33,580	
Total Fines, Forfeitures, and Penalties	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	706,886	
<u>Charges for Current Services</u>										
<u>General Service Charges</u>										
Convenience Waste Centers Collection Charge	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	12,566	
Solid Waste Disposal Fees	0	0	0	0	0	0	0	0	79,131	
Patient Charges	0	0	0	0	0	0	0	0	2,093,302	
Work Release Charges for Board	0	0	0	0	0	0	0	0	1,660	
Other General Service Charges	0	0	0	0	0	0	0	0	1,920	
<u>Fees</u>										
Subdivision Lot Fees	0	0	0	0	0	0	0	0	8,350	
Recreation Fees	0	0	0	0	0	0	0	0	16,778	
Copy Fees	0	0	0	0	0	0	0	0	7,156	
Library Fees	0	0	0	0	0	0	0	0	58,393	
Greenbelt Late Application Fee	0	0	0	0	0	0	0	0	50	
Telephone Commissions	0	0	0	0	0	0	0	0	45,320	
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0	0	0	290	
Data Processing Fee - Register	0	0	0	0	0	0	0	0	16,058	
Probation Fees	0	0	0	0	0	0	0	0	271,682	
Data Processing Fee - Sheriff	0	0	0	0	0	0	0	0	3,591	
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	0	0	0	3,300	
Data Processing Fee - County Clerk	0	0	0	0	0	0	0	0	5,038	
<u>Other Charges for Services</u>										
Other Charges for Services	0	0	0	0	0	0	0	0	41,215	
Total Charges for Current Services	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	2,665,800	

(Continued)

Exhibit K-5

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

	Debt Service Funds					Capital Projects Funds					Total
	General Debt Service	Rural Debt Service	Special Debt Service	Education Debt Service	Other Rural Debt Service	General Capital Projects	Education Capital Projects				
<u>Other Local Revenues</u>											
<u>Recurring Items</u>											
Investment Income	\$ 124,026	\$ 0	\$ 154	\$ 1,687	\$ 0	\$ 0	\$ 2,143	\$ 0	\$ 0	\$ 0	\$ 128,412
Lease/Rentals	105,050	0	0	0	0	0	0	0	0	0	125,280
Sale of Materials and Supplies	0	0	0	0	0	0	0	0	0	0	262
Commissary Sales	0	0	0	0	0	0	0	0	0	0	6,084
Sale of Maps	0	0	0	0	0	0	0	0	0	0	97
Sale of Recycled Materials	0	0	0	0	0	0	0	0	0	0	71,448
Miscellaneous Refunds	0	0	0	0	0	0	0	0	0	0	17,600
<u>Nonrecurring Items</u>											
Sale of Equipment	0	0	0	0	0	0	0	0	0	0	8,936
Sale of Property	0	0	0	0	0	8,000	0	0	0	0	9,612
Damages Recovered from Individuals	0	0	0	0	0	0	0	0	0	0	766
Contributions and Gifts	0	0	0	0	0	0	0	0	0	0	268,974
Total Other Local Revenues	\$ 229,076	\$ 0	\$ 154	\$ 1,687	\$ 0	\$ 8,000	\$ 2,143	\$ 0	\$ 0	\$ 0	\$ 637,471
<u>Fees Received from County Officials</u>											
<u>Fees in-Lieu-of Salary</u>											
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 586,920
Circuit Court Clerk	0	0	0	0	0	0	0	0	0	0	1,173,665
Clerk and Master	0	0	0	0	0	0	0	0	0	0	252,703
Register	0	0	0	0	0	0	0	0	0	0	229,252
Sheriff	0	0	0	0	0	0	0	0	0	0	27,197
Trustee	0	0	0	0	0	0	0	0	0	0	947,367
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,217,104
<u>State of Tennessee</u>											
<u>General Government Grants</u>											
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 14,000
Solid Waste Grants	0	0	0	0	0	0	0	0	0	0	36,140
Public Safety Grants	0	0	0	0	0	0	0	0	0	0	25,200
Law Enforcement Training Programs	0	0	0	0	0	0	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Debt Service Funds						Capital Projects Funds			Total
	General Debt Service	Rural Debt Service	Special Debt Service	Education Debt Service	Other		General Capital Projects	Education Capital Projects		
					Rural Debt Service	Education Debt Service				
<u>State of Tennessee (Cont.)</u>										
<u>Public Safety Grants (Cont.)</u>										
Other Public Safety Grants	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 14,169
<u>Health and Welfare Grants</u>										
Other Health and Welfare Grants	0	0	0	0	0	0	0	0	0	1,000
<u>Public Works Grants</u>										
State Aid Program	0	0	0	0	0	0	0	0	0	91,397
Litter Program	0	0	0	0	0	0	0	0	0	59,061
<u>Other State Revenues</u>										
Income Tax	0	0	0	0	0	0	0	0	0	61,917
Beer Tax	0	0	0	0	0	0	0	0	0	18,421
Alcoholic Beverage Tax	0	0	0	0	0	0	0	0	0	74,762
Mixed Drink Tax	0	0	0	0	0	0	0	0	0	2,428
State Revenue Sharing - T.V.A.	0	0	0	0	0	0	0	0	0	298,805
Contracted Prisoner Boarding	0	0	0	0	0	0	0	0	0	882,459
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	0	0	0	1,830,478
Petroleum Special Tax	0	0	0	0	0	0	0	0	0	38,095
T.B.I. - Equipment Reimbursement	0	0	0	0	0	0	0	0	0	1,690
Registrar's Salary Supplement	0	0	0	0	0	0	0	0	0	15,164
Other State Grants	0	0	0	0	0	0	0	0	0	645,917
Other State Revenues	0	0	0	0	0	0	0	0	0	55,523
<u>Total State of Tennessee</u>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,166,626
<u>Federal Government</u>										
<u>Federal Through State</u>										
Civil Defense Reimbursement	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 90,771
Homeland Security Grants	0	0	0	0	0	0	0	0	0	93,527
Law Enforcement Grants	0	0	0	0	0	0	0	0	0	310
Other Federal through State	0	0	0	0	0	0	0	0	0	10,160
<u>Direct Federal Revenue</u>										
Tax Credit Bond Rebate	0	0	493,134	8,745	0	0	0	0	0	575,260
<u>Total Federal Government</u>	\$ 0	\$ 0	\$ 493,134	\$ 8,745	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 770,028

(Continued)

Exhibit K-5

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

	Debt Service Funds					Capital Projects Funds			Total
	General Debt Service	Rural Debt Service	Special Debt Service	Education Debt Service	Other Rural Debt Service	General Capital Projects	Education Capital Projects		
<u>Other Governments and Citizens Groups</u>									
<u>Other Governments</u>									
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 21,565
Contracted Services	0	0	0	0	0	0	0	0	6,325
<u>Citizens Groups</u>									
Donations	0	0	0	0	0	0	0	0	19,338
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 47,228
Total	\$ 1,627,818	\$ 1,177,365	\$ 1,747,653	\$ 474,393	\$ 280,709	\$ 291,558	\$ 2,143	\$ 28,428,481	

Exhibit K-6

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

	General Purpose School	School Federal Projects	Central Cafeteria	Other Capital Projects	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 7,868,605	\$ 0	\$ 0	\$ 0	\$ 7,868,605
Trustee's Collections - Prior Year	231,071	0	0	0	231,071
Trustee's Collections - Bankruptcy	13,226	0	0	0	13,226
Circuit/Clerk & Master Collections - Prior Years	118,786	0	0	0	118,786
Interest and Penalty	97,835	0	0	0	97,835
Payments in-Lieu-of Taxes - T.V.A.	586	0	0	0	586
Payments in-Lieu-of Taxes - Local Utilities	15,685	0	0	0	15,685
<u>County Local Option Taxes</u>					
Local Option Sales Tax	3,777,055	0	0	0	3,777,055
<u>Statutory Local Taxes</u>					
Interstate Telecommunications Tax	1,509	0	0	0	1,509
Total Local Taxes	\$ 12,124,358	\$ 0	\$ 0	\$ 0	\$ 12,124,358
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 2,107	\$ 0	\$ 0	\$ 0	\$ 2,107
Total Licenses and Permits	\$ 2,107	\$ 0	\$ 0	\$ 0	\$ 2,107
<u>Charges for Current Services</u>					
<u>Fees</u>					
Recreation Fees	\$ 956	\$ 0	\$ 0	\$ 0	\$ 956
<u>Education Charges</u>					
Tuition - Summer School	7,500	0	0	0	7,500
Lunch Payments - Children	0	0	611,674	0	611,674
Lunch Payments - Adults	0	0	67,909	0	67,909
Income from Breakfast	0	0	17,674	0	17,674
A la carte Sales	0	0	102,572	0	102,572
Receipts from Individual Schools	105,981	0	0	0	105,981
Community Service Fees - Children	88,835	0	0	0	88,835
<u>Other Charges for Services</u>					
Other Charges for Services	0	0	180	0	180
Total Charges for Current Services	\$ 203,272	\$ 0	\$ 800,009	\$ 0	\$ 1,003,281
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 2,406	\$ 0	\$ 2,406
Sale of Materials and Supplies	1,587	0	0	0	1,587
Refund of Telecommunication and Internet Fees (E-Rate)	28,175	0	0	0	28,175
Miscellaneous Refunds	12,675	0	0	0	12,675
<u>Nonrecurring Items</u>					
Damages Recovered from Individuals	6,591	0	0	0	6,591
Contributions and Gifts	7,513	0	0	0	7,513
<u>Other Local Revenues</u>					
Other Local Revenues	24,914	0	0	0	24,914
Total Other Local Revenues	\$ 81,455	\$ 0	\$ 2,406	\$ 0	\$ 83,861

(Continued)

Exhibit K-6

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

	General Purpose School	School Federal Projects	Central Cafeteria	Other Capital Projects	Total
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-Behalf Contributions for OPEB	\$ 206,614	\$ 0	\$ 0	\$ 0	\$ 206,614
<u>State Education Funds</u>					
Basic Education Program	17,804,000	0	0	0	17,804,000
Early Childhood Education	635,244	0	0	0	635,244
School Food Service	0	0	23,612	0	23,612
Energy Efficient School Initiative	15,903	0	0	0	15,903
Driver Education	13,066	0	0	0	13,066
Other State Education Funds	190,787	0	0	0	190,787
Career Ladder Program	172,402	0	0	0	172,402
Career Ladder - Extended Contract	65,100	0	0	0	65,100
<u>Other State Revenues</u>					
Alcoholic Beverage Tax	3,522	0	0	0	3,522
State Revenue Sharing - T.V.A.	671,240	0	0	0	671,240
Other State Grants	1,399	0	2,500	0	3,899
Other State Revenues	4,669	0	0	0	4,669
Total State of Tennessee	\$ 19,783,946	\$ 0	\$ 26,112	\$ 0	\$ 19,810,058
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,127,663	\$ 0	\$ 1,127,663
USDA - Commodities	0	0	72,132	0	72,132
Breakfast	0	0	424,340	0	424,340
USDA - Other	0	0	6,376	0	6,376
Vocational Education - Basic Grants to States	0	84,414	0	0	84,414
Title I Grants to Local Education Agencies	0	653,940	0	0	653,940
Special Education - Grants to States	0	1,115,406	0	0	1,115,406
Special Education Preschool Grants	0	33,841	0	0	33,841
Rural Education	0	94,172	0	0	94,172
Education for Homeless Children and Youth	0	1,924	0	0	1,924
Eisenhower Professional Development State Grants	0	137,518	0	0	137,518
Race-to-the-Top - ARRA	0	4,190	0	0	4,190
Other Federal through State	285,442	853,832	0	0	1,139,274
<u>Direct Federal Revenue</u>					
ROTC Reimbursement	50,639	0	0	0	50,639
Other Direct Federal Revenue	0	0	6,000	0	6,000
Total Federal Government	\$ 336,081	\$ 2,979,237	\$ 1,636,511	\$ 0	\$ 4,951,829
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 2,988,407	\$ 0	\$ 0	\$ 300,000	\$ 3,288,407
Total Other Governments and Citizens Groups	\$ 2,988,407	\$ 0	\$ 0	\$ 300,000	\$ 3,288,407
Total	\$ 35,519,626	\$ 2,979,237	\$ 2,465,038	\$ 300,000	\$ 41,263,901

Exhibit K-7

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

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	20,295	
Social Security		1,552	
Audit Services		15,839	
Dues and Memberships		1,950	
Maintenance Agreements		750	
Printing, Stationery, and Forms		576	
Travel		8,922	
Total County Commission			\$ 49,884

Board of Equalization

Board and Committee Members Fees	\$	1,529	
Social Security		91	
Total Board of Equalization			1,620

Other Boards and Committees

Board and Committee Members Fees	\$	31,000	
Social Security		2,372	
Travel		519	
Total Other Boards and Committees			33,891

County Mayor/Executive

County Official/Administrative Officer	\$	80,226	
Secretary(ies)		31,047	
Clerical Personnel		7,051	
Part-time Personnel		4,295	
Social Security		9,015	
State Retirement		10,507	
Medical Insurance		9,053	
Dental Insurance		580	
Unemployment Compensation		72	
Communication		6,484	
Dues and Memberships		13,975	
Legal Notices, Recording, and Court Costs		2,000	
Maintenance Agreements		2,725	
Printing, Stationery, and Forms		165	
Office Supplies		1,597	
Other Charges		5,000	
Total County Mayor/Executive			183,792

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

County Attorney

County Official/Administrative Officer	\$	4,800	
Legal Services		39,660	
Total County Attorney			\$ 44,460

Election Commission

County Official/Administrative Officer	\$	62,515	
Deputy(ies)		69,278	
Clerical Personnel		8,547	
Overtime Pay		75	
Election Commission		6,687	
Election Workers		28,725	
Social Security		11,593	
State Retirement		10,365	
Medical Insurance		17,264	
Dental Insurance		991	
Unemployment Compensation		435	
Communication		4,138	
Operating Lease Payments		1,319	
Legal Notices, Recording, and Court Costs		38,201	
Maintenance Agreements		20,714	
Maintenance and Repair Services - Equipment		4,063	
Travel		2,264	
Other Contracted Services		1,317	
Office Supplies		5,371	
Utilities		235	
In Service/Staff Development		300	
Data Processing Equipment		1,221	
Voting Machines		10,160	
Total Election Commission			305,778

Register of Deeds

County Official/Administrative Officer	\$	69,461
Deputy(ies)		102,956
Social Security		12,885
State Retirement		11,920
Medical Insurance		20,986
Dental Insurance		1,032
Unemployment Compensation		216
Communication		1,816
Operating Lease Payments		13,886

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

Maintenance Agreements	\$	3,070	
Other Contracted Services		3,500	
Data Processing Supplies		2,073	
Office Supplies		3,817	
Total Register of Deeds			\$ 247,618

Codes Compliance

Supervisor/Director	\$	10,506	
Investigator(s)		26,519	
Part-time Personnel		13,450	
Social Security		4,006	
State Retirement		3,288	
Medical Insurance		3,748	
Dental Insurance		277	
Unemployment Compensation		144	
Communication		1,110	
Consultants		940	
Dues and Memberships		159	
Operating Lease Payments		1,194	
Legal Notices, Recording, and Court Costs		1,067	
Maintenance and Repair Services - Office Equipment		277	
Maintenance and Repair Services - Vehicles		112	
Printing, Stationery, and Forms		97	
Gasoline		2,468	
Office Supplies		395	
Data Processing Equipment		2,399	
Total Codes Compliance			72,156

County Buildings

Supervisor/Director	\$	46,203
Custodial Personnel		46,078
Maintenance Personnel		107,496
Overtime Pay		8,850
Social Security		15,926
State Retirement		17,146
Medical Insurance		24,573
Dental Insurance		1,633
Unemployment Compensation		538
Communication		27,301
Maintenance Agreements		32,121

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Maintenance and Repair Services - Buildings	\$	86,362	
Maintenance and Repair Services - Equipment		4,811	
Maintenance and Repair Services - Vehicles		830	
Pest Control		3,420	
Disposal Fees		170	
Other Contracted Services		22,682	
Custodial Supplies		16,957	
Data Processing Supplies		5,214	
Electricity		119,000	
Gasoline		6,004	
Natural Gas		31,004	
Office Supplies		679	
Uniforms		470	
Water and Sewer		5,500	
Maintenance Equipment		3,521	
Other Equipment		279	
Total County Buildings			\$ 634,768

Other General Administration

Communication	\$	4,985	
Data Processing Services		8,967	
Maintenance Agreements		24,974	
Postal Charges		54,004	
Total Other General Administration			92,930

Finance

Accounting and Budgeting

Supervisor/Director	\$	67,537	
Accountants/Bookkeepers		167,024	
Part-time Personnel		4,019	
Social Security		18,031	
State Retirement		18,384	
Medical Insurance		23,632	
Dental Insurance		1,440	
Unemployment Compensation		484	
Bank Charges		853	
Communication		1,675	
Dues and Memberships		615	
Legal Notices, Recording, and Court Costs		6,500	
Maintenance Agreements		12,002	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Maintenance and Repair Services - Vehicles	\$	494	
Other Contracted Services		4,237	
Gasoline		64	
Office Supplies		7,457	
In Service/Staff Development		2,700	
Total Accounting and Budgeting			\$ 337,148

Property Assessor's Office

County Official/Administrative Officer	\$	69,461	
Clerical Personnel		157,489	
Social Security		17,715	
State Retirement		20,153	
Medical Insurance		26,262	
Dental Insurance		1,655	
Unemployment Compensation		360	
Audit Services		24,955	
Communication		1,611	
Data Processing Services		23,556	
Dues and Memberships		1,500	
Maintenance Agreements		382	
Maintenance and Repair Services - Vehicles		423	
Printing, Stationery, and Forms		233	
Gasoline		3,489	
Office Supplies		407	
Motor Vehicles		21,423	
Total Property Assessor's Office			371,074

Reappraisal Program

Data Processing Supplies	\$	2,804	
Other Charges		3,351	
Total Reappraisal Program			6,155

County Trustee's Office

County Official/Administrative Officer	\$	69,461
Deputy(ies)		119,787
Social Security		13,585
State Retirement		16,805
Medical Insurance		27,360
Dental Insurance		1,289
Unemployment Compensation		288

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Communication	\$	1,209	
Maintenance Agreements		9,365	
Maintenance and Repair Services - Office Equipment		495	
Postal Charges		6,615	
Printing, Stationery, and Forms		929	
Office Supplies		1,516	
Office Equipment		1,836	
Total County Trustee's Office			\$ 270,540

County Clerk's Office

County Official/Administrative Officer	\$	69,461	
Deputy(ies)		157,070	
Part-time Personnel		8,817	
Social Security		17,772	
State Retirement		19,704	
Medical Insurance		28,008	
Dental Insurance		1,805	
Unemployment Compensation		482	
Communication		2,500	
Maintenance Agreements		24,757	
Printing, Stationery, and Forms		1,735	
Office Supplies		4,626	
Other Charges		5,106	
Total County Clerk's Office			341,843

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	69,461	
Deputy(ies)		642,254	
Part-time Personnel		13,995	
Overtime Pay		3,017	
Jury and Witness Expense		19,910	
Social Security		53,918	
State Retirement		54,294	
Medical Insurance		107,380	
Dental Insurance		5,158	
Unemployment Compensation		1,663	
Communication		4,200	
Maintenance Agreements		20,700	
Printing, Stationery, and Forms		11,500	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Travel	\$	491	
Duplicating Supplies		4,974	
Office Supplies		9,150	
Other Charges		22,988	
Office Equipment		1,427	
Total Circuit Court			\$ 1,046,480

General Sessions Judge

Judge(s)	\$	296,948	
Social Security		17,397	
State Retirement		13,185	
Medical Insurance		11,101	
Dental Insurance		516	
Communication		1,336	
Legal Services		3,235	
Maintenance and Repair Services - Equipment		919	
Travel		2,802	
Office Supplies		500	
Periodicals		5,500	
Total General Sessions Judge			353,439

Drug Court

Drug Treatment	\$	201,758	
Total Drug Court			201,758

Chancery Court

County Official/Administrative Officer	\$	69,461	
Deputy(ies)		62,237	
Clerical Personnel		59,115	
Social Security		14,722	
State Retirement		16,935	
Medical Insurance		21,902	
Dental Insurance		1,287	
Unemployment Compensation		382	
Communication		2,200	
Maintenance Agreements		9,269	
Printing, Stationery, and Forms		1,713	
Office Supplies		3,559	
Periodicals		1,180	
Total Chancery Court			263,962

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Judicial Commissioners

County Official/Administrative Officer	\$	78,699	
Temporary Personnel		12,496	
Social Security		7,020	
State Retirement		6,710	
Medical Insurance		14,014	
Dental Insurance		752	
Unemployment Compensation		351	
Communication		1,943	
Maintenance Agreements		307	
Office Supplies		475	
In Service/Staff Development		525	
Total Judicial Commissioners			\$ 123,292

Probation Services

Supervisor/Director	\$	38,570	
Probation Officer(s)		75,372	
Clerical Personnel		20,014	
Part-time Personnel		24,502	
Social Security		12,059	
State Retirement		8,390	
Medical Insurance		16,503	
Dental Insurance		645	
Unemployment Compensation		519	
Communication		3,707	
Maintenance Agreements		1,765	
Maintenance and Repair Services - Vehicles		233	
Printing, Stationery, and Forms		592	
Travel		188	
Gasoline		249	
Office Supplies		2,968	
Uniforms		67	
Other Supplies and Materials		1,578	
In Service/Staff Development		89	
Communication Equipment		746	
Furniture and Fixtures		370	
Office Equipment		1,408	
Total Probation Services			210,534

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	76,407	
Deputy(ies)		1,298,704	
Salary Supplements		25,200	
Secretary(ies)		41,125	
Clerical Personnel		54,377	
Overtime Pay		79,176	
Other Salaries and Wages		79,454	
Social Security		129,598	
State Retirement		136,642	
Medical Insurance		182,443	
Dental Insurance		9,241	
Unemployment Compensation		3,232	
Communication		30,240	
Evaluation and Testing		406	
Maintenance Agreements		4,500	
Maintenance and Repair Services - Vehicles		53,929	
Printing, Stationery, and Forms		570	
Gasoline		219,938	
Law Enforcement Supplies		3,578	
Office Supplies		5,507	
Uniforms		6,213	
Motor Vehicles		43,842	
Total Sheriff's Department			\$ 2,484,322

Traffic Control

Contracts with Other Public Agencies	\$	8,300	
Road Signs		5,792	
Total Traffic Control			14,092

Administration of the Sexual Offender Registry

Law Enforcement Supplies	\$	1,100	
Total Administration of the Sexual Offender Registry			1,100

Jail

Deputy(ies)	\$	206,639	
Medical Personnel		107,773	
Guards		595,699	
Clerical Personnel		50,561	
Attendants		11,948	
Cafeteria Personnel		27,736	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Overtime Pay	\$	58,233	
Bonus Payments		13,259	
Other Salaries and Wages		42,965	
Social Security		85,345	
State Retirement		83,589	
Medical Insurance		178,570	
Dental Insurance		9,821	
Unemployment Compensation		3,420	
Communication		14,717	
Contracts with Private Agencies		47,498	
Evaluation and Testing		2,620	
Maintenance Agreements		4,015	
Medical and Dental Services		399,801	
Transportation - Other than Students		2,947	
Custodial Supplies		40,242	
Electricity		108,800	
Food Supplies		262,961	
Natural Gas		21,375	
Office Supplies		2,866	
Periodicals		1,000	
Uniforms		3,598	
Water and Sewer		54,600	
Communication Equipment		452	
Total Jail			\$ 2,443,050

Juvenile Services

Supervisor/Director	\$	41,051
Youth Service Officer(s)		122,435
Salary Supplements		9,000
Part-time Personnel		12,989
Other Salaries and Wages		7,800
In-Service Training		1,460
Social Security		14,277
State Retirement		16,009
Medical Insurance		22,392
Dental Insurance		1,289
Unemployment Compensation		337
Communication		2,156
Contracts with Government Agencies		27,000
Maintenance Agreements		6,170

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Juvenile Services (Cont.)

Travel	\$	4,712	
Other Contracted Services		3,418	
Office Supplies		2,546	
Data Processing Equipment		1,492	
Total Juvenile Services			\$ 296,533

Rural Fire Protection

Contributions	\$	282,000	
Total Rural Fire Protection			282,000

Civil Defense

Supervisor/Director	\$	41,166	
Other Salaries and Wages		33,912	
Social Security		5,196	
State Retirement		6,372	
Medical Insurance		10,517	
Dental Insurance		682	
Unemployment Compensation		144	
Communication		7,259	
Dues and Memberships		412	
Maintenance and Repair Services - Vehicles		6,877	
Travel		1,686	
Food Supplies		998	
Gasoline		7,995	
Office Supplies		3,464	
Uniforms		2,300	
Other Supplies and Materials		14,269	
In Service/Staff Development		565	
Other Charges		12,629	
Communication Equipment		111,696	
Total Civil Defense			268,139

Rescue Squad

Contributions	\$	17,000	
Total Rescue Squad			17,000

County Coroner/Medical Examiner

Medical and Dental Services	\$	50,000	
Total County Coroner/Medical Examiner			50,000

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Other Public Safety

Supervisor/Director	\$	43,551	
Salary Supplements		30,937	
Dispatchers/Radio Operators		451,768	
Educational Assistants		38,184	
Overtime Pay		18,984	
Other Salaries and Wages		19,832	
Social Security		43,821	
State Retirement		50,438	
Medical Insurance		91,051	
Dental Insurance		4,876	
Unemployment Compensation		1,379	
Total Other Public Safety			\$ 794,821

Public Health and Welfare

Local Health Center

Medical Personnel	\$	191,249	
Clerical Personnel		120,086	
Educational Assistants		128,903	
Social Security		34,278	
State Retirement		32,549	
Medical Insurance		51,843	
Dental Insurance		2,448	
Unemployment Compensation		1,321	
Communication		8,170	
Contributions		40,000	
Maintenance and Repair Services - Buildings		6,266	
Travel		21,173	
Drugs and Medical Supplies		72	
Office Supplies		381	
Utilities		10,670	
Other Supplies and Materials		814	
In Service/Staff Development		200	
Total Local Health Center			650,423

Rabies and Animal Control

Supervisor/Director	\$	31,048
Deputy(ies)		21,031
Overtime Pay		2,316
Social Security		4,161
State Retirement		4,830

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

Medical Insurance	\$	8,520	
Dental Insurance		516	
Unemployment Compensation		144	
Communication		2,778	
Dues and Memberships		125	
Maintenance and Repair Services - Buildings		54	
Maintenance and Repair Services - Vehicles		5,938	
Veterinary Services		2,392	
Custodial Supplies		838	
Drugs and Medical Supplies		915	
Gasoline		6,294	
Office Supplies		766	
Uniforms		749	
Utilities		1,200	
Communication Equipment		555	
Total Rabies and Animal Control			\$ 95,170

Ambulance/Emergency Medical Services

Assistant(s)	\$	43,500
Supervisor/Director		52,696
Accountants/Bookkeepers		25,993
Medical Personnel		770,114
Overtime Pay		403,722
In-Service Training		8,679
Social Security		97,473
State Retirement		101,188
Medical Insurance		157,671
Dental Insurance		6,834
Unemployment Compensation		3,039
Communication		13,427
Consultants		3,000
Dues and Memberships		580
Operating Lease Payments		3,000
Licenses		2,985
Maintenance and Repair Services - Buildings		1,320
Maintenance and Repair Services - Equipment		10,065
Maintenance and Repair Services - Vehicles		35,716
Medical and Dental Services		390
Travel		1,078
Custodial Supplies		2,773

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Drugs and Medical Supplies	\$	53,295	
Gasoline		78,479	
Office Supplies		2,971	
Tires and Tubes		4,691	
Uniforms		7,456	
Utilities		30,532	
Other Supplies and Materials		2,287	
Liability Insurance		30,535	
Vehicle and Equipment Insurance		20,048	
Communication Equipment		3,551	
Furniture and Fixtures		1,107	
Other Equipment		1,328	
Total Ambulance/Emergency Medical Services			\$ 1,981,523

Alcohol and Drug Programs

Other Supplies and Materials	\$	2,000	
Total Alcohol and Drug Programs			2,000

Appropriation to State

Contributions	\$	82,378	
Total Appropriation to State			82,378

General Welfare Assistance

Contributions	\$	8,780	
Total General Welfare Assistance			8,780

Other Waste Disposal

Disposal Fees	\$	41,820	
Total Other Waste Disposal			41,820

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$	59,478	
Tax Relief Program		128,024	
Total Senior Citizens Assistance			187,502

Libraries

Librarians	\$	493,015	
Social Security		36,156	
State Retirement		34,115	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Medical Insurance	\$	67,594	
Dental Insurance		3,095	
Unemployment Compensation		1,781	
Communication		6,588	
Data Processing Services		1,978	
Dues and Memberships		580	
Janitorial Services		12,802	
Maintenance Agreements		29,666	
Maintenance and Repair Services - Buildings		2,377	
Maintenance and Repair Services - Equipment		1,504	
Printing, Stationery, and Forms		615	
Travel		1,021	
Other Contracted Services		9,004	
Riprap		17,315	
Library Books/Media		60,655	
Office Supplies		12,460	
Periodicals		3,793	
Utilities		44,676	
Other Supplies and Materials		17,893	
Data Processing Equipment		8,823	
Office Equipment		13,332	
Total Libraries			\$ 880,838

Other Social, Cultural, and Recreational

Librarians	\$	1,377	
Social Security		102	
State Retirement		50	
Unemployment Compensation		5	
Maintenance Agreements		9,133	
Other Contracted Services		2,500	
Riprap		1,734	
Library Books/Media		3,494	
Other Supplies and Materials		2,398	
Office Equipment		2,911	
Total Other Social, Cultural, and Recreational			23,704

Agriculture and Natural Resources

Agriculture Extension Service

Salary Supplements	\$	71,718	
Secretary(ies)		48,297	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agriculture Extension Service (Cont.)

Social Security	\$	785	
State Retirement		911	
Unemployment Compensation		76	
Other Fringe Benefits		41,424	
Communication		659	
Contracts with Private Agencies		43,870	
Maintenance and Repair Services - Office Equipment		717	
Travel		640	
Data Processing Supplies		1,052	
Utilities		2,528	
Other Charges		1,000	
Total Agriculture Extension Service			\$ 213,677

Soil Conservation

Secretary(ies)	\$	32,938	
Other Salaries and Wages		25,245	
Social Security		4,164	
State Retirement		5,167	
Medical Insurance		8,800	
Dental Insurance		516	
Unemployment Compensation		110	
Contributions		2,000	
Total Soil Conservation			78,940

Other Operations

Industrial Development

Contributions	\$	251,761	
Total Industrial Development			251,761

Veterans' Services

Clerical Personnel	\$	6,910	
Social Security		529	
Unemployment Compensation		55	
Communication		720	
Dues and Memberships		25	
Travel		436	
Electricity		1,100	
Natural Gas		610	
Office Supplies		234	
Water and Sewer		366	
Total Veterans' Services			10,985

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Other Operations (Cont.)

Other Charges

Liability Insurance	\$	169,302	
Premiums on Corporate Surety Bonds		100	
Trustee's Commission		227,581	
Workers' Compensation Insurance		152,200	
Liability Claims		7,102	
Loss from Joint Ventures		95,748	
Other Charges		<u>28,351</u>	
Total Other Charges			\$ 680,384

Contributions to Other Agencies

Contributions	\$	<u>14,450</u>	
Total Contributions to Other Agencies			14,450

Payments to Cities

Contributions	\$	<u>15,000</u>	
Total Payments to Cities			15,000

Principal on Debt

General Government

Principal on Other Loans	\$	<u>350,000</u>	
Total General Government			350,000

Other Debt Service

General Government

Other Debt Service	\$	<u>1,750,000</u>	
Total General Government			<u>1,750,000</u>

Total General Fund \$ 19,163,514

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Supervisor/Director	\$	46,203	
Secretary(ies)		32,938	
Overtime Pay		2,071	
In-Service Training		996	
Social Security		6,139	
State Retirement		7,198	
Medical Insurance		10,747	
Dental Insurance		516	

(Continued)

Exhibit K-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Management (Cont.)

Unemployment Compensation	\$	115	
Communication		2,480	
Maintenance and Repair Services - Buildings		10,943	
Postal Charges		960	
Travel		676	
Custodial Supplies		416	
Utilities		7,465	
Other Supplies and Materials		5,021	
Trustee's Commission		20,223	
Other Charges		14,558	
Total Sanitation Management			\$ 169,665

Waste Pickup

Truck Drivers	\$	112,092	
Guards		23,482	
Overtime Pay		13,745	
Social Security		10,804	
State Retirement		7,708	
Medical Insurance		28,157	
Dental Insurance		1,096	
Unemployment Compensation		360	
Contracts with Government Agencies		20,694	
Contracts with Private Agencies		275,562	
Maintenance and Repair Services - Equipment		514	
Maintenance and Repair Services - Vehicles		13,777	
Medical and Dental Services		615	
Diesel Fuel		62,936	
Garage Supplies		3,651	
Gasoline		9,149	
Tires and Tubes		7,309	
Uniforms		2,131	
Other Supplies and Materials		4,493	
Vehicle and Equipment Insurance		8,875	
Other Equipment		136,204	
Total Waste Pickup			743,354

Convenience Centers

Attendants	\$	150,799	
Overtime Pay		4,918	
Other Salaries and Wages		16,402	

(Continued)

Exhibit K-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Convenience Centers (Cont.)

Social Security	\$	13,382	
State Retirement		8,092	
Medical Insurance		42,310	
Dental Insurance		2,278	
Unemployment Compensation		929	
Communication		6,555	
Maintenance and Repair Services - Buildings		10,360	
Maintenance and Repair Services - Equipment		30,351	
Rentals		6,570	
Crushed Stone		102	
Electricity		8,138	
Total Convenience Centers			\$ 301,186

Other Waste Collection

Supervisor/Director	\$	13,593	
Secretary(ies)		8,363	
Social Security		1,641	
State Retirement		1,950	
Unemployment Compensation		29	
Contracts with Government Agencies		1,664	
Contracts with Private Agencies		50,083	
Contracts with Vehicle Owners		2,166	
Maintenance and Repair Services - Equipment		144	
Crushed Stone		112	
Office Supplies		844	
Site Development		1,240	
Other Equipment		2,724	
Total Other Waste Collection			84,553

Other Operations

Other Charges

Workers' Compensation Insurance	\$	22,951	
Total Other Charges			22,951

Total Solid Waste/Sanitation Fund \$ 1,321,709

Local Purpose Tax Fund

Other Operations

Industrial Development

Contracts with Government Agencies	\$	75,000	
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(Continued)

Exhibit K-7

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

Local Purpose Tax Fund (Cont.)

Other Operations (Cont.)

Industrial Development (Cont.)

Trustee's Commission	\$ 2,973	
Total Industrial Development		\$ 77,973

Total Local Purpose Tax Fund \$ 77,973

Drug Control Fund

Public Safety

Drug Enforcement

Confidential Drug Enforcement Payments	\$ 10,000	
Dues and Memberships	2,400	
Maintenance Agreements	5,291	
Maintenance and Repair Services - Buildings	1,105	
Maintenance and Repair Services - Equipment	1,106	
Maintenance and Repair Services - Vehicles	10,516	
Travel	24,617	
Remittance of Revenue Collected	21,975	
Instructional Supplies and Materials	5,533	
Law Enforcement Supplies	6,917	
Prisoners Clothing	11,702	
Uniforms	2,400	
Trustee's Commission	218	
Other Charges	1,376	
Communication Equipment	3,712	
Data Processing Equipment	16,203	
Furniture and Fixtures	6,607	
Law Enforcement Equipment	13,139	
Motor Vehicles	129,616	
Total Drug Enforcement		\$ 274,433

Total Drug Control Fund 274,433

District Attorney General Fund

Administration of Justice

District Attorney General

Communication	\$ 13,938
Dues and Memberships	95
Janitorial Services	6,250
Travel	2,100
Office Supplies	2,818
Other Supplies and Materials	1,550

(Continued)

Exhibit K-7

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

<u>District Attorney General Fund (Cont.)</u>		
<u>Administration of Justice (Cont.)</u>		
<u>District Attorney General (Cont.)</u>		
Other Charges	\$ 16,301	
Total District Attorney General		\$ 43,052
Total District Attorney General Fund		\$ 43,052
 <u>Constitutional Officers - Fees Fund</u>		
<u>General Government</u>		
<u>Register of Deeds</u>		
Constitutional Officers' Operating Expenses	\$ 22,746	
Total Register of Deeds		\$ 22,746
 <u>Finance</u>		
<u>County Trustee's Office</u>		
Constitutional Officers' Operating Expenses	\$ 60,606	
Total County Trustee's Office		60,606
 <u>County Clerk's Office</u>		
Constitutional Officers' Operating Expenses	\$ 31,973	
Total County Clerk's Office		31,973
 <u>Administration of Justice</u>		
<u>Circuit Court</u>		
Constitutional Officers' Operating Expenses	\$ 108,262	
Total Circuit Court		108,262
 <u>General Sessions Court Clerk</u>		
Constitutional Officers' Operating Expenses	\$ 11,400	
Total General Sessions Court Clerk		11,400
 <u>Chancery Court</u>		
Constitutional Officers' Operating Expenses	\$ 20,984	
Total Chancery Court		20,984
 <u>Public Safety</u>		
<u>Sheriff's Department</u>		
Constitutional Officers' Operating Expenses	\$ 176	
Total Sheriff's Department		176
Total Constitutional Officers - Fees Fund		256,147

(Continued)

Exhibit K-7

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

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	76,407	
Assistant(s)		45,500	
Secretary(ies)		30,500	
Board and Committee Members Fees		6,300	
Social Security		12,012	
State Retirement		13,534	
Life Insurance		884	
Medical Insurance		25,168	
Dental Insurance		774	
Unemployment Compensation		536	
Accounting Services		12,000	
Dues and Memberships		3,248	
Engineering Services		39,000	
Evaluation and Testing		690	
Legal Services		1,300	
Maintenance and Repair Services - Buildings		7,710	
Maintenance and Repair Services - Office Equipment		1,150	
Travel		490	
Other Contracted Services		950	
Drugs and Medical Supplies		51	
Office Supplies		1,173	
Other Charges		2,954	
Total Administration			\$ 282,331

Highway and Bridge Maintenance

Equipment Operators	\$	404,166	
Social Security		30,500	
State Retirement		27,604	
Life Insurance		4,502	
Medical Insurance		137,553	
Dental Insurance		3,284	
Unemployment Compensation		5,160	
Other Contracted Services		261,509	
Asphalt - Cold Mix		10,515	
Asphalt - Liquid		396,662	
Crushed Stone		101,692	
Pipe - Concrete		3,124	
Road Signs		6,771	
Salt		4,784	
Other Supplies and Materials		6,815	
Total Highway and Bridge Maintenance			1,404,641

(Continued)

Exhibit K-7

Coffee 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)	\$	85,571	
Social Security		6,028	
State Retirement		7,252	
Life Insurance		562	
Medical Insurance		23,279	
Dental Insurance		774	
Unemployment Compensation		508	
Laundry Service		6,974	
Diesel Fuel		98,522	
Equipment and Machinery Parts		147,980	
Garage Supplies		1,959	
Gasoline		32,119	
Lubricants		8,448	
Tires and Tubes		15,853	
Other Supplies and Materials		5,154	
Total Operation and Maintenance of Equipment			\$ 440,983

Other Charges

Communication	\$	4,102	
Electricity		6,170	
Natural Gas		2,154	
Water and Sewer		819	
Liability Insurance		37,536	
Trustee's Commission		19,167	
Workers' Compensation Insurance		65,982	
Other Charges		746	
Total Other Charges			136,676

Capital Outlay

Highway Equipment	\$	256,204	
Motor Vehicles		161,619	
Total Capital Outlay			417,823

Principal on Debt

Highways and Streets

Principal on Notes	\$	39,000	
Total Highways and Streets			39,000

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Interest on Debt

Highways and Streets

Interest on Notes

\$ 4,121

Total Highways and Streets

\$ 4,121

Total Highway/Public Works Fund

\$ 2,725,575

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds

\$ 450,000

Principal on Other Loans

335,000

Total General Government

\$ 785,000

Interest on Debt

General Government

Interest on Bonds

\$ 82,200

Interest on Notes

7,867

Interest on Other Loans

171,814

Total General Government

261,881

Other Debt Service

General Government

Fiscal Agent Charges

\$ 2,175

Trustee's Commission

23,644

Total General Government

25,819

Total General Debt Service Fund

1,072,700

Rural Debt Service Fund

Principal on Debt

Education

Principal on Bonds

\$ 330,000

Total Education

\$ 330,000

Interest on Debt

Education

Interest on Bonds

\$ 55,800

Total Education

55,800

(Continued)

Exhibit K-7

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

Rural Debt Service Fund (Cont.)

Other Debt Service

Education

Trustee's Commission	\$ 14,157	
Other Debt Service	535	
Total Education	<u>14,692</u>	\$ 14,692

Total Rural Debt Service Fund

\$ 400,492

Special Debt Service Fund

Principal on Debt

Education

Principal on Other Loans	\$ 150,000	
Total Education		\$ 150,000

Interest on Debt

Education

Interest on Bonds	\$ 1,224,300	
Interest on Other Loans	318,835	
Total Education	<u>1,543,135</u>	1,543,135

Other Debt Service

Education

Fiscal Agent Charges	\$ 3,000	
Trustee's Commission	14,059	
Total Education	<u>17,059</u>	17,059

Total Special Debt Service Fund

1,710,194

Education Debt Service Fund

Principal on Debt

Education

Principal on Bonds	\$ 315,000	
Principal on Other Loans	157,400	
Total Education	<u>472,400</u>	\$ 472,400

Interest on Debt

Education

Interest on Bonds	\$ 112,225	
Interest on Other Loans	141,042	
Total Education	<u>253,267</u>	253,267

(Continued)

Exhibit K-7

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

Education Debt Service Fund (Cont.)

Other Debt Service

Education

Fiscal Agent Charges	\$ 2,959	
Trustee's Commission	9,280	
Total Education	<u>12,239</u>	\$ 12,239

Total Education Debt Service Fund \$ 737,906

Other Rural Debt Service Fund

Other Debt Service

Education

Trustee's Commission	\$ 3,905	
Total Education	<u>3,905</u>	\$ 3,905

Total Other Rural Debt Service Fund 3,905

General Capital Projects Fund

Capital Projects

General Administration Projects

Trustee's Commission	\$ 2,811	
Total General Administration Projects	<u>2,811</u>	\$ 2,811

Public Safety Projects

Advertising	\$ 331	
Architects	690,153	
Consultants	75,000	
Contracts with Private Agencies	45,000	
Evaluation and Testing	32,925	
Legal Services	8,500	
Travel	60	
Permits	39,515	
Land	474,944	
Total Public Safety Projects	<u>1,366,428</u>	1,366,428

Public Health and Welfare Projects

Site Development	\$ 471,500	
Other Capital Outlay	6,674	
Total Public Health and Welfare Projects	<u>478,174</u>	478,174

Public Utility Projects

State Aid Projects	\$ 113,650	
Other Capital Outlay	45,465	
Total Public Utility Projects	<u>159,115</u>	159,115

Total General Capital Projects Fund 2,006,528

(Continued)

Exhibit K-7

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

<u>Education Capital Projects Fund</u>		
<u>Capital Projects - Donated</u>		
<u>Capital Projects Donated to School Department</u>		
Contributions	<u>\$ 3,288,407</u>	
Total Capital Projects Donated to School Department		<u>\$ 3,288,407</u>
Total Education Capital Projects Fund		<u>\$ 3,288,407</u>
Total Governmental Funds - Primary Government		<u>\$ 33,082,535</u>

Exhibit K-8

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 10,459,915	
Career Ladder Program	103,189	
Career Ladder Extended Contracts	49,800	
Homebound Teachers	15,121	
Instructional Computer Personnel	58,615	
Educational Assistants	248,623	
Other Salaries and Wages	17,993	
Certified Substitute Teachers	33,948	
Non-certified Substitute Teachers	164,173	
Social Security	645,199	
State Retirement	972,102	
Life Insurance	47,999	
Medical Insurance	1,806,993	
Dental Insurance	78,322	
Employer Medicare	153,242	
Communication	72,826	
Maintenance and Repair Services - Equipment	99,456	
Other Contracted Services	7,416	
Instructional Supplies and Materials	163,453	
Textbooks	320,000	
Other Supplies and Materials	58,438	
Other Charges	27,188	
Regular Instruction Equipment	128,686	
Total Regular Instruction Program		\$ 15,732,697

Alternative Instruction Program

Other Charges	\$ 624	
Total Alternative Instruction Program		624

Special Education Program

Teachers	\$ 1,530,508
Career Ladder Program	17,257
Homebound Teachers	1,921
Educational Assistants	174,485
Speech Pathologist	66,325
Other Salaries and Wages	132,688
Certified Substitute Teachers	4,732
Non-certified Substitute Teachers	21,424
Social Security	109,766

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

State Retirement	\$	165,543	
Life Insurance		9,066	
Medical Insurance		360,433	
Dental Insurance		24,712	
Employer Medicare		26,239	
Maintenance and Repair Services - Equipment		634	
Other Contracted Services		340,712	
Instructional Supplies and Materials		14,679	
Other Supplies and Materials		5,919	
Other Charges		974	
Total Special Education Program			\$ 3,008,017

Vocational Education Program

Teachers	\$	934,007	
Career Ladder Program		5,500	
Educational Assistants		12,935	
Certified Substitute Teachers		5,134	
Non-certified Substitute Teachers		14,579	
Social Security		56,797	
State Retirement		85,321	
Life Insurance		4,180	
Medical Insurance		168,486	
Dental Insurance		6,382	
Employer Medicare		13,404	
Instructional Supplies and Materials		30,294	
Vocational Instruction Equipment		40,305	
Total Vocational Education Program			1,377,324

Student Body Education Program

Other Salaries and Wages	\$	58,124	
Social Security		2,886	
State Retirement		4,173	
Employer Medicare		676	
Other Charges		5,120	
Total Student Body Education Program			70,979

Support Services

Attendance

Supervisor/Director	\$	62,073	
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(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Attendance (Cont.)

Career Ladder Program	\$	1,000	
Social Security		3,571	
State Retirement		5,708	
Life Insurance		180	
Medical Insurance		7,351	
Dental Insurance		272	
Employer Medicare		835	
Travel		1,951	
Other Contracted Services		11,215	
Other Supplies and Materials		1,437	
Attendance Equipment		2,125	
Total Attendance			\$ 97,718

Health Services

Medical Personnel	\$	362,825	
Secretary(ies)		10,116	
Other Salaries and Wages		28,053	
Social Security		23,258	
State Retirement		33,223	
Life Insurance		1,399	
Medical Insurance		64,379	
Dental Insurance		2,444	
Employer Medicare		5,439	
Travel		4,138	
Other Contracted Services		1,275	
Other Supplies and Materials		26,119	
In Service/Staff Development		4,679	
Other Charges		2,541	
Other Equipment		1,360	
Total Health Services			571,248

Other Student Support

Career Ladder Program	\$	3,000	
Guidance Personnel		496,600	
Psychological Personnel		21,898	
Secretary(ies)		61,972	
Other Salaries and Wages		16,878	
Social Security		34,865	
State Retirement		53,294	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Life Insurance	\$	2,664	
Medical Insurance		110,598	
Dental Insurance		4,209	
Employer Medicare		8,154	
Evaluation and Testing		54,384	
Travel		1,398	
Other Contracted Services		1,239	
Total Other Student Support			\$ 871,153

Regular Instruction Program

Supervisor/Director	\$	297,368	
Career Ladder Program		8,000	
Career Ladder Extended Contracts		6,000	
Librarians		367,293	
Secretary(ies)		90,872	
Other Salaries and Wages		75,439	
Social Security		45,828	
State Retirement		71,080	
Life Insurance		3,141	
Medical Insurance		140,140	
Dental Insurance		6,517	
Employer Medicare		11,448	
Travel		21,244	
Library Books/Media		24,172	
In Service/Staff Development		18,226	
Other Charges		6,440	
Other Equipment		5,951	
Total Regular Instruction Program			1,199,159

Special Education Program

Supervisor/Director	\$	61,868	
Career Ladder Program		1,000	
Psychological Personnel		113,940	
Secretary(ies)		18,384	
Other Salaries and Wages		2,388	
Social Security		11,098	
State Retirement		17,838	
Life Insurance		716	
Medical Insurance		30,818	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Dental Insurance	\$	1,222	
Employer Medicare		2,596	
Maintenance and Repair Services - Equipment		1,648	
Travel		6,848	
Other Supplies and Materials		915	
In Service/Staff Development		145	
Other Charges		751	
Total Special Education Program			\$ 272,175

Vocational Education Program

Supervisor/Director	\$	39,390	
Career Ladder Program		1,500	
Social Security		2,478	
State Retirement		3,707	
Life Insurance		113	
Medical Insurance		2,878	
Dental Insurance		136	
Employer Medicare		580	
Communication		46	
Travel		1,196	
Total Vocational Education Program			52,024

Other Programs

On-Behalf Payments to OPEB	\$	206,614	
Total Other Programs			206,614

Board of Education

Secretary to Board	\$	3,209	
Board and Committee Members Fees		21,830	
Social Security		1,150	
State Retirement		285	
Life Insurance		2,656	
Medical Insurance		168,213	
Dental Insurance		7,096	
Unemployment Compensation		21,921	
Employer Medicare		359	
Audit Services		6,140	
Bank Charges		1,114	
Dues and Memberships		5,937	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Legal Services	\$	23,307	
Travel		2,078	
Liability Insurance		256,563	
Trustee's Commission		253,422	
Workers' Compensation Insurance		236,227	
In Service/Staff Development		11,560	
Criminal Investigation of Applicants - TBI		5,220	
Other Charges		61,558	
Total Board of Education			\$ 1,089,845

Director of Schools

County Official/Administrative Officer	\$	100,134	
Career Ladder Extended Contracts		1,000	
Secretary(ies)		32,368	
Clerical Personnel		27,648	
Other Salaries and Wages		1,358	
Social Security		9,648	
State Retirement		14,603	
Life Insurance		541	
Medical Insurance		21,577	
Dental Insurance		815	
Employer Medicare		2,256	
Communication		9,302	
Dues and Memberships		2,006	
Maintenance and Repair Services - Equipment		15,577	
Postal Charges		2,318	
Travel		3,745	
Other Contracted Services		4,463	
Office Supplies		9,387	
Utilities		32,079	
In Service/Staff Development		2,456	
Total Director of Schools			293,281

Office of the Principal

Principals	\$	585,318	
Career Ladder Program		5,000	
Accountants/Bookkeepers		52,293	
Assistant Principals		276,104	
Secretary(ies)		261,856	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Social Security	\$	68,745	
State Retirement		104,888	
Life Insurance		5,015	
Medical Insurance		196,295	
Dental Insurance		7,604	
Employer Medicare		16,151	
Communication		27,013	
Travel		3,439	
Office Supplies		4,983	
Other Charges		1,399	
Total Office of the Principal			\$ 1,616,103

Fiscal Services

Supervisor/Director	\$	42,526	
Accountants/Bookkeepers		134,447	
Social Security		10,725	
State Retirement		15,983	
Life Insurance		902	
Medical Insurance		30,379	
Dental Insurance		1,358	
Employer Medicare		2,508	
Travel		163	
Other Contracted Services		13,316	
Other Supplies and Materials		2,591	
In Service/Staff Development		1,284	
Total Fiscal Services			256,182

Operation of Plant

Custodial Personnel	\$	524,997	
Social Security		29,862	
State Retirement		40,142	
Life Insurance		3,919	
Medical Insurance		153,436	
Dental Insurance		5,703	
Employer Medicare		7,167	
Laundry Service		5,647	
Electricity		978,287	
Natural Gas		51,204	
Propane Gas		8,287	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Water and Sewer	\$	75,179	
Other Supplies and Materials		81,233	
Total Operation of Plant			\$ 1,965,063

Maintenance of Plant

Supervisor/Director	\$	59,551	
Maintenance Personnel		213,858	
Other Salaries and Wages		13,282	
Social Security		16,906	
State Retirement		24,665	
Life Insurance		1,444	
Medical Insurance		53,585	
Dental Insurance		1,901	
Employer Medicare		3,954	
Communication		6,169	
Maintenance and Repair Services - Buildings		388	
Maintenance and Repair Services - Equipment		10,645	
Other Supplies and Materials		152,010	
In Service/Staff Development		150	
Total Maintenance of Plant			558,508

Transportation

Supervisor/Director	\$	55,665	
Mechanic(s)		135,046	
Bus Drivers		732,826	
Clerical Personnel		39,209	
Social Security		55,271	
State Retirement		76,524	
Life Insurance		10,195	
Medical Insurance		374,275	
Dental Insurance		16,294	
Employer Medicare		13,034	
Communication		1,817	
Laundry Service		4,824	
Maintenance and Repair Services - Equipment		301	
Travel		2,096	
Diesel Fuel		276,365	
Gasoline		24,505	
Office Supplies		1,134	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Tires and Tubes	\$	24,932	
Utilities		12,936	
Vehicle Parts		109,160	
In Service/Staff Development		1,369	
Other Charges		5,122	
Administration Equipment		2,500	
Total Transportation			\$ 1,975,400

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	50,748	
Other Salaries and Wages		150,874	
Social Security		12,529	
State Retirement		6,597	
Dental Insurance		3,802	
Employer Medicare		2,930	
Communication		3,047	
Travel		6,697	
Other Contracted Services		53,880	
Food Supplies		6,926	
Other Supplies and Materials		102,752	
In Service/Staff Development		5,381	
Other Charges		12,334	
Other Equipment		1,833	
Total Community Services			420,330

Early Childhood Education

Teachers	\$	299,958	
Psychological Personnel		20,391	
Educational Assistants		82,211	
Other Salaries and Wages		28,434	
Certified Substitute Teachers		120	
Non-certified Substitute Teachers		6,404	
Social Security		23,503	
State Retirement		36,803	
Life Insurance		2,533	
Medical Insurance		104,130	
Employer Medicare		5,812	
Communication		3,021	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

Travel	\$	5,922	
Instructional Supplies and Materials		4,966	
Other Supplies and Materials		1,440	
Other Charges		1,488	
Regular Instruction Equipment		5,170	
Other Equipment		<u>32,333</u>	
Total Early Childhood Education	\$		664,639

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	2,584,555	
Heating and Air Conditioning Equipment		424,380	
Other Capital Outlay		<u>81,214</u>	
Total Regular Capital Outlay			3,090,149

Principal on Debt

Education

Principal on Notes	\$	<u>71,429</u>	
Total Education			<u>71,429</u>

Total General Purpose School Fund \$ 35,460,661

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	629,100	
Educational Assistants		102,852	
Other Salaries and Wages		129,859	
Certified Substitute Teachers		2,101	
Non-certified Substitute Teachers		13,492	
Social Security		51,331	
State Retirement		73,445	
Life Insurance		4,920	
Medical Insurance		164,210	
Employer Medicare		12,352	
Instructional Supplies and Materials		55,296	
Other Supplies and Materials		2,500	
Regular Instruction Equipment		<u>24,285</u>	
Total Regular Instruction Program	\$		1,265,743

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program

Teachers	\$	193,431	
Educational Assistants		393,339	
Other Salaries and Wages		17,748	
Certified Substitute Teachers		716	
Non-certified Substitute Teachers		19,308	
Social Security		35,950	
State Retirement		51,162	
Life Insurance		6,548	
Medical Insurance		233,759	
Employer Medicare		8,409	
Maintenance and Repair Services - Equipment		4,012	
Other Contracted Services		40,739	
Instructional Supplies and Materials		5,708	
Textbooks		98,534	
Other Supplies and Materials		15,904	
Other Charges		1,289	
Special Education Equipment		97,626	
Total Special Education Program			\$ 1,224,182

Vocational Education Program

Instructional Supplies and Materials	\$	4,003	
Vocational Instruction Equipment		78,048	
Total Vocational Education Program			82,051

Support Services

Other Student Support

Other Salaries and Wages	\$	1,500	
Social Security		93	
State Retirement		136	
Employer Medicare		22	
Evaluation and Testing		3,000	
Travel		15,153	
Other Supplies and Materials		7,748	
In Service/Staff Development		6,130	
Other Charges		5,337	
Total Other Student Support			39,119

Regular Instruction Program

Supervisor/Director	\$	33,000	
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(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Secretary(ies)	\$	24,740	
Other Salaries and Wages		140,105	
Social Security		11,925	
State Retirement		17,863	
Life Insurance		824	
Medical Insurance		28,509	
Employer Medicare		2,789	
Maintenance and Repair Services - Equipment		225	
Travel		926	
Other Contracted Services		1,890	
Other Supplies and Materials		9,712	
In Service/Staff Development		41,980	
Other Charges		400	
Other Equipment		20,184	
Total Regular Instruction Program			\$ 335,072

Special Education Program

Psychological Personnel	\$	3,775	
Secretary(ies)		18,384	
Social Security		1,374	
State Retirement		1,962	
Life Insurance		90	
Medical Insurance		3,825	
Employer Medicare		321	
Travel		740	
Other Supplies and Materials		1,743	
In Service/Staff Development		19,567	
Other Charges		4,956	
Administration Equipment		1,497	
Furniture and Fixtures		6,495	
Other Equipment		15,672	
Total Special Education Program			80,401

Vocational Education Program

Travel	\$	1,667	
Other Supplies and Materials		1,200	
In Service/Staff Development		438	
Total Vocational Education Program			3,305

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Office of the Principal

Communication	\$ 2,106	
Total Office of the Principal		\$ 2,106

Total School Federal Projects Fund \$ 3,031,979

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$ 57,964	
Accountants/Bookkeepers	34,195	
Cafeteria Personnel	662,408	
Other Salaries and Wages	20,142	
Social Security	45,019	
State Retirement	58,109	
Life Insurance	7,226	
Medical Insurance	261,453	
Dental Insurance	11,406	
Employer Medicare	10,469	
Accounting Services	625	
Communication	4,107	
Maintenance and Repair Services - Equipment	12,383	
Travel	24,716	
Other Contracted Services	10,635	
Food Preparation Supplies	82,032	
Food Supplies	1,056,461	
Office Supplies	4,043	
USDA - Commodities	72,132	
Other Supplies and Materials	153	
Liability Insurance	343	
In Service/Staff Development	10,780	
Other Charges	7,920	
Food Service Equipment	54,183	
Total Food Service		\$ 2,508,904

Total Central Cafeteria Fund 2,508,904

(Continued)

Exhibit K-8

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

<u>Other Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Education Capital Projects</u>			
Architects	\$	158,409	
Building Improvements		6,937	
Heating and Air Conditioning Equipment		73,087	
Site Development		3,700	
Traffic Control Equipment		28,640	
Solid Waste Equipment		200	
Total Education Capital Projects		<u>270,973</u>	\$ <u>270,973</u>
Total Other Capital Projects Fund			\$ <u>270,973</u>
Total Governmental Funds - Coffee County School Department			\$ <u><u>41,272,517</u></u>

Exhibit K-9

Coffee County, Tennessee
Schedule of Detailed Revenues and Expenses
Proprietary Fund
For the Year Ended June 30, 2012

	Enterprise Fund
	Wayside Acres Sewer Fund
<hr/>	
<u>Revenues</u>	
<u>Operating Revenues</u>	
<u>Charges for Current Services</u>	
Water Treatment Charges	\$ 12,053
Other General Service Charges	18,475
Total Operating Revenues	<u>\$ 30,528</u>
Total Revenues	<u>\$ 30,528</u>
<u>Expenses</u>	
<u>Operating Expenses</u>	
<u>Public Health and Welfare</u>	
Communication	\$ 574
Engineering Services	5,557
Maintenance and Repair Services - Equipment	1,323
Permits	22
Other Contracted Services	8,614
Electricity	2,500
Water and Sewer	80
Other Supplies and Materials	2,261
Liability Insurance	650
Depreciation	35,475
Total Operating Expenses	<u>\$ 57,056</u>
<u>Nonoperating Expenses</u>	
Interest on Other Loans	\$ 12,875
Total Nonoperating Expenses	<u>\$ 12,875</u>
Total Expenses	<u>\$ 69,931</u>

Exhibit K-10

Coffee County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balances - City Agency Funds
For the Year Ended June 30, 2012

	Cities - Sales Tax Fund	City School ADA- Tulahoma Fund	City School ADA- Manchester Fund	Total
<u>Cash Receipts</u>				
Current Property Taxes	\$ 0	\$ 5,100,545	\$ 2,369,977	\$ 7,470,522
Trustee's Collections - Prior Years	0	170,471	79,209	249,680
Trustee's Collections - Bankruptcy	0	8,633	3,968	12,601
Circuit/Clerk and Master Collections - Prior Years	0	76,785	35,723	112,508
Interest and Penalty	0	61,784	28,692	90,476
Payments in-Lieu-of Taxes - TVA	0	381	177	558
Payments in-Lieu-of Taxes - Local Utilities	0	10,197	4,739	14,936
Interstate Telecommunications Tax	0	981	456	1,437
Local Option Sales Tax	13,539,575	0	0	13,539,575
Marriage Licenses	0	1,362	633	1,995
Alcoholic Beverage Tax	0	2,289	1,064	3,353
Total Cash Receipts	\$ 13,539,575	\$ 5,433,428	\$ 2,524,638	\$ 21,497,641
<u>Cash Disbursements</u>				
Remittance of Revenues Collected	\$ 13,404,179	\$ 5,257,925	\$ 2,481,011	\$ 21,143,115
Trustee's Commission	135,396	107,973	50,169	293,538
Total Cash Disbursements	\$ 13,539,575	\$ 5,365,898	\$ 2,531,180	\$ 21,436,653
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0	\$ 67,530	\$ (6,542)	\$ 60,988
Cash Balance, July 1, 2011	0	(2,657)	36,676	34,019
Cash Balance, June 30, 2012	\$ 0	\$ 64,873	\$ 30,134	\$ 95,007

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

February 28, 2013

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

To the County Mayor and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Coffee County, Tennessee, as of and for the year ended June 30, 2012, which collectively comprise Coffee County's basic financial statements and have issued our report thereon dated February 28, 2013. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Coffee County Emergency Communications District, the Public Building Authority of Coffee County, and the Industrial Board of Coffee County as described in our report on Coffee County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

The management of Coffee County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Coffee 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 Coffee County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Coffee 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: 12.02, 12.04, 12.05, and 12.06. 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

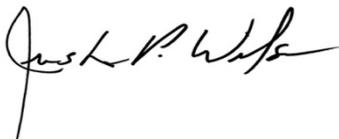
As part of obtaining reasonable assurance about whether Coffee County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 12.01 and 12.03.

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

Coffee 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 Coffee 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, director of schools, road superintendent, director of accounts and budgets, County Commission, Board of Education, Road Commission, others within Coffee County, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury

JPW/sb



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
SUITE 1500
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REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

INDEPENDENT AUDITOR'S REPORT

February 28, 2013

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

To the County Mayor and Board of County Commissioners:

Compliance

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

In our opinion, Coffee 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.

Internal Control Over Compliance

The management of Coffee 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 Coffee 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 Coffee County's internal control over compliance.

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

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

Schedule of Expenditures of Federal Awards

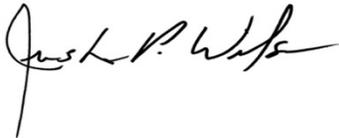
We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Coffee County, Tennessee, as of and for the year ended June 30, 2012, which collectively comprise Coffee County's basic financial statements and have issued our reports thereon dated February 28, 2013. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise a portion of Coffee County's basic financial statements. The accompanying 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Coffee 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 Coffee 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, director of schools, road superintendent, director of accounts and budgets, County Commission, Board of Education, Road Commission, others within Coffee 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 written in a cursive style with a prominent vertical stroke at the end.

Justin P. Wilson
Comptroller of the Treasury

JPW/sb

Coffee 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	Passed-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	\$ 424,340
National School Lunch Program	10.555	N/A	1,134,039 (3)
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	72,132 (3)
Team Nutrition Grant	10.574	N/A	6,000
Total U.S. Department of Agriculture			<u>\$ 1,636,511</u>
U.S. Department of Justice:			
Direct Program:			
Bulletproof Vest Partnership Program	16.607	(2)	\$ 310
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	(2)	5,000
Total U.S. Department of Justice			<u>\$ 5,310</u>
U.S. Department of Transportation:			
Passed-through Governor's Highway Safety Office:			
Alcohol Open Container Requirements	20.607	(2)	\$ 14,169
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I, Part A Cluster:			
Title 1 Grants to Local Educational Agencies	84.010	N/A	\$ 660,563
Title 1 Grants to Local Educational Agencies, Recovery Act	84.389	N/A	18,713
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	889,994
Special Education - Preschool Grants	84.173	N/A	23,268
Special Education - Grants to States, Recovery Act	84.391	N/A	238,646
Special Education - Preschool Grants, Recovery Act	84.392	N/A	13,725
Career and Technical Education - Basic Grants to States	84.048	N/A	109,137
Education Technology Cluster:			
Education Technology State Grants	84.318	(2)	141,729
Education Technology State Grants, Recovery Act	84.386	N/A	906
Rural Education	84.358	N/A	93,106
English Language Acquisition Grants	84.365	N/A	7,644
Improving Teacher Quality State Grants	84.367	N/A	642
Education for Homeless Children and Youth, Recovery Act	84.387	N/A	1,924
State Fiscal Stabilization Fund - Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	5,181
Education Jobs Fund	84.410	N/A	850,161
Total U.S. Department of Education			<u>\$ 3,055,339</u>
U.S. Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
Help American Vote Act Requirements Payments	90.401	(2)	\$ 10,160
U.S. Department of Health and Human Services:			
Passed-through State Department of Mental Health and Developmental Disabilities:			
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	(2)	\$ 74,678
Drug-free Communities Support Program Grants	93.276	(2)	197,000
Passed-through State Department of Children's Services:			
Temporary Assistance for Needy Families	93.558	(2)	12,753
Total U.S. Department of Health and Human Services			<u>\$ 284,431</u>

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Passed-through Entity Identifying Number	Expenditures
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	(2)	\$ 32,000
Interoperable Emergency Communications	97.055	(2)	58,771
Homeland Security Grant Program	97.067	(2)	93,527
Total U.S. Department of Homeland Security			<u>\$ 184,298</u>
Total Expenditures of Federal Awards			<u>\$ 5,190,218</u>
		<u>Contract Number</u>	
<u>State Grants</u>			
ConnecTenn - State Department of Education	N/A	(2)	\$ 15,348
Coordinated School Health - State Department of Education	N/A	(2)	85,000
Family Resource Center - State Department of Education	N/A	(2)	59,223
Safe Schools Act - State Department of Education	N/A	(2)	20,000
Star Student Management Services - State Department of Education	N/A	(2)	11,216
Arts Student Ticket Subsidy - State Arts Commission	N/A	(2)	1,399
Early Childhood Education - State Department of Education	N/A	(2)	635,244
Energy Efficient Schools Initiative - State Energy Efficient Schools Initiative	N/A	(2)	15,903
Juvenile Services Program - State Commission on Children and Youth	N/A	(2)	9,000
Tennessee Agriculture Enhancement Program Grant - State Department of Agriculture	N/A	(2)	1,000
Rural Local Health Services - State Department of Health	N/A	(2)	576,917
Rural Dispatcher Grant - State Emergency Communications Board	N/A	(2)	69,000
Litter Program - State Department of Transportation	N/A	(2)	59,061
Waste Tire Grant - State Department of Environment and Conservation	N/A	(2)	<u>36,140</u>
Total State Grants			<u>\$ 1,594,451</u>

CFDA - Catalog of Federal Domestic Assistance
N/A - Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Information not available.
- (3) Total for CFDA No. 10.555 is \$1,206,171.

Coffee 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 are findings from the Annual Financial Report for Coffee County, Tennessee, for the year ended June 30, 2011, which have not been corrected.

OFFICE OF DIRECTOR OF SCHOOLS

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
11.05	202	The Extended School Program did not deposit some collections within three days of receipt
11.06	202	Insurance payroll liability accounts were not reconciled monthly

OFFICE OF DIRECTOR OF REGISTER

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
11.08	203	Multiple employees operated from the same cash drawer

OFFICES OF DIRECTOR OF SCHOOLS, TRUSTEE, COUNTY CLERK, REGISTER, AND SHERIFF

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
11.09	204	Duties were not segregated adequately

COFFEE 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 Coffee County's financial statements is unqualified.
2. The audit of the financial statements of Coffee County disclosed significant deficiencies in internal control. None of these deficiencies was considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that were material to the financial statements.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555); the Title I Part A Cluster: Title I Grants to Local Educational Agencies and Title I Grants to Local Educational Agencies, Recovery Act (CFDA Nos. 84.010 and 84.389); the Special Education Cluster: Special Education – Grants to States, Special Education – Grants to States, Recovery Act, Special Education – Preschool Grants, and Special Education – Preschool Grants, Recovery Act (CFDA Nos. 84.027, 84.391, 84.173, and 84.392); and the Education Jobs Fund (CFDA No. 84.410) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Coffee 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 written responses of the director of schools are included in this report. Other management officials did not provide responses for inclusion in this report.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 12.01 THE EXTENDED SCHOOL PROGRAM DID NOT DEPOSIT SOME COLLECTIONS WITHIN THREE DAYS OF RECEIPT
(Noncompliance Under *Government Auditing Standards*)

The Extended School Program did not deposit some funds within three days of collection. Section 5-8-207, *Tennessee Code Annotated*, requires county officials to deposit public funds to an official bank account within three days of collection. This deficiency was the result of a lack of management oversight and management's failure to correct the finding noted in the prior-year audit report. The delay in depositing funds increases the risks of fraud and misappropriation.

RECOMMENDATION

Management should ensure that Extended School Program funds are deposited within three days of collection as required by state statute.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

The Extended School Program director has contacted all site directors and told them they must make deposits every day or at least every other day. We will monitor this to ensure compliance.

FINDING 12.02 INSURANCE PAYROLL LIABILITY ACCOUNTS WERE NOT RECONCILED MONTHLY
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

General ledger payroll liability accounts for employee insurance deductions in the General Purpose School and School Federal Projects funds were not reconciled monthly with insurance invoices and payments. Sound business practices dictate that these reconciliations be performed monthly. The failure to regularly reconcile employee insurance payroll liability accounts with insurance payments and invoices allows errors to remain undiscovered and uncorrected. This finding exists because management failed to correct the finding noted in the prior-year audit report.

RECOMMENDATION

Insurance payroll liability accounts should be reconciled monthly with insurance invoices and payments, and any errors discovered should be corrected promptly.

MANAGEMENT’S RESPONSE – DIRECTOR OF SCHOOLS

This is a work-in-progress. We will make sure that this is finished and working by the next audit.

FINDING 12.03 **AMOUNTS WITHHELD FROM CONTRACTOR PAYMENTS WERE NOT DEPOSITED TO AN ESCROW ACCOUNT**
(Noncompliance Under *Government Auditing Standards*)

The School Department did not deposit amounts withheld from contractor payments into an escrow account. Section 66-34-104, *Tennessee Code Annotated*, requires that funds withheld from contractor payments be deposited into an escrow account for contracts of \$500,000 or more. Management advised that they were not aware that amounts withheld from contractor payments should be deposited into an escrow account. This noncompliance could result in the loss of interest earnings for the contractor.

RECOMMENDATION

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

MANAGEMENT’S RESPONSE – DIRECTOR OF SCHOOLS

This is a work-in-progress. We will make sure that this is finished and working by the next audit.

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

FINDING 12.04 **THE ACCOUNTING SOFTWARE DID NOT IDENTIFY THE USER WHO PROCESSED TRANSACTIONS**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Although each employee had been assigned a unique username and password for accessing the office’s accounting software, the software did not record the user who processed each transaction. Since the vendor did not design the system with these controls, the employee responsible for this activity would not be easily identified if inappropriate activity were to occur. Sound business practices dictate that each transaction be identified to the individual creating the transaction.

RECOMMENDATION

Management should contact the software vendor concerning the addition of controls to the software that would identify the user who performed each transaction.

OFFICE OF REGISTER

FINDING 12.05 **MULTIPLE EMPLOYEES OPERATED FROM THE SAME CASH DRAWER**

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

Multiple employees operated from the same cash drawer in the Office of Register. Good internal controls dictate that each employee have their own cash drawer, start the day with a standard fixed amount of cash, and remove all but that beginning amount at the end of the day. This amount should be verified to the employee's receipts at the end of each day. Failure to adhere to this control regimen greatly increases the risk that a cash shortage may not be detected in a timely manner. Furthermore, in the event of a cash shortage, the register would not be able to determine who was responsible for the shortage because multiple employees were working from one cash drawer. This deficiency has been a management decision by the register resulting in a loss of control over assets. Also, this finding exists because management failed to correct the finding noted in the prior-year audit report.

RECOMMENDATION

The register should assign each employee their own cash drawer.

OFFICES OF DIRECTOR OF SCHOOLS, TRUSTEE, COUNTY CLERK, REGISTER, AND SHERIFF

FINDING 12.06 **DUTIES WERE NOT SEGREGATED ADEQUATELY**

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

Duties were not segregated adequately among the officials and employees in the Offices of Director of Schools, Trustee, County Clerk, Register, and Sheriff. 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 of financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions. Also, this finding exists because management failed 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

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

Coffee County operates under the provisions of a local resolution for central accounting and budgeting and under the Fiscal Control Acts of 1957 for central purchasing covering all funds of the general government; however, the resolution and act exclude the School Department. Therefore, only the funds administered by the county mayor and road superintendent utilize centralized accounting, budgeting, and purchasing. These funds are maintained in the Office of Central Accounting, Budgeting, and Purchasing under the supervision of the director of accounts and budgets.

Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the County Commission resulting in decentralization and some duplication of effort. The Division of Local Government Audit strongly believes that the adoption of a central system of accounting, budgeting, and purchasing is a best practice that would significantly improve accountability and the quality of services provided to the citizens of Coffee County. Therefore, we recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.

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

There were no findings and questioned costs for federal awards.

**COFFEE 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- or current-years' Schedules of Findings and Questioned Costs.