
ANNUAL FINANCIAL REPORT CROCKETT COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2012



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

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

***DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director***

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

***LEE ANN WEST, CPA, CGFM
Auditor 4***

***KATHLEEN P. BURRISS, CGFM, CFE
ELISHA CROWELL, CFE
State Auditors***

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

CROCKETT COUNTY, TENNESSEE

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

Scope

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

Results

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

Our audit resulted in 12 findings and recommendations, which we have reviewed with Crockett County management. Detailed findings, recommendations, and management's responses are included in the Single Audit section of this report.

Findings and Best Practice

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

OFFICES OF COUNTY MAYOR AND DIRECTOR OF SCHOOLS

- ◆ Material audit adjustments were required for proper financial statement presentation.
-

OFFICE OF COUNTY MAYOR

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

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ The office had deficiencies in budget operations.
 - ◆ The director of schools entered into an operating lease agreement without approval of the Board of Education and County Commission.
 - ◆ Deficiencies were noted in the use of cellular phones.
 - ◆ Deficiencies were noted with the purchase of gift cards given to employees.
-

OFFICES OF TRUSTEE AND CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

- ◆ Usernames and passwords were shared by employees.
-

OFFICES OF COUNTY CLERK AND REGISTER

- ◆ Some funds were not deposited within three days of collection.
-

OFFICE OF ASSESSOR OF PROPERTY

- ◆ Assessment records were improperly changed during the year as property transfers were made.
-

OFFICES OF COUNTY MAYOR; CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK; CLERK AND MASTER; REGISTER; AND SHERIFF

- ◆ Duties were not segregated adequately.
-

OFFICES OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK; CLERK AND MASTER; AND REGISTER

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

CROCKETT COUNTY

- ◆ Crockett County has a material recurring audit finding.
-

BEST PRACTICE

Crockett 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 Crockett County.

INTRODUCTORY SECTION

Crockett County Officials
June 30, 2012

Officials

Gary Reasons, County Mayor
Milton Legions, Road Supervisor
Robert Mullins, Director of Schools
Gary Spraggins, Trustee
Johnna Slayton, Assessor of Property
Ernest Bushart, County Clerk
Kim Kail, Circuit, General Sessions, and Juvenile Courts Clerk
Nancy Evans, Clerk and Master
Alan Castellaw, Register
Troy Klyce, Sheriff

Board of County Commissioners

Gary Reasons, County Mayor, Chairman	John Schwerdt
Pat Branch	Jane Smith
Harold Craig	Stephen Sutton
James East	Edwin Tritt
Flynold Gregory	Gaylon Turnage
Lee Hickman	Richard Walker
Ashley Jordan	Charles Paul Ward
Jerrel Little	Jimmy Webb
Darrell Lowery	Cartha Williams
Carolyn Nance	Gary Williams
Cayce Nanney	Joe Williams
Harold Park	Alpha Worrell
Donald Prescott	

Road Commission

Thomas Haynes, Chairman
William Beaird
Andy Edwards

Board of Education

Jasper Taylor, IV, Chairman
John Cole
Keith Curl
Henry King
David Russell
Will Spence
Kyle Utley

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

October 5, 2012

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

To the County Mayor and Board of County Commissioners:

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

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

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

Crockett County Emergency Communications District, which should be included to conform with accounting principles generally accepted in the United States of America. The effects on the financial statements of the aggregate discretely presented component units are not reasonably determinable.

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

Additionally, in our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Crockett County, Tennessee, as of June 30, 2012, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 5, 2012, on our consideration of Crockett 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.

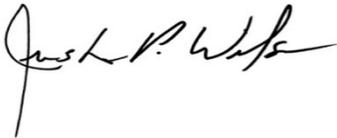
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required 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 57 through 62 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 Crockett County's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Crockett County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Crockett 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 line extending downwards from the end.

Justin P. Wilson
Comptroller of the Treasury

JPW/sb

BASIC FINANCIAL STATEMENTS

Exhibit A

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

	Primary Governmental Activities	Component Unit Crockett County School Department
<u>ASSETS</u>		
Cash	\$ 344	\$ 0
Equity in Pooled Cash and Investments	3,295,055	946,107
Accounts Receivable	1,184,108	272
Allowance for Uncollectibles	(638,191)	0
Due from Other Governments	487,469	579,170
Property Taxes Receivable	4,105,659	1,352,838
Allowance for Uncollectible Property Taxes	(167,401)	(55,159)
Deferred Charges - Debt Issuance Costs	314,100	0
Capital Assets:		
Assets Not Depreciated:		
Land	889,130	830,805
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	2,662,438	13,312,679
Infrastructure	1,660,952	262,648
Other Capital Assets	991,662	559,022
Total Assets	<u>\$ 14,785,325</u>	<u>\$ 17,788,382</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 0	\$ 30,935
Payroll Deductions Payable	1,183	9,542
Contracts Payable	0	392,515
Due to State of Tennessee	720	0
Accrued Interest Payable	65,619	0
Deferred Revenue - Current Property Taxes	3,777,182	1,244,603
Noncurrent Liabilities:		
Due Within One Year	1,443,391	0
Due in More Than One Year (net of deferred amount on refunding and unamortized premium on debt)	16,805,163	299,365
Total Liabilities	<u>\$ 22,093,258</u>	<u>\$ 1,976,960</u>
<u>NET ASSETS</u>		
Invested in Capital Assets, Net of Related Debt	\$ 4,094,969	\$ 0
Invested in Capital Assets	0	14,965,154
Restricted for:		
Solid Waste/Sanitation	133,739	0
Highway/Public Works	1,531,034	0
School Federal Projects	0	54,176
Central Cafeteria	0	69,269
School Transportation	0	17,840
Debt Service	1,551,102	0
Other Purposes	48,859	15,229
Unrestricted	<u>(14,667,636)</u>	<u>689,754</u>
Total Net Assets (Deficit)	<u>\$ (7,307,933)</u>	<u>\$ 15,811,422</u>

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

Exhibit B

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

Functions/Programs	Program Revenues					Net (Expense) Revenue and Changes in Net Assets		Component Unit Crockett County School Department
	Charges for Services		Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total			
	Expenses				Governmental Activities			
Primary Government:								
Governmental Activities:								
General Government	\$ 802,531	\$ 68,454	\$ 17,692	\$ 0	\$ (716,385)	\$ 0	\$ 0	
Finance	477,046	336,161	0	0	(140,885)	0	0	
Administration of Justice	673,801	252,964	60,917	0	(359,920)	0	0	
Public Safety	2,383,225	296,139	233,216	74,983	(1,778,887)	0	0	
Public Health and Welfare	1,624,231	760,242	96,730	0	(767,259)	0	0	
Social, Cultural, and Recreational Services	510,311	1,056	275,344	769	(233,142)	0	0	
Agriculture and Natural Resources	196,571	0	28,498	0	(168,073)	0	0	
Other Operations	160,691	0	8,550	0	(152,141)	0	0	
Education	1,800,000	0	0	0	(1,800,000)	0	0	
Highway/Public Works	2,221,678	5,534	1,473,159	360,128	(382,857)	0	0	
Interest on Long-term Debt	553,449	0	287,508	0	(265,941)	0	0	
Other Debt Service	53,017	0	0	0	(53,017)	0	0	
Total Primary Government	\$ 11,456,551	\$ 1,720,550	\$ 2,481,614	\$ 435,880	\$ (6,818,507)	\$ 0	\$ 0	
Component Unit:								
Crockett County School Department	\$ 17,221,211	\$ 282,390	\$ 2,484,644	\$ 1,821,412	\$ 0	\$ (12,632,765)	\$ (12,632,765)	
Total Component Unit	\$ 17,221,211	\$ 282,390	\$ 2,484,644	\$ 1,821,412	\$ 0	\$ (12,632,765)	\$ (12,632,765)	

(Continued)

Exhibit B

Crockett County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component
				Government Total Governmental Activities	Unit Crockett County School Department
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes				\$ 3,743,613	\$ 1,287,565
Property Taxes Levied for Debt Service				162,561	0
Local Option Sales Taxes				707,521	358,509
Wheel Tax				692,557	130,207
Business Tax				103,588	0
Wholesale Beer Tax				102,467	0
Other Local Taxes				76,727	712
Grants and Contributions Not Restricted to Specific Programs				413,549	9,946,484
Unrestricted Investment Income				38,147	12,685
Miscellaneous				21,188	39,564
Total General Revenues				\$ 6,061,918	\$ 11,775,726
Change in Net Assets				\$ (756,589)	\$ (857,039)
Net Assets (Deficit), July 1, 2011				(6,551,344)	16,645,626
Prior-period Adjustment				0	22,835
Net Assets (Deficit), June 30, 2012				\$ (7,307,933)	\$ 15,811,422

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

Exhibit C-1

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

	Major Funds			Nonmajor Funds	Total Govern- mental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 344	\$ 344
Equity in Pooled Cash and Investments	454,488	1,348,446	1,373,370	118,751	3,295,055
Accounts Receivable	1,183,208	872	28	0	1,184,108
Allowance for Uncollectibles	(638,191)	0	0	0	(638,191)
Due from Other Governments	122,322	241,844	92,968	30,335	487,469
Due from Other Funds	344	0	0	0	344
Property Taxes Receivable	3,945,995	0	159,664	0	4,105,659
Allowance for Uncollectible Property Taxes	(160,891)	0	(6,510)	0	(167,401)
Total Assets	<u>\$ 4,907,275</u>	<u>\$ 1,591,162</u>	<u>\$ 1,619,520</u>	<u>\$ 149,430</u>	<u>\$ 8,267,387</u>
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Payroll Deductions Payable	\$ 1,183	\$ 0	\$ 0	\$ 0	\$ 1,183
Due to Other Funds	0	0	0	344	344
Due to State of Tennessee	720	0	0	0	720
Deferred Revenue - Current Property Taxes	3,630,292	0	146,890	0	3,777,182
Deferred Revenue - Delinquent Property Taxes	143,399	0	5,891	0	149,290
Other Deferred Revenues	484,910	120,922	46,500	15,015	667,347
Total Liabilities	<u>\$ 4,260,504</u>	<u>\$ 120,922</u>	<u>\$ 199,281</u>	<u>\$ 15,359</u>	<u>\$ 4,596,066</u>
<u>Fund Balances</u>					
Restricted:					
Restricted for General Government	\$ 24,606	\$ 0	\$ 0	\$ 0	\$ 24,606
Restricted for Finance	1,282	0	0	0	1,282
Restricted for Administration of Justice	2,041	0	0	0	2,041
Restricted for Public Safety	5,583	0	0	15,246	20,829
Restricted for Highways/Public Works	0	1,408,224	0	0	1,408,224
Restricted for Debt Service	0	0	574,343	0	574,343
Restricted for Capital Projects	0	0	0	101	101
Committed:					
Committed for Public Health and Welfare	0	0	0	118,724	118,724
Committed for Highways/Public Works	0	62,016	0	0	62,016
Committed for Debt Service	0	0	845,896	0	845,896
Unassigned	613,259	0	0	0	613,259
Total Fund Balances	<u>\$ 646,771</u>	<u>\$ 1,470,240</u>	<u>\$ 1,420,239</u>	<u>\$ 134,071</u>	<u>\$ 3,671,321</u>
Total Liabilities and Fund Balances	<u>\$ 4,907,275</u>	<u>\$ 1,591,162</u>	<u>\$ 1,619,520</u>	<u>\$ 149,430</u>	<u>\$ 8,267,387</u>

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

Exhibit C-2

Crockett 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)		\$	3,671,321
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	889,130	
Add: buildings and improvements net of accumulated depreciation		2,662,438	
Add: infrastructure net of accumulated depreciation		1,660,952	
Add: other capital assets net of accumulated depreciation		<u>991,662</u>	6,204,182
(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	\$	(1,119,083)	
Less: capital leases payable		(68,862)	
Less: bonds payable		(14,742,450)	
Less: other loan payable		(1,800,000)	
Less: other deferred revenue - premium on debt		(181,722)	
Add: deferred amount on refunding		142,148	
Add: deferred charges - debt issuance costs		314,100	
Less: compensated absences payable		(60,128)	
Less: other postemployment benefits liability		(157,834)	
Less: judgment payable		(260,623)	
Less: accrued interest on capital leases and bonds		<u>(65,619)</u>	(18,000,073)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>816,637</u>
Net assets (deficit) of governmental activities (Exhibit A)		\$	<u><u>(7,307,933)</u></u>

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

Exhibit C-3

Crockett 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	Highway / Public Works	General Debt Projects	Education Capital Service	Other		Total		
					Governmental Funds	Governmental Funds			
Revenues									
Local Taxes	\$ 3,859,720	\$ 385,423	\$ 1,018,631	\$ 0	\$ 261,276	\$ 0	\$ 5,525,050		
Licenses and Permits	21,032	0	0	0	0	0	21,032		
Fines, Forfeitures, and Penalties	68,037	0	0	0	3,634	0	71,671		
Charges for Current Services	613,312	0	0	0	12,149	0	625,461		
Other Local Revenues	102,678	62,016	113,611	0	1	0	278,306		
Fees Received from County Officials	564,299	0	0	0	0	0	564,299		
State of Tennessee	1,003,805	1,742,024	0	0	50,022	0	2,795,851		
Federal Government	372,401	97,563	0	0	8,550	0	478,514		
Other Governments and Citizens Groups	6,994	5,534	287,508	0	100	0	300,136		
Total Revenues	\$ 6,612,278	\$ 2,292,560	\$ 1,419,750	\$ 0	\$ 335,732	\$ 0	\$ 10,660,320		
Expenditures									
Current:									
General Government	\$ 801,656	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 801,656		
Finance	403,029	0	0	0	0	0	403,029		
Administration of Justice	508,175	0	0	0	0	0	508,175		
Public Safety	2,009,991	0	0	0	8,223	0	2,018,214		
Public Health and Welfare	1,252,916	0	0	0	314,405	0	1,567,321		
Social, Cultural, and Recreational Services	617,767	0	0	0	0	0	617,767		
Agriculture and Natural Resources	175,589	0	0	0	0	0	175,589		
Other Operations	1,312,039	0	0	0	0	0	1,312,039		
Highways	0	2,407,359	0	0	0	0	2,407,359		
Capital Outlay	0	0	0	0	1,180	0	1,180		
Debt Service:									
Principal on Debt	81,867	0	796,678	0	0	0	878,545		
Interest on Debt	7,294	0	578,957	0	0	0	586,251		
Other Debt Service	0	0	85,571	0	0	0	85,571		
Capital Projects	0	0	0	1,800,000	8,550	0	1,808,550		
Total Expenditures	\$ 7,170,323	\$ 2,407,359	\$ 1,461,206	\$ 1,800,000	\$ 332,358	\$ 0	\$ 13,171,246		

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Education Capital Projects	Other	Governmental Funds	
Excess (Deficiency) of Revenues Over Expenditures	\$ (558,045)	\$ (114,799)	\$ (41,456)	\$ (1,800,000)	\$ 3,374	\$ (2,510,926)	
<u>Other Financing Sources (Uses)</u>							
Capital Leases Issued	\$ 28,423	\$ 0	\$ 0	\$ 0	\$ 0	\$ 28,423	
Refunding Debt Issued	0	0	3,850,000	0	0	3,850,000	
Premiums on Debt Issued	0	0	136,435	0	0	136,435	
Other Loans Issued	0	0	0	1,800,000	0	1,800,000	
Insurance Recovery	2,513	0	0	0	0	2,513	
Payments to Refunded Debt Escrow Agent	0	0	(3,915,000)	0	0	(3,915,000)	
Total Other Financing Sources (Uses)	\$ 30,936	\$ 0	\$ 71,435	\$ 1,800,000	\$ 0	\$ 1,902,371	
Net Change in Fund Balances	\$ (527,109)	\$ (114,799)	\$ 29,979	\$ 0	\$ 3,374	\$ (608,555)	
Fund Balance, July 1, 2011	1,173,880	1,585,039	1,390,260	0	130,697	4,279,876	
Fund Balance, June 30, 2012	\$ 646,771	\$ 1,470,240	\$ 1,420,239	\$ 0	\$ 134,071	\$ 3,671,321	

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

Exhibit C-4

Crockett 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)		\$ (608,555)
(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	\$ 1,125,255	
Less: current-year depreciation expense	<u>(606,508)</u>	518,747
(2) The net effect of various miscellaneous transaction involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		
Less: proceeds received from the disposal of capital assets	\$ (53,734)	
Less: donations of capital assets	<u>(6,000)</u>	(59,734)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2012	\$ 816,637	
Less: deferred delinquent property taxes and other deferred June 30, 2011	<u>(717,261)</u>	99,376
(4) The issuance of long-term debt (e.g., bonds, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items.		
Less: capital lease proceeds	\$ (28,423)	
Less: other loan proceeds	(1,800,000)	
Less: refunding bond proceeds	(3,850,000)	
Add: principal payments on notes	31,317	
Add: principal payments on capital leases	81,867	
Add: principal payments on bonds	765,361	
Add: payment to refunding agent	3,915,000	
Less: change in deferred amount on refunding debt	(15,393)	
Less: change in premium on debt issuances	(124,244)	
Add: change in deferred debt issuance costs	<u>47,947</u>	(976,568)

(Continued)

Exhibit C-4

Crockett County, Tennessee

Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities (Cont.)

(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Change in compensated absences payable	\$	4,498	
Change in other postemployment benefits liability		(33,221)	
Change in judgment payable		266,066	
Change in accrued interest payable		<u>32,802</u>	\$ <u>270,145</u>
Change in net assets (deficit) of governmental activities (Exhibit B)			<u>\$ (756,589)</u>

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

Exhibit D

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 835,496
Equity in Pooled Cash and Investments	2,381
Due from Other Governments	93,669
Taxes Receivable	563,137
Allowance for Uncollectible Property Taxes	<u>(22,960)</u>
Total Assets	<u>\$ 1,471,723</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 636,227
Due to Litigants, Heirs, and Others	<u>835,496</u>
Total Liabilities	<u>\$ 1,471,723</u>

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Crockett 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 Crockett County:

A. Reporting Entity

Crockett County is a public municipal corporation governed by an elected 24-member board. As required by GAAP, these financial statements present Crockett 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 Crockett County School Department operates the public school system in the county, and the voters of Crockett 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 Crockett County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Crockett County, and the Crockett County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the County Commission's approval. The financial statements of the Crockett County Emergency Communications District were not available from other auditors in time for inclusion in this report.

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

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

Administrative Office:

Crockett County Emergency Communications District
17 South Court Square
Alamo, TN 38001

B. Government-wide and Fund Financial Statements

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

Crockett County issues all debt for the discretely presented Crockett County School Department. Net debt issues totaling \$1,800,000 were contributed by the county to the School Department during the year ended June 30, 2012.

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

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

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

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

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

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

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to accrual and have been recognized as revenues of the current period. Applicable business taxes, litigation taxes, state-shared excise taxes, fines, forfeitures, and penalties are not susceptible to accrual since they are not

measurable (reasonably estimable). All other revenue items are considered to be measurable and available only when the county receives cash.

Fiduciary 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.

Crockett County reports the following major governmental funds:

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

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

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

Education Capital Projects Fund – This fund accounts for debt issued by Crockett County that is subsequently contributed to the discretely presented Crockett County School Department for construction and renovation projects.

Additionally, Crockett County reports the following fund type:

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 Crockett County, and the city school systems’ shares of educational revenues. 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 Crockett County School Department reports the following major governmental funds:

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

School Transportation Fund – This special revenue fund is used to account for transportation operations of the School Department. Local taxes are the foundational revenues of this fund.

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

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

It is the county's policy that restricted amounts would be reduced first followed by unrestricted amounts when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available. Also, it is the county's policy that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used.

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

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

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Crockett 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 and General Purpose School funds. Crockett 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 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 2.2 percent of total taxes levied.

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

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

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

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

Additional costs attach to delinquent taxes after a court suit has been filed.

3. Capital Assets

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

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

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	25 - 50
Other Capital Assets	3 - 20
Infrastructure:	
Roads	8 - 20
Bridges	15 - 30

4. Compensated Absences

The policy of Crockett County (with the exception of the Highway Department) does not provide for employees to receive compensation for unused accumulated vacation or sick leave days. The Highway Department permits its employees to accumulate a limited amount of earned but unused sick leave benefits, which will be paid to employees upon death or retirement from county service. A liability for sick leave benefits is reported in governmental funds only if amounts have matured, for example, as a result of employee retirements.

There is no liability for unpaid accumulated vacation leave for employees of the discretely presented Crockett County School Department since those benefits do not vest or accumulate and must be used within the year or lost. There is also no liability for unpaid accumulated sick leave since the School Department does not have a policy to pay any amounts when employees separate from service with the government.

5. Long-term Obligations

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

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

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

6. Net Assets and Fund Equity

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

- a. Invested in capital assets, net of related debt – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of restricted or invested in capital assets, net of related debt.

As of June 30, 2012, Crockett County had \$15,635,000 in outstanding debt for capital purposes for the discretely presented Crockett County School Department. In accordance with state statutes, certain county school debt proceeds must be shared with other public school systems in the county (City of Alamo and City of Bells school systems) based on average daily attendance proration. This debt is a liability of Crockett County, but the capital assets acquired are reported in the financial statements of the School Department and the City of Alamo and the City of Bells school systems. Therefore, Crockett County has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county's capital assets.

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

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

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

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

and the Board of Education are authorized bodies to make assignments.

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

7. Prior-period Adjustment

Capital assets of the discretely presented School Department were restated \$22,835 from the prior year because school renovations had been omitted.

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 Crockett County School Department

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

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

Primary Government

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

Discretely Presented Crockett County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

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

B. Expenditures Exceeded Appropriations

Total expenditures and other uses of the discretely presented School Department's Central Cafeteria and School Transportation funds exceeded total appropriations approved by the County Commission by \$5,891 and \$10,839, respectively.

Expenditures exceeded appropriations approved by the County Commission in the following major appropriation categories (the legal level of control) of the discretely presented School Department's General Purpose School and School Federal Projects funds:

<u>Major Category</u>	<u>Amount Overspent</u>
General Purpose School Fund:	
Instruction:	
Vocational Education Program	\$ 350
Adult Education Program	1,200
Support Services:	
Special Education	276
Adult Programs	4,353
Board of Education	13,073
Capital Outlay:	
Regular Capital Outlay	16,875
Transfers Out	20,000
School Federal Projects Fund:	
Support Services:	
Vocational Education Program	135
Transfers Out	96,346

Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balance.

C. The Director of Schools Entered Into an Operating Lease Agreement Without Approval

On July 18, 2011, the director of schools entered into a three-year operating lease agreement totaling \$79,500 without the approval of the Board of Education and the County Commission. Details are discussed in the Schedule of Findings and Questioned Costs section of this report.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

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

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

Investments

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

Investment Balances. As of June 30, 2012, Crockett County had the following investments carried at cost. All investments are in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Crockett County and the discretely

presented Crockett County School Department since both pool their deposits and investments through the county trustee.

<u>Investment</u>	<u>Maturities</u>	<u>Cost</u>
State Treasurer's Investment Pool	Daily	\$ 2,560

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

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Crockett County has no investment policy that would further limit its investment choices. As of June 30, 2012, Crockett County's investment in the State Treasurer's Investment Pool was unrated.

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	\$ 895,130	\$ 0	\$ 6,000	\$ 889,130
Total Capital Assets Not Depreciated	\$ 895,130	\$ 0	\$ 6,000	\$ 889,130
Capital Assets Depreciated:				
Buildings and Improvements	\$ 5,243,395	\$ 360,774	\$ 124,000	\$ 5,480,169
Infrastructure	1,751,824	245,011	0	1,996,835
Other Capital Assets	3,450,539	519,470	284,281	3,685,728
Total Capital Assets Depreciated	\$ 10,445,758	\$ 1,125,255	\$ 408,281	\$ 11,162,732

Governmental Activities (Cont.):

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 2,719,690	\$ 168,307	\$ 70,266	\$ 2,817,731
Infrastructure	270,003	65,880	0	335,883
Other Capital Assets	2,606,026	372,321	284,281	2,694,066
Total Accumulated Depreciation	<u>\$ 5,595,719</u>	<u>\$ 606,508</u>	<u>\$ 354,547</u>	<u>\$ 5,847,680</u>
Total Capital Assets Depreciated, Net	<u>\$ 4,850,039</u>	<u>\$ 518,747</u>	<u>\$ 53,734</u>	<u>\$ 5,315,052</u>
Governmental Activities Capital Assets, Net	<u>\$ 5,745,169</u>	<u>\$ 518,747</u>	<u>\$ 59,734</u>	<u>\$ 6,204,182</u>

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

Governmental Activities:

General Government	\$ 62,828
Finance	1,800
Administration of Justice	880
Public Safety	114,192
Public Health and Welfare	138,719
Social, Cultural, and Recreational Services	20,327
Highway/Public Works	<u>267,762</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 606,508</u>

Discretely Presented Crockett County School Department

Governmental Activities:

	* Restated Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Capital Assets Not Depreciated:				
Land	\$ 824,805	\$ 6,000	\$ 0	\$ 830,805
Total Capital Assets Not Depreciated	\$ 824,805	\$ 6,000	\$ 0	\$ 830,805
Capital Assets Depreciated:				
Buildings and Improvements	\$ 19,827,317	\$ 317,993	\$ 0	\$ 20,145,310
Infrastructure	497,553	0	0	497,553
Other Capital Assets	2,919,414	171,651	57,228	3,033,837
Total Capital Assets Depreciated	\$ 23,244,284	\$ 489,644	\$ 57,228	\$ 23,676,700
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 6,397,152	\$ 435,479	\$ 0	\$ 6,832,631
Infrastructure	210,027	24,878	0	234,905
Other Capital Assets	2,393,669	138,249	57,103	2,474,815
Total Accumulated Depreciation	\$ 9,000,848	\$ 598,606	\$ 57,103	\$ 9,542,351
Total Capital Assets Depreciated, Net	\$ 14,243,436	\$ (108,962)	\$ 125	\$ 14,134,349
Governmental Activities Capital Assets, Net	\$ 15,068,241	\$ (102,962)	\$ 125	\$ 14,965,154

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

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

Governmental Activities:

Instruction	\$ 366,873
Support Services	188,293
Operation of Non-Instructional Services	<u>43,440</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 598,606</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:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 344

This balance 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:

Discretely Presented Crockett County School Department

<u>Transfers Out</u>	<u>Transfers In</u>	
	General Purpose School Fund	Nonmajor Governmental Fund
General Purpose School Fund	\$ 0	\$ 20,000
School Transportation Fund	321,935	0
Nonmajor governmental fund	96,346	0
Total	<u>\$ 418,281</u>	<u>\$ 20,000</u>

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

D. Operating Leases

On July 18, 2011, the Crockett County School Department entered into a three-year operating lease for the use and support of reading software. The terms of the lease agreement require total lease payments of \$79,500. The expenditures for the year ended June 30, 2012, were \$26,500. This lease was

not entered into in compliance with state statutes. The future minimum lease payments for this lease are as follows:

Year Ending June 30	Amount
2013	\$ 26,500
2014	<u>26,500</u>
Total	<u>\$ 53,000</u>

E. Capital Leases

On August 30, 2010, Crockett County entered into a two-year lease-purchase agreement for patrol cars. The terms of the agreement require total lease payments of \$49,015 plus interest payments of 6.75 percent. Title to the patrol cars transfers to Crockett County at the end of the lease period. The lease payments are made from the General Fund.

On March 29, 2011, Crockett County entered into a two-year lease-purchase agreement for an ambulance. The terms of the agreement require total lease payments of \$102,420 plus interest payments of 5.25 percent. Title to the ambulance transfers to Crockett County at the end of the lease period. The lease payments are made from the General Fund.

On December 9, 2011, Crockett County entered into a two-year lease-purchase agreement for a Sheriff's Department vehicle. The terms of the agreement require total lease payments of \$28,423 plus interest payments of 5.5 percent. Title to the vehicle transfers to Crockett County at the end of the lease period. The lease payments are made from the General Fund.

The assets acquired through capital leases are as follows:

<u>Assets</u>	<u>Governmental Activities</u>
Machinery and Equipment	\$ 179,858
Less: Accumulated Depreciation	<u>(82,217)</u>
Total Book Value	<u>\$ 97,641</u>

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2012, were as follows:

Year Ending June 30	Governmental Funds
2013	\$ 63,303
2014	9,986
Total Minimum Lease Payments	\$ 73,289
Less: Amount Representing Interest	(4,427)
Present Value of Minimum Lease Payments	<u>\$ 68,862</u>

F. Long-term Debt

Primary Government

General Obligation Bonds, Notes and Other Loans

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

General obligation bonds, capital outlay notes and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, and other loans outstanding were issued for original terms of up to 40 years for bonds and up to ten years for notes and other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds, notes, and other loans included in long-term debt as of June 30, 2012, will be retired from the General Debt Service Fund.

General obligation bonds, capital outlay notes, other loan, and capital leases 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	5%	1-1-19	\$ 350,000	\$ 92,450
General Obligation Bonds - Refunding	2 to 4	4-1-25	15,085,000	14,650,000
Capital Outlay Notes	0	4-1-20	1,184,000	1,119,083
Other Loan	0	10-1-22	1,800,000	1,800,000
Capital Leases	5.25 to 6.75	12-9-13	179,858	68,862

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2013	\$ 841,129	\$ 451,389	\$ 1,292,518
2014	946,936	427,666	1,374,602
2015	957,783	408,219	1,366,002
2016	973,672	387,680	1,361,352
2017	992,642	367,022	1,359,664
2018-2022	5,910,288	1,335,921	7,246,209
2023-2025	4,120,000	297,611	4,417,611
Total	<u>\$ 14,742,450</u>	<u>\$ 3,675,508</u>	<u>\$ 18,417,958</u>

Year Ending June 30	Notes	
	Principal	Total
2013	\$ 145,900	\$ 145,900
2014	145,900	145,900
2015	145,900	145,900
2016	145,900	145,900
2017	145,900	145,900
2018-2020	389,583	389,583
Total	<u>\$ 1,119,083</u>	<u>\$ 1,119,083</u>

Year Ending June 30	Other Loan	
	Principal	Total
2013	\$ 133,336	\$ 133,336
2014	200,004	200,004
2015	200,004	200,004
2016	200,004	200,004
2017	200,004	200,004
2018-2022	866,648	866,648
Total	<u>\$ 1,800,000</u>	<u>\$ 1,800,000</u>

There is \$1,420,239 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$1,011 based on the 2010 federal census. Debt per capita, including bonds, notes, other loans, and capital leases totaled \$1,216, 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:

	Bonds	Notes	Other Loan
	<hr/>		
Balance, July 1, 2011	\$ 15,572,811	\$ 1,150,400	\$ 0
Additions	3,850,000	0	1,800,000
Deductions	(4,680,361)	(31,317)	0
	<hr/>		
Balance, June 30, 2012	<u>\$ 14,742,450</u>	<u>\$ 1,119,083</u>	<u>\$ 1,800,000</u>
	<hr/>		
Balance Due Within One Year	<u>\$ 841,129</u>	<u>\$ 145,900</u>	<u>\$ 133,336</u>

	Capital Leases	Compensated Absences	Other Postemployment Benefits
	<hr/>		
Balance, July 1, 2011	\$ 122,306	\$ 64,626	\$ 124,613
Additions	28,423	33,656	36,694
Deductions	(81,867)	(38,154)	(3,473)
	<hr/>		
Balance, June 30, 2012	<u>\$ 68,862</u>	<u>\$ 60,128</u>	<u>\$ 157,834</u>
	<hr/>		
Balance Due Within One Year	<u>\$ 59,397</u>	<u>\$ 3,006</u>	<u>\$ 0</u>

	Claims and Judgments
	<hr/>
Balance, July 1, 2011	\$ 526,689
Additions	0
Deductions	(266,066)
	<hr/>
Balance, June 30, 2012	<u>\$ 260,623</u>
	<hr/>
Balance Due Within One Year	<u>\$ 260,623</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2012	\$ 18,208,980
Less: Balance Due Within One Year	(1,443,391)
Add: Unamortized Premium on Debt	181,722
Less: Deferred Amount on Refunding	<u>(142,148)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u><u>\$ 16,805,163</u></u>

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

Claims and judgments reflect a judgment totaling \$526,689 that will be retired from the General Fund. This judgment is the result of a lawsuit filed by a local industry in an appeal of its 1998 through 2008 real and personal property assessments. The amount of the judgment noted above does not include interest due the local industry on the amount of overpaid taxes.

Current Refunding

On March 1, 2012, Crockett County issued \$3,850,000 in general obligation bonds for a current refunding of \$355,000 in school refunding bonds and \$3,560,000 in school bonds. As a result, the refunded bonds are considered defeased, and the liability has been removed from the county's long-term debt. As a result of the refunding, total debt service payments over the next five years will be reduced by \$402,041, and an economic gain of \$392,090 was obtained.

Discretely Presented Crockett County School Department

Changes in Long-term Liabilities

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

Governmental Activities:

	<u>Other Postemployment Benefits</u>
Balance, July 1, 2011	\$ 231,183
Additions	139,431
Deductions	<u>(71,249)</u>
Balance, June 30, 2012	<u>\$ 299,365</u>
Balance Due Within One Year	<u>\$ 0</u>

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

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Crockett 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 \$41,550 and \$9,326, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

Employee Health Insurance

Primary Government

Crockett 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 8-27-201, *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 Crockett County School Department

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

Liability, Property, Casualty, and Workers' Compensation Insurance

Crockett County and the discretely presented School Department participate 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. Crockett County and the School Department pay annual premiums to the TN-RMT for their general liability, property, casualty, and workers' compensation insurance coverage. The creation of TN-RMT provides for it to be self-sustaining through member premiums.

B. Subsequent Events

On August 30, 2012, Crockett County received the final \$200,000 drawdown on an energy efficient school initiative loan.

On August 31, 2012, Johnna Slayton left the Office of Assessor of Property and was succeeded by Walter Yearwood.

On September 6, 2012, the General Debt Service Fund issued a \$400,000 tax anticipation note to the General Fund for temporary operating funds.

C. Contingent Liabilities

The county attorney has advised of pending lawsuits involving Crockett County. Any potential claims against the county not covered by insurance resulting from such litigation should not materially affect the county's financial statements.

D. Change in Administration

Director of Schools Eddie Whitby retired June 30, 2011, and was succeeded by Robert Mullins effective July 1, 2011.

E. Retirement Commitments

Information for this footnote for the year ended June 30, 2012, was not available from the state Treasurer's Office in time for inclusion in this report; therefore, the information presented below is for the fiscal year ended June 30, 2011.

Plan Description

Employees of Crockett 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 Crockett 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

Crockett County requires employees to contribute five percent of their earnable compensation to the plan. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2011, was 6.57 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2011, the county's annual pension cost of \$312,761 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2009, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected post retirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The county's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2009, was 16 years. An actuarial valuation was performed as of July 1, 2009, which established contribution rates effective July 1, 2010.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-11	\$312,761	100%	\$0
6-30-10	244,436	100	0
6-30-09	224,246	100	0

Funded Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the plan was 92.2 percent funded. The actuarial accrued liability for benefits was \$11 million, and the actuarial value of assets was \$10 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$1 million. The covered payroll (annual payroll of active employees covered by the plan) was \$3 million, and the ratio of the UAAL to the covered payroll was 27.1 percent.

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

The annual required contribution was calculated using the aggregate actuarial cost method. Since the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and this information is intended to serve as a surrogate for the funded status and funding progress of the plan.

SCHOOL TEACHERS

Plan Description

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

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

Funding Policy

Most teachers are required by state statute to contribute five percent of their salary to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2011, was 9.05 percent of annual covered payroll.

The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2011, 2010, and 2009 were \$582,035, \$403,507, and \$395,564, respectively, equal to the required contributions for each year.

F. Other Postemployment Benefits (OPEB)

Plan Description

Crockett County and the Crockett 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 8-27-207, *Tennessee Code Annotated (TCA)*, for local governments and Section 8-27-302, *TCA*, for local education employees. 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://tn.gov/finance/act/cafr.html>.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop 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. Retirees' contributions vary depending on the insurance options they select. During the year ended June 30, 2012, Crockett County and the School Department contributed \$3,473 and \$71,249, respectively, for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	Local Government Group Plan
ARC	\$ 140,000	\$ 37,000
Interest on the NPO	9,247	4,985
Adjustment to the ARC	(9,816)	(5,291)
Annual OPEB cost	\$ 139,431	\$ 36,694
Less: Amount of contribution	(71,249)	(3,473)
Increase/decrease in NPO	\$ 68,182	\$ 33,221
Net OPEB obligation, 7-1-11	231,183	124,613
Net OPEB obligation, 6-30-12	\$ 299,365	\$ 157,834

Fiscal Year Ended	Plans	Annual OPEB Cost	of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-10	Local Education Group	\$ 101,405	67 %	\$ 203,697
6-30-11	"	105,484	74	231,183
6-30-12	"	139,431	51	299,365
6-30-10	Local Government Group	60,039	11	70,044
6-30-11	"	61,166	11	124,613
6-30-12	"	36,694	9	157,834

Funded Status and Funding Progress

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

	Local Education Group Plan	Local Government Group Plan
Actuarial valuation date	7-1-11	7-1-11
Actuarial accrued liability (AAL)	\$ 1,171,000	\$ 266,000
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 1,171,000	\$ 266,000
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 5,125,271	\$ 2,065,456
UAAL as a % of covered payroll	23%	13%

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 Education Group and the Local Government Group plans, 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 will decrease to 8.75 percent in fiscal year 2013 and then will 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.

G. Purchasing Laws

Office of County Mayor

Purchasing procedures for the Office of County Mayor are governed by the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, *Tennessee Code Annotated (TCA)*. This act provides for all purchases exceeding \$10,000, excluding emergency purchases, to be made based on competitive bids solicited through newspaper advertisement.

Office of Road Supervisor

Purchasing procedures for the Highway Department are governed by provisions of Chapter 26, Private Acts of 1933, as amended, and the Uniform Road Law, Section 54-7-113, *TCA*. These statutes place purchasing responsibilities with the County Road Commission and require all purchases exceeding \$10,000 to be made on the basis of publicly advertised competitive bids.

Office of Director of Schools

Purchasing procedures for the School Department are governed by purchasing laws applicable to 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.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 3,859,720	\$ 3,813,985	\$ 3,867,914	\$ (8,194)
Licenses and Permits	21,032	10,600	22,300	(1,268)
Fines, Forfeitures, and Penalties	68,037	75,450	75,450	(7,413)
Charges for Current Services	613,312	807,300	807,300	(193,988)
Other Local Revenues	102,678	45,700	62,950	39,728
Fees Received from County Officials	564,299	544,000	544,000	20,299
State of Tennessee	1,003,805	1,463,422	1,263,320	(259,515)
Federal Government	372,401	85,500	403,592	(31,191)
Other Governments and Citizens Groups	6,994	9,000	9,000	(2,006)
Total Revenues	\$ 6,612,278	\$ 6,854,957	\$ 7,055,826	\$ (443,548)
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 14,919	\$ 15,015	\$ 15,015	\$ 96
Board of Equalization	210	420	420	210
Beer Board	125	200	200	75
County Mayor/Executive	143,172	147,660	147,660	4,488
County Attorney	250	2,000	2,000	1,750
Election Commission	107,360	100,296	110,137	2,777
Register of Deeds	88,104	89,312	89,312	1,208
County Buildings	447,516	529,525	529,525	82,009
<u>Finance</u>				
Accounting and Budgeting	4,944	5,600	5,600	656
Property Assessor's Office	122,635	132,131	132,131	9,496
County Trustee's Office	130,859	131,747	131,747	888
County Clerk's Office	144,591	146,399	146,399	1,808
<u>Administration of Justice</u>				
Circuit Court	199,910	201,332	201,332	1,422
General Sessions Judge	89,689	89,260	89,693	4
Drug Court	53,355	53,630	53,630	275
Chancery Court	91,335	90,128	93,197	1,862
Juvenile Court	64,889	65,351	65,351	462
Other Administration of Justice	8,997	9,000	9,000	3
<u>Public Safety</u>				
Sheriff's Department	929,933	855,805	958,112	28,179
Jail	872,783	786,913	911,241	38,458
Juvenile Services	345	500	500	155
Fire Prevention and Control	60,057	60,100	60,100	43
Civil Defense	59,889	54,136	63,804	3,915
Rescue Squad	8,000	8,000	8,000	0
Disaster Relief	19,332	21,282	21,282	1,950
Other Emergency Management	47,423	20,000	69,652	22,229
County Coroner/Medical Examiner	8,800	5,350	8,800	0
Other Public Safety	3,429	3,429	3,429	0

(Continued)

Exhibit E-1

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Expenditures (Cont.)</u>				
<u>Public Health and Welfare</u>				
Local Health Center	\$ 101,316	\$ 160,833	\$ 160,833	\$ 59,517
Rabies and Animal Control	35,117	41,131	41,131	6,014
Ambulance/Emergency Medical Services	1,040,581	1,091,978	1,056,076	15,495
Maternal and Child Health Services	4,000	4,000	4,000	0
Alcohol and Drug Programs	15,165	15,165	15,165	0
Crippled Children Services	1,650	1,650	1,650	0
Other Local Health Services	2,000	2,000	2,000	0
Appropriation to State	51,900	51,900	51,900	0
Other Local Welfare Services	1,187	1,000	1,187	0
<u>Social, Cultural, and Recreational Services</u>				
Adult Activities	344,037	398,076	398,076	54,039
Libraries	267,061	254,619	276,414	9,353
Parks and Fair Boards	6,669	10,075	10,075	3,406
<u>Agriculture and Natural Resources</u>				
Agriculture Extension Service	58,293	59,132	59,132	839
Soil Conservation	96,291	96,792	96,792	501
Flood Control	10,717	10,717	10,717	0
Other Agriculture and Natural Resources	10,288	12,000	12,000	1,712
<u>Other Operations</u>				
Veterans' Services	12,157	12,595	12,595	438
Other Charges	571,266	494,562	589,824	18,558
Contributions to Other Agencies	42,100	42,300	42,300	200
Employee Benefits	642,898	647,930	647,930	5,032
Miscellaneous	43,618	60,000	62,510	18,892
<u>Principal on Debt</u>				
General Government	81,867	0	81,867	0
<u>Interest on Debt</u>				
General Government	7,294	0	7,295	1
Total Expenditures	<u>\$ 7,170,323</u>	<u>\$ 7,092,976</u>	<u>\$ 7,568,738</u>	<u>\$ 398,415</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>\$ (558,045)</u>	<u>\$ (238,019)</u>	<u>\$ (512,912)</u>	<u>\$ (45,133)</u>
<u>Other Financing Sources (Uses)</u>				
Capital Leases Issued	\$ 28,423	\$ 0	\$ 28,423	\$ 0
Insurance Recovery	2,513	15,000	15,000	(12,487)
Transfers Out	0	(15,000)	(15,000)	15,000
Total Other Financing Sources (Uses)	<u>\$ 30,936</u>	<u>\$ 0</u>	<u>\$ 28,423</u>	<u>\$ 2,513</u>
Net Change in Fund Balance	\$ (527,109)	\$ (238,019)	\$ (484,489)	\$ (42,620)
Fund Balance, July 1, 2011	1,173,880	1,188,077	1,188,077	(14,197)
Fund Balance, June 30, 2012	<u>\$ 646,771</u>	<u>\$ 950,058</u>	<u>\$ 703,588</u>	<u>\$ (56,817)</u>

Exhibit E-2

Crockett 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	\$ 385,423	\$ 365,264	\$ 365,264	\$ 20,159
Other Local Revenues	62,016	7,500	7,500	54,516
State of Tennessee	1,742,024	2,535,940	2,535,940	(793,916)
Federal Government	97,563	20,000	20,000	77,563
Other Governments and Citizens Groups	5,534	1,000	1,000	4,534
Total Revenues	<u>\$ 2,292,560</u>	<u>\$ 2,929,704</u>	<u>\$ 2,929,704</u>	<u>\$ (637,144)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 172,229	\$ 185,417	\$ 185,417	\$ 13,188
Highway and Bridge Maintenance	922,629	1,212,670	1,212,670	290,041
Operation and Maintenance of Equipment	403,262	441,251	441,251	37,989
Other Charges	93,441	94,477	94,477	1,036
Employee Benefits	234,104	257,624	257,624	23,520
Capital Outlay	581,694	1,785,985	1,785,985	1,204,291
Total Expenditures	<u>\$ 2,407,359</u>	<u>\$ 3,977,424</u>	<u>\$ 3,977,424</u>	<u>\$ 1,570,065</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (114,799)</u>	<u>\$ (1,047,720)</u>	<u>\$ (1,047,720)</u>	<u>\$ 932,921</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 0	\$ 2,000	\$ 2,000	\$ (2,000)
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ (2,000)</u>
Net Change in Fund Balance	\$ (114,799)	\$ (1,045,720)	\$ (1,045,720)	\$ 930,921
Fund Balance, July 1, 2011	<u>1,585,039</u>	<u>1,553,022</u>	<u>1,553,022</u>	<u>32,017</u>
Fund Balance, June 30, 2012	<u>\$ 1,470,240</u>	<u>\$ 507,302</u>	<u>\$ 507,302</u>	<u>\$ 962,938</u>

Exhibit E-3

Crockett County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Crockett 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)
7-1-07	\$ 9,580	\$ 10,021	\$ 441	95.6 %	\$ 3,111	14.18 %
7-1-09	9,912	10,750	839	92.2	3,094	27.10

* - Information for July 1, 2011, was not available from the state Treasurer's Office in time for inclusion in this report; therefore, only two years are presented.

Exhibit E-4

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

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAAL as a Percentage of Covered Payroll ((b-a)/c)
<u>PRIMARY GOVERNMENT</u>							
Local Government Group	7-1-09	\$ 0	\$ 592	\$ 592	0 %	\$ 1,759	34 %
"	7-1-10	0	619	619	0	1,856	33
"	7-1-11	0	266	266	0	2,065	13
<u>DISCRETELY PRESENTED CROCKETT COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	7-1-09	0	873	873	0	5,037	17
"	7-1-10	0	903	903	0	5,028	18
"	7-1-11	0	1,171	1,171	0	5,125	23

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

BUDGETARY INFORMATION

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the Crockett 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, Beer Board, County Mayor/Executive, etc). Management may make revisions within major categories, but only the Crockett 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.

**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 Crockett County’s convenience center operations.

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

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

Capital Projects 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 and other capital assets.

General Capital Projects Fund – The General Capital Projects Fund is used to account for funds to be used for the construction of an adult education technology center.

Community Development/Industrial Park Fund – The Community Development/Industrial Park Fund is used to account for grant proceeds received for housing improvements for low-income households.

Exhibit F-1

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

	Special Revenue Funds				Capital Projects Fund	Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Total	General Capital Projects	
Cash	\$ 0	\$ 0	\$ 344	\$ 344	\$ 0	\$ 344
Equity in Pooled Cash and Investments	103,404	15,246	0	118,650	101	118,751
Due from Other Governments	30,335	0	0	30,335	0	30,335
Total Assets	\$ 133,739	\$ 15,246	\$ 344	\$ 149,329	\$ 101	\$ 149,430

ASSETS

Cash
 Equity in Pooled Cash and Investments
 Due from Other Governments
 Total Assets

LIABILITIES AND FUND BALANCES

	Special Revenue Funds				Capital Projects Fund	Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Total	General Capital Projects	
Liabilities						
Due to Other Funds	\$ 0	\$ 0	\$ 344	\$ 344	\$ 0	\$ 344
Other Deferred Revenues	15,015	0	0	15,015	0	15,015
Total Liabilities	\$ 15,015	\$ 0	\$ 344	\$ 15,359	\$ 0	\$ 15,359
Fund Balances						
Restricted:						
Restricted for Public Safety	\$ 0	\$ 15,246	\$ 0	\$ 15,246	\$ 0	\$ 15,246
Restricted for Capital Projects	0	0	0	0	101	101
Committed:						
Committed for Public Health and Welfare	118,724	0	0	118,724	0	118,724
Total Fund Balances	\$ 118,724	\$ 15,246	\$ 0	\$ 133,970	\$ 101	\$ 134,071
Total Liabilities and Fund Balances	\$ 133,739	\$ 15,246	\$ 344	\$ 149,329	\$ 101	\$ 149,430

Exhibit F-2

Crockett 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			Capital Projects Funds			Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Total	General Capital Projects	Community Development/ Industrial Park	Total	
<u>Revenues</u>							
Local Taxes	\$ 261,276 \$	0 \$	261,276 \$	0 \$	0 \$	0 \$	261,276
Fines, Forfeitures, and Penalties	0	3,634	3,634	0	0	0	3,634
Charges for Current Services	12,149	0	12,149	0	0	0	12,149
Other Local Revenues	0	0	0	1	0	1	1
State of Tennessee	50,022	0	50,022	0	0	0	50,022
Federal Government	0	0	0	0	8,550	8,550	8,550
Other Governments and Citizens Groups	0	0	0	100	0	100	100
Total Revenues	\$ 323,447 \$	3,634 \$	327,081 \$	101 \$	8,550 \$	8,651 \$	335,732
<u>Expenditures</u>							
Current:							
Public Safety	0 \$	8,223 \$	8,223 \$	0 \$	0 \$	0 \$	8,223
Public Health and Welfare	314,405	0	314,405	0	0	0	314,405
Capital Outlay	0	0	0	1,180	0	1,180	1,180
Capital Projects	0	0	0	0	8,550	8,550	8,550
Total Expenditures	\$ 314,405 \$	8,223 \$	322,628 \$	1,180 \$	8,550 \$	9,730 \$	332,358
Excess (Deficiency) of Revenues Over Expenditures	\$ 9,042 \$	(4,589) \$	4,453 \$	(1,079) \$	0 \$	(1,079) \$	3,374
Net Change in Fund Balances	\$ 9,042 \$	(4,589) \$	4,453 \$	(1,079) \$	0 \$	(1,079) \$	3,374
Fund Balance, July 1, 2011	109,682	19,835	129,517	1,180	0	1,180	130,697
Fund Balance, June 30, 2012	\$ 118,724 \$	15,246 \$	133,970 \$	101 \$	0 \$	101 \$	134,071

Exhibit F-3

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 261,276	\$ 245,340	\$ 245,340	\$ 15,936
Charges for Current Services	12,149	10,000	10,000	2,149
State of Tennessee	50,022	50,500	50,500	(478)
Total Revenues	<u>\$ 323,447</u>	<u>\$ 305,840</u>	<u>\$ 305,840</u>	<u>\$ 17,607</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Convenience Centers	\$ 314,405	\$ 319,559	\$ 321,559	\$ 7,154
Total Expenditures	<u>\$ 314,405</u>	<u>\$ 319,559</u>	<u>\$ 321,559</u>	<u>\$ 7,154</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 9,042</u>	<u>\$ (13,719)</u>	<u>\$ (15,719)</u>	<u>\$ 24,761</u>
Net Change in Fund Balance	\$ 9,042	\$ (13,719)	\$ (15,719)	\$ 24,761
Fund Balance, July 1, 2011	<u>109,682</u>	<u>112,263</u>	<u>112,263</u>	<u>(2,581)</u>
Fund Balance, June 30, 2012	<u>\$ 118,724</u>	<u>\$ 98,544</u>	<u>\$ 96,544</u>	<u>\$ 22,180</u>

Exhibit F-4

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 3,634	\$ 6,000	\$ 6,000	\$ (2,366)
Total Revenues	\$ 3,634	\$ 6,000	\$ 6,000	\$ (2,366)
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 8,223	\$ 15,235	\$ 15,235	\$ 7,012
Total Expenditures	\$ 8,223	\$ 15,235	\$ 15,235	\$ 7,012
Excess (Deficiency) of Revenues Over Expenditures	\$ (4,589)	\$ (9,235)	\$ (9,235)	\$ 4,646
Net Change in Fund Balance	\$ (4,589)	\$ (9,235)	\$ (9,235)	\$ 4,646
Fund Balance, July 1, 2011	19,835	22,340	22,340	(2,505)
Fund Balance, June 30, 2012	\$ 15,246	\$ 13,105	\$ 13,105	\$ 2,141

Major Governmental Fund

General Debt Service Fund

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

Exhibit G

Crockett 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	\$ 1,018,631	\$ 984,286	\$ 984,286	\$ 34,345
Other Local Revenues	113,611	126,500	126,500	(12,889)
Other Governments and Citizens Groups	287,508	22,918	172,918	114,590
Total Revenues	<u>\$ 1,419,750</u>	<u>\$ 1,133,704</u>	<u>\$ 1,283,704</u>	<u>\$ 136,046</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 106,678	\$ 276,679	\$ 106,679	\$ 1
Education	690,000	520,000	690,000	0
<u>Interest on Debt</u>				
General Government	5,391	44,263	5,391	0
Education	573,566	534,694	573,566	0
<u>Other Debt Service</u>				
General Government	15,445	15,530	17,619	2,174
Education	70,126	800	70,146	20
Total Expenditures	<u>\$ 1,461,206</u>	<u>\$ 1,391,966</u>	<u>\$ 1,463,401</u>	<u>\$ 2,195</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (41,456)</u>	<u>\$ (258,262)</u>	<u>\$ (179,697)</u>	<u>\$ 138,241</u>
<u>Other Financing Sources (Uses)</u>				
Refunding Debt Issued	\$ 3,850,000	\$ 0	\$ 3,850,000	\$ 0
Premiums on Debt Issued	136,435	0	136,438	(3)
Transfers In	0	165,000	15,000	(15,000)
Payments to Refunded Debt Escrow Agent	(3,915,000)	0	(3,915,000)	0
Total Other Financing Sources (Uses)	<u>\$ 71,435</u>	<u>\$ 165,000</u>	<u>\$ 86,438</u>	<u>\$ (15,003)</u>
Net Change in Fund Balance	\$ 29,979	\$ (93,262)	\$ (93,259)	\$ 123,238
Fund Balance, July 1, 2011	<u>1,390,260</u>	<u>1,451,387</u>	<u>1,451,387</u>	<u>(61,127)</u>
Fund Balance, June 30, 2012	<u><u>\$ 1,420,239</u></u>	<u><u>\$ 1,358,125</u></u>	<u><u>\$ 1,358,128</u></u>	<u><u>\$ 62,111</u></u>

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 - Alamo Fund and City School ADA - Bells Fund – These two funds are used to account for the city school systems' shares of education revenues collected by the county that must be apportioned between the various school systems on an average daily attendance basis. These collections are remitted to the city school systems on a monthly basis.

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

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

	Agency Funds						Total
	Cities - Sales Tax	City School ADA - Alamo	School ADA - Bells	City School ADA - Bells	Constitu- tional Officers - Agency		
<u>ASSETS</u>							
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 835,496	\$ 835,496	\$ 835,496
Equity in Pooled Cash and Investments	0	1,451	930	0	0	2,381	2,381
Due from Other Governments	62,325	19,154	12,190	0	0	93,669	93,669
Taxes Receivable	0	343,139	219,998	0	0	563,137	563,137
Allowance for Uncollectible Property Taxes	0	(13,990)	(8,970)	0	0	(22,960)	(22,960)
Total Assets	\$ 62,325	\$ 349,754	\$ 224,148	\$ 224,148	\$ 835,496	\$ 1,471,723	\$ 1,471,723
<u>LIABILITIES</u>							
Due to Other Taxing Units	\$ 62,325	\$ 349,754	\$ 224,148	\$ 0	\$ 0	\$ 636,227	\$ 636,227
Due to Litigants, Heirs, and Others	0	0	0	0	835,496	835,496	835,496
Total Liabilities	\$ 62,325	\$ 349,754	\$ 224,148	\$ 224,148	\$ 835,496	\$ 1,471,723	\$ 1,471,723

Exhibit H-2

Crockett 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	\$ 321,378	\$ 321,378	\$ 0
Due from Other Governments	75,729	62,325	75,729	62,325
Total Assets	\$ 75,729	\$ 383,703	\$ 397,107	\$ 62,325
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 75,729	\$ 383,703	\$ 397,107	\$ 62,325
Total Liabilities	\$ 75,729	\$ 383,703	\$ 397,107	\$ 62,325
<u>City School ADA - Alamo Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 5,991	\$ 93,833	\$ 98,373	\$ 1,451
Due from Other Governments	17,542	19,154	17,542	19,154
Taxes Receivable	334,264	343,139	334,264	343,139
Allowance for Uncollectible Taxes	(28,315)	(13,990)	(28,315)	(13,990)
Total Assets	\$ 329,482	\$ 442,136	\$ 421,864	\$ 349,754
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 329,482	\$ 442,136	\$ 421,864	\$ 349,754
Total Liabilities	\$ 329,482	\$ 442,136	\$ 421,864	\$ 349,754
<u>City School ADA - Bells Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 4,078	\$ 60,118	\$ 63,266	\$ 930
Due from Other Governments	11,980	12,190	11,980	12,190
Taxes Receivable	227,432	219,998	227,432	219,998
Allowance for Uncollectible Taxes	(19,273)	(8,970)	(19,273)	(8,970)
Total Assets	\$ 224,217	\$ 283,336	\$ 283,405	\$ 224,148
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 224,217	\$ 283,336	\$ 283,405	\$ 224,148
Total Liabilities	\$ 224,217	\$ 283,336	\$ 283,405	\$ 224,148

(Continued)

Exhibit H-2

Crockett County, Tennessee

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,066,531	\$ 2,843,227	\$ 3,074,262	\$ 835,496
Notes Receivable - Long-term	7,428	0	7,428	0
Total Assets	<u>\$ 1,073,959</u>	<u>\$ 2,843,227</u>	<u>\$ 3,081,690</u>	<u>\$ 835,496</u>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	<u>\$ 1,073,959</u>	<u>\$ 2,843,227</u>	<u>\$ 3,081,690</u>	<u>\$ 835,496</u>
Total Liabilities	<u>\$ 1,073,959</u>	<u>\$ 2,843,227</u>	<u>\$ 3,081,690</u>	<u>\$ 835,496</u>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,066,531	\$ 2,843,227	\$ 3,074,262	\$ 835,496
Equity in Pooled Cash and Investments	10,069	475,329	483,017	2,381
Due from Other Governments	105,251	93,669	105,251	93,669
Taxes Receivable	561,696	563,137	561,696	563,137
Allowance for Uncollectible Taxes	(47,588)	(22,960)	(47,588)	(22,960)
Notes Receivable - Long-term	7,428	0	7,428	0
Total Assets	<u>\$ 1,703,387</u>	<u>\$ 3,952,402</u>	<u>\$ 4,184,066</u>	<u>\$ 1,471,723</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 629,428	\$ 1,109,175	\$ 1,102,376	\$ 636,227
Due to Litigants, Heirs, and Others	1,073,959	2,843,227	3,081,690	835,496
Total Liabilities	<u>\$ 1,703,387</u>	<u>\$ 3,952,402</u>	<u>\$ 4,184,066</u>	<u>\$ 1,471,723</u>

Crockett County School Department

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

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

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

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

School Transportation Fund – The School Transportation Fund is used to account for a local tax levy to fund the transportation of all students in the county.

Exhibit I-1

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

Functions/Programs	Program Revenues			Charges for Services	Expenses	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets Total Governmental Activities
	Operating Grants and Contributions						
Governmental Activities:							
Instruction	\$ 8,504,257	\$ 0	\$ 1,343,513	\$ 0	\$ 1,806,000	\$ (5,354,744)	
Support Services	7,067,818	58,690	230,092		15,412	(6,763,624)	
Operation of Non-Instructional Services	1,499,136	223,700	911,039		0	(364,397)	
Other Debt Service	150,000	0	0		0	(150,000)	
Total Governmental Activities	\$ 17,221,211	\$ 282,390	\$ 2,484,644	\$ 0	\$ 1,821,412	\$ (12,632,765)	
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes						\$ 1,287,565	
Local Option Sales Taxes						358,509	
Wheel Tax						130,207	
Other Local Taxes						712	
Grants and Contributions Not Restricted to Specific Programs						9,946,484	
Unrestricted Investment Income						12,685	
Miscellaneous						39,564	
Total General Revenues						\$ 11,775,726	
Change in Net Assets						\$ (857,039)	
Net Assets, July 1, 2011						16,645,626	
Prior-period Adjustment						22,835	
Net Assets, June 30, 2012						\$ 15,811,422	

Exhibit I-2

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

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Governmental</u>
	<u>General</u>	<u>School</u>	<u>Other</u>	
	<u>Purpose</u>	<u>Transportation</u>	<u>Funds</u>	<u>Funds</u>
<u>ASSETS</u>				
Equity in Pooled Cash and Investments	\$ 881,497	\$ 7,945	\$ 56,665	\$ 946,107
Accounts Receivable	221	51	0	272
Due from Other Governments	475,726	0	103,444	579,170
Property Taxes Receivable	1,101,936	250,902	0	1,352,838
Allowance for Uncollectible Property Taxes	(44,929)	(10,230)	0	(55,159)
Total Assets	<u>\$ 2,414,451</u>	<u>\$ 248,668</u>	<u>\$ 160,109</u>	<u>\$ 2,823,228</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 14,271	\$ 0	\$ 16,664	\$ 30,935
Payroll Deductions Payable	9,542	0	0	9,542
Contracts Payable	392,515	0	0	392,515
Deferred Revenue - Current Property Taxes	1,013,775	230,828	0	1,244,603
Deferred Revenue - Delinquent Property Taxes	40,267	9,444	0	49,711
Other Deferred Revenues	32,387	0	0	32,387
Total Liabilities	<u>\$ 1,502,757</u>	<u>\$ 240,272</u>	<u>\$ 16,664</u>	<u>\$ 1,759,693</u>
<u>Fund Balances</u>				
Restricted:				
Restricted for Education	\$ 14,488	\$ 0	\$ 54,176	\$ 68,664
Restricted for Instruction	741	0	0	741
Restricted for Support Services	0	8,396	0	8,396
Restricted for Operation of Non-Instructional Services	0	0	69,269	69,269
Assigned:				
Assigned for Education	0	0	20,000	20,000
Unassigned	896,465	0	0	896,465
Total Fund Balances	<u>\$ 911,694</u>	<u>\$ 8,396</u>	<u>\$ 143,445</u>	<u>\$ 1,063,535</u>
Total Liabilities and Fund Balances	<u>\$ 2,414,451</u>	<u>\$ 248,668</u>	<u>\$ 160,109</u>	<u>\$ 2,823,228</u>

Exhibit I-3

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

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$	1,063,535
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	830,805	
Add: buildings and improvements net of accumulated depreciation		13,312,679	
Add: infrastructure net of accumulated depreciation		262,648	
Add: other capital assets net of accumulated depreciation		<u>559,022</u>	14,965,154
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: other postemployment benefits liability			(299,365)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>82,098</u>
Net assets of governmental activities (Exhibit A)		\$	<u><u>15,811,422</u></u>

Exhibit I-4

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

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>School</u>	<u>Funds</u>	
	<u>Purpose</u>	<u>Transpor -</u>	<u>Other</u>	<u>Governmental</u>
	<u>School</u>	<u>tation</u>	<u>Governmental</u>	<u>Funds</u>
			<u>Funds</u>	
<u>Revenues</u>				
Local Taxes	\$ 1,418,997	\$ 323,151	\$ 0	\$ 1,742,148
Licenses and Permits	943	0	0	943
Charges for Current Services	37,688	0	249,592	287,280
Other Local Revenues	92,757	0	2,514	95,271
State of Tennessee	10,247,936	0	9,079	10,257,015
Federal Government	108,207	0	2,170,691	2,278,898
Other Governments and Citizens Groups	1,930,965	0	0	1,930,965
Total Revenues	\$ 13,837,493	\$ 323,151	\$ 2,431,876	\$ 16,592,520
<u>Expenditures</u>				
Current:				
Instruction	\$ 7,059,541	\$ 0	\$ 1,222,736	\$ 8,282,277
Support Services	4,740,347	5,604	81,237	4,827,188
Operation of Non-Instructional Services	317,884	0	1,131,087	1,448,971
Capital Outlay	2,342,917	0	0	2,342,917
Debt Service:				
Other Debt Service	150,000	0	0	150,000
Total Expenditures	\$ 14,610,689	\$ 5,604	\$ 2,435,060	\$ 17,051,353
Excess (Deficiency) of Revenues				
Over Expenditures	\$ (773,196)	\$ 317,547	\$ (3,184)	\$ (458,833)
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 4,278	\$ 0	\$ 0	\$ 4,278
Transfers In	418,281	0	20,000	438,281
Transfers Out	(20,000)	(321,935)	(96,346)	(438,281)
Total Other Financing Sources (Uses)	\$ 402,559	\$ (321,935)	\$ (76,346)	\$ 4,278
Net Change in Fund Balances	\$ (370,637)	\$ (4,388)	\$ (79,530)	\$ (454,555)
Fund Balance, July 1, 2011	1,282,331	12,784	222,975	1,518,090
Fund Balance, June 30, 2012	\$ 911,694	\$ 8,396	\$ 143,445	\$ 1,063,535

Exhibit I-5

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

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

Net change in fund balances - total governmental funds (Exhibit I-4)		\$ (454,555)
(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	\$ 489,644	
Less: current-year depreciation expense	<u>(598,606)</u>	(108,962)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net assets.		
Add: assets donated and capitalized	\$ 6,000	
Less: proceeds received from the disposal of capital assets	<u>(125)</u>	5,875
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property tax and other deferred June 30, 2012	\$ 82,098	
Less: deferred delinquent property tax and other deferred June 30, 2011	<u>(313,313)</u>	(231,215)
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in other postemployment benefits liability		<u>(68,182)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ (857,039)</u>

Exhibit I-6

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

	<u>Special Revenue Funds</u>		Total
	School		Nonmajor
	Federal	Central	Governmental
	Projects	Cafeteria	Funds
	<hr/>		
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 38,251	\$ 18,414	\$ 56,665
Due from Other Governments	52,589	50,855	103,444
	<hr/>		
Total Assets	\$ 90,840	\$ 69,269	\$ 160,109
	<hr/>		
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 16,664	\$ 0	\$ 16,664
Total Liabilities	\$ 16,664	\$ 0	\$ 16,664
	<hr/>		
<u>Fund Balances</u>			
Restricted:			
Restricted for Education	\$ 54,176	\$ 0	\$ 54,176
Restricted for Operation of Non-Instructional Services	0	69,269	69,269
Assigned:			
Assigned for Education	20,000	0	20,000
Total Fund Balances	\$ 74,176	\$ 69,269	\$ 143,445
	<hr/>		
Total Liabilities and Fund Balances	\$ 90,840	\$ 69,269	\$ 160,109
	<hr/>		

Exhibit I-7

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

	Special Revenue Funds		Total
	School Federal Projects	Central Cafeteria	Nonmajor Governmental Funds
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 249,592	\$ 249,592
Other Local Revenues	0	2,514	2,514
State of Tennessee	0	9,079	9,079
Federal Government	1,300,613	870,078	2,170,691
Total Revenues	<u>\$ 1,300,613</u>	<u>\$ 1,131,263</u>	<u>\$ 2,431,876</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 1,222,736	\$ 0	\$ 1,222,736
Support Services	81,237	0	81,237
Operation of Non-Instructional Services	0	1,131,087	1,131,087
Total Expenditures	<u>\$ 1,303,973</u>	<u>\$ 1,131,087</u>	<u>\$ 2,435,060</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (3,360)</u>	<u>\$ 176</u>	<u>\$ (3,184)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 20,000	\$ 0	\$ 20,000
Transfers Out	(96,346)	0	(96,346)
Total Other Financing Sources (Uses)	<u>\$ (76,346)</u>	<u>\$ 0</u>	<u>\$ (76,346)</u>
Net Change in Fund Balances	\$ (79,706)	\$ 176	\$ (79,530)
Fund Balance, July 1, 2011	153,882	69,093	222,975
Fund Balance, June 30, 2012	<u>\$ 74,176</u>	<u>\$ 69,269</u>	<u>\$ 143,445</u>

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

	Actual (GAAP Basis)	Add: Encumbrances 7/1/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 1,418,997	\$ 0	\$ 1,418,997	\$ 1,385,553	\$ 1,385,553	\$ 33,444
Licenses and Permits	943	0	943	741	741	202
Charges for Current Services	37,688	0	37,688	39,550	49,528	(11,840)
Other Local Revenues	92,757	0	92,757	150,500	150,500	(57,743)
State of Tennessee	10,247,936	0	10,247,936	9,884,012	9,934,888	313,048
Federal Government	108,207	0	108,207	175,362	175,362	(67,155)
Other Governments and Citizens Groups	1,930,965	0	1,930,965	220,689	2,220,689	(289,724)
Total Revenues	\$ 13,837,493	\$ 0	\$ 13,837,493	\$ 11,856,407	\$ 13,917,261	\$ (79,768)
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 5,536,458	\$ 0	\$ 5,536,458	\$ 5,728,272	\$ 5,673,951	\$ 137,493
Alternative Instruction Program	70,795	0	70,795	60,831	71,188	393
Special Education Program	671,462	0	671,462	629,277	673,241	1,779
Vocational Education Program	747,847	0	747,847	747,496	747,497	(350)
Adult Education Program	32,979	0	32,979	59,679	31,779	(1,200)
<u>Support Services</u>						
Attendance	66,839	0	66,839	65,640	71,268	4,429
Health Services	141,198	0	141,198	157,584	157,584	16,386
Other Student Support	488,056	0	488,056	551,448	523,801	35,745
Regular Instruction Program	320,338	0	320,338	412,289	345,857	25,519
Special Education Program	119,397	0	119,397	99,080	119,121	(276)
Vocational Education Program	3,508	0	3,508	4,500	4,500	992
Adult Programs	111,434	0	111,434	49,719	107,081	(4,353)

(Continued)

Exhibit I-8

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

	Actual (GAAP Basis)	Add: Encumbrances 7/1/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Support Services (Cont.)</u>						
Other Programs	\$ 50,876	\$ 0	\$ 50,876	\$ 0	\$ 50,876	\$ 0
Board of Education	227,102	0	227,102	214,029	214,029	(13,073)
Director of Schools	202,541	0	202,541	197,832	203,232	691
Office of the Principal	872,043	0	872,043	851,848	872,189	146
Fiscal Services	116,158	0	116,158	126,735	126,736	10,578
Operation of Plant	916,324	0	916,324	1,043,621	943,621	27,297
Maintenance of Plant	297,643	0	297,643	352,073	337,014	39,371
Transportation	806,890	0	806,890	671,622	809,866	2,976
<u>Operation of Non-Instructional Services</u>						
Community Services	154,175	0	154,175	161,108	161,107	6,932
Early Childhood Education	163,709	0	163,709	181,349	181,349	17,640
<u>Capital Outlay</u>						
Regular Capital Outlay	2,342,917	(224,128)	2,118,789	30,000	2,101,914	(16,875)
<u>Principal on Debt</u>						
Education	0	0	0	150,000	0	0
<u>Other Debt Service</u>						
Education	150,000	0	150,000	0	150,000	0
Total Expenditures	\$ 14,610,689	\$ (224,128)	\$ 14,386,561	\$ 12,546,032	\$ 14,678,801	\$ 292,240
Excess (Deficiency) of Revenues Over Expenditures	\$ (773,196)	\$ 224,128	\$ (549,068)	\$ (689,625)	\$ (761,540)	\$ 212,472

(Continued)

Exhibit I-8

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

	Actual (GAAP Basis)	Add: Encumbrances 7/1/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 4,278	\$ 0	\$ 4,278	\$ 0	\$ 5,000	\$ (722)
Transfers In	418,281	0	418,281	300,000	300,000	118,281
Transfers Out	(20,000)	0	(20,000)	0	0	(20,000)
Total Other Financing Sources (Uses)	\$ 402,559	\$ 0	\$ 402,559	\$ 300,000	\$ 305,000	\$ 97,559
Net Change in Fund Balance	\$ (370,637)	\$ 224,128	\$ (146,509)	\$ (389,625)	\$ (456,540)	\$ 310,031
Fund Balance, July 1, 2011	1,282,331	(224,128)	1,058,203	985,000	985,000	73,203
Fund Balance, June 30, 2012	\$ 911,694	\$ 0	\$ 911,694	\$ 595,375	\$ 528,460	\$ 383,234

Exhibit I-9

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 1,300,613	\$ 1,106,284	\$ 1,427,022	\$ (126,409)
Total Revenues	\$ 1,300,613	\$ 1,106,284	\$ 1,427,022	\$ (126,409)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 789,841	\$ 631,775	\$ 828,949	\$ 39,108
Special Education Program	407,688	460,372	473,424	65,736
Vocational Education Program	25,207	25,208	25,208	1
<u>Support Services</u>				
Other Student Support	12,180	13,000	13,000	820
Regular Instruction Program	57,499	68,400	70,500	13,001
Special Education Program	1,270	4,504	4,504	3,234
Vocational Education Program	1,442	1,307	1,307	(135)
Transportation	8,846	9,762	10,130	1,284
Total Expenditures	\$ 1,303,973	\$ 1,214,328	\$ 1,427,022	\$ 123,049
Excess (Deficiency) of Revenues Over Expenditures	\$ (3,360)	\$ (108,044)	\$ 0	\$ (3,360)
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 20,000	\$ 0	\$ 0	\$ 20,000
Transfers Out	(96,346)	0	0	(96,346)
Total Other Financing Sources (Uses)	\$ (76,346)	\$ 0	\$ 0	\$ (76,346)
Net Change in Fund Balance	\$ (79,706)	\$ (108,044)	\$ 0	\$ (79,706)
Fund Balance, July 1, 2011	153,882	108,044	29,015	124,867
Fund Balance, June 30, 2012	\$ 74,176	\$ 0	\$ 29,015	\$ 45,161

Exhibit I-10

Crockett County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Crockett 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	\$ 249,592	\$ 243,507	\$ 249,485	\$ 107
Other Local Revenues	2,514	2,590	2,476	38
State of Tennessee	9,079	10,525	9,079	0
Federal Government	870,078	821,425	881,207	(11,129)
Total Revenues	<u>\$ 1,131,263</u>	<u>\$ 1,078,047</u>	<u>\$ 1,142,247</u>	<u>\$ (10,984)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 1,131,087	\$ 1,068,084	\$ 1,125,196	\$ (5,891)
Total Expenditures	<u>\$ 1,131,087</u>	<u>\$ 1,068,084</u>	<u>\$ 1,125,196</u>	<u>\$ (5,891)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 176</u>	<u>\$ 9,963</u>	<u>\$ 17,051</u>	<u>\$ (16,875)</u>
Net Change in Fund Balance	\$ 176	\$ 9,963	\$ 17,051	\$ (16,875)
Fund Balance, July 1, 2011	<u>69,093</u>	<u>67,230</u>	<u>67,230</u>	<u>1,863</u>
Fund Balance, June 30, 2012	<u>\$ 69,269</u>	<u>\$ 77,193</u>	<u>\$ 84,281</u>	<u>\$ (15,012)</u>

Exhibit I-11

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 323,151	\$ 316,700	\$ 316,700	\$ 6,451
Total Revenues	\$ 323,151	\$ 316,700	\$ 316,700	\$ 6,451
<u>Expenditures</u>				
<u>Support Services</u>				
Board of Education	\$ 5,604	\$ 5,500	\$ 5,500	\$ (104)
Total Expenditures	\$ 5,604	\$ 5,500	\$ 5,500	\$ (104)
Excess (Deficiency) of Revenues Over Expenditures	\$ 317,547	\$ 311,200	\$ 311,200	\$ 6,347
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (321,935)	\$ (311,200)	\$ (311,200)	\$ (10,735)
Total Other Financing Sources (Uses)	\$ (321,935)	\$ (311,200)	\$ (311,200)	\$ (10,735)
Net Change in Fund Balance	\$ (4,388)	\$ 0	\$ 0	\$ (4,388)
Fund Balance, July 1, 2011	12,784	8,101	8,101	4,683
Fund Balance, June 30, 2012	\$ 8,396	\$ 8,101	\$ 8,101	\$ 295

MISCELLANEOUS SCHEDULES

Exhibit J-1

Crockett County, Tennessee
Schedule of Changes in Long-term Notes, Other Loan, Capital Leases, and Bonds
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	Debt Refunded	Outstanding 6-30-12
NOTES PAYABLE									
<u>Payable through General Debt Service Fund</u>									
Emergency Management Building	\$ 84,000	0%	6-30-07	2-17-17	\$ 50,400	\$ 0	\$ 8,400	\$ 0	\$ 42,000
Adult Education Technology Center	1,100,000	0	5-27-10	4-1-20	1,100,000	0	22,917	0	1,077,083
Total Notes Payable	\$ 1,150,400				\$ 1,150,400	\$ 0	\$ 31,317	\$ 0	\$ 1,119,083
OTHER LOAN PAYABLE									
<u>Payable through General Debt Service Fund</u>									
Energy Efficient Schools Initiative	(1)	0	2-2-12	10-1-22	\$ 0	\$ 1,800,000	\$ 0	\$ 0	\$ 1,800,000
Total Loan Payable	\$ 0				\$ 0	\$ 1,800,000	\$ 0	\$ 0	\$ 1,800,000
CAPITAL LEASES PAYABLE									
<u>Payable through General Fund</u>									
Sheriff's Patrol Cars	72,674	6.9	9-11-09	9-11-11	\$ 24,189	\$ 0	\$ 24,189	\$ 0	\$ 0
Sheriff's Patrol Cars	49,015	6.75	8-30-10	8-30-12	31,598	0	15,283	0	16,315
Ambulance	102,420	5.25	3-29-11	3-29-13	66,519	0	32,409	0	34,110
Sheriff Department Vehicle	28,423	5.5	12-9-11	12-9-13	0	28,423	9,986	0	18,437
Total Capital Leases Payable	\$ 122,306				\$ 122,306	\$ 28,423	\$ 81,867	\$ 0	\$ 68,862
BONDS PAYABLE									
<u>Payable through General Debt Service Fund</u>									
Nursing Home	300,000	5	10-26-1977	1-1-17	\$ 88,816	\$ 0	\$ 13,346	\$ 0	\$ 75,470
Nursing Home	50,000	5	2-9-1979	1-1-19	18,995	0	2,015	0	16,980
General Obligation School Refunding	2,710,000	2.5 to 4.875	4-17-02	3-1-12	525,000	0	170,000	355,000	0
General Obligation School	5,085,000	4.55 to 5	4-17-02	3-1-12	3,810,000	0	250,000	3,560,000	0
General Obligation Refunding 2010 Series	11,235,000	2 to 4	5-20-10	4-1-25	11,130,000	0	330,000	0	10,800,000
General Obligation Refunding 2012 Series	3,850,000	2	3-1-12	4-1-17	0	3,850,000	0	0	3,850,000
Total Bonds Payable	\$ 15,572,811				\$ 15,572,811	\$ 3,850,000	\$ 765,361	\$ 3,915,000	\$ 14,742,450

(1) Total amount approved was \$2,000,000, of which \$200,000 remains available for draws as of June 30, 2012.

Exhibit J-2

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

Year Ending June 30	Notes	
	Principal	Total
2013	\$ 145,900	\$ 145,900
2014	145,900	145,900
2015	145,900	145,900
2016	145,900	145,900
2017	145,900	145,900
2018	137,500	137,500
2019	137,500	137,500
2020	114,583	114,583
Total	\$ 1,119,083	\$ 1,119,083

Year Ending June 30	Other Loan Payable	
	Principal	Total
2013	\$ 133,336	\$ 133,336
2014	200,004	200,004
2015	200,004	200,004
2016	200,004	200,004
2017	200,004	200,004
2018	200,004	200,004
2019	200,004	200,004
2020	200,004	200,004
2021	200,004	200,004
2022	66,632	66,632
Total	\$ 1,800,000	\$ 1,800,000

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2013	\$ 59,397	\$ 3,906	\$ 63,303
2014	9,465	521	9,986
Total	\$ 68,862	\$ 4,427	\$ 73,289

(Continued)

Exhibit J-2

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

Year Ending June 30	Bonds		Total
	Principal	Interest	
2013	\$ 841,129	\$ 451,389	\$ 1,292,518
2014	946,936	427,666	1,374,602
2015	957,783	408,219	1,366,002
2016	973,672	387,680	1,361,352
2017	992,642	367,022	1,359,664
2018	1,082,701	345,140	1,427,841
2019	1,132,587	301,805	1,434,392
2020	1,190,000	267,775	1,457,775
2021	1,230,000	230,588	1,460,588
2022	1,275,000	190,613	1,465,613
2023	1,320,000	145,987	1,465,987
2024	1,370,000	99,787	1,469,787
2025	1,430,000	51,837	1,481,837
Total	\$ 14,742,450	\$ 3,675,508	\$ 18,417,958

Exhibit J-3

Crockett County, Tennessee
Schedule of Transfers
Discretely Presented Crockett County School Department
For the Year Ended June 30, 2012

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
General Purpose School	School Federal Projects	Cash flow	\$ 20,000
School Federal Projects	General Purpose School	"	96,346
School Transportation	"	School transportation	321,935
Total Transfers Discretely Presented Crockett County School Department			<u>\$ 438,281</u>

Exhibit J-4

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

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA	\$ 66,702	\$ 50,000	Auto Owners Insurance Company
Road Supervisor	Section 8-24-102, TCA	63,527	100,000	"
Director of Schools	State Board of Education and County Board of Education	106,800	150,000	Tennessee Risk Management Trust
Trustee	Section 8-24-102, TCA	57,751	702,000	Auto Owners Insurance Company
Assessor of Property	Section 8-24-102, TCA	57,751	10,000	"
County Clerk	Section 8-24-102, TCA	57,751	25,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, TCA	57,751	25,000	"
Clerk and Master	Section 8-24-102, TCA	57,751	30,000	"
Register	Section 8-24-102, TCA	57,751	15,000	"
Sheriff	Section 8-24-102, TCA	63,527 (1)	25,000	"
Employee Bonds:				
General Fund Employees			150,000	Tennessee Risk Management Trust
Road Department Employees			150,000	"
School Department Employees			150,000	"

(1) Does not include a law enforcement training supplement of \$600.

Exhibit J-5

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

	Special Revenue Funds				Debt Service Fund		Capital Projects Funds			Total
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service	General Capital Projects	Community Development/Industrial Park			
							Development/Industrial Park	Community Development/Industrial Park		
<u>Local Taxes</u>										
County Property Taxes										
Current Property Tax	\$ 3,455,873	\$ 0	\$ 0	\$ 0	\$ 139,743	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,595,616
Discount on Property Taxes	(28,067)	0	0	0	(1,135)	0	0	0	0	(29,202)
Trustee's Collections - Prior Year	145,392	0	0	0	2,353	0	0	0	0	147,745
Trustee's Collections - Bankruptcy	31	0	0	0	3	0	0	0	0	34
Circuit/Clerk & Master Collections - Prior Years	57,759	0	0	0	16,026	0	0	0	0	73,785
Interest and Penalty	25,402	0	0	0	520	0	0	0	0	25,922
Payments in-Lieu-of Taxes - T.V.A.	96	0	0	0	7	0	0	0	0	103
Payments in-Lieu-of Taxes - Other	2,376	0	0	0	0	0	0	0	0	2,376
<u>County Local Option Taxes</u>										
Local Option Sales Tax	0	158,575	0	0	535,577	0	0	0	0	694,152
Hotel/Motel Tax	8,109	0	0	0	0	0	0	0	0	8,109
Wheel Tax	0	0	0	385,423	307,134	0	0	0	0	692,557
Litigation Tax - General	49,992	0	0	0	0	0	0	0	0	49,992
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	18,403	0	0	0	0	18,403
Business Tax	102,388	0	0	0	0	0	0	0	0	102,388
<u>Statutory Local Taxes</u>										
Bank Excise Tax	40,369	0	0	0	0	0	0	0	0	40,369
Wholesale Beer Tax	0	102,467	0	0	0	0	0	0	0	102,467
Interstate Telecommunications Tax	0	234	0	0	0	0	0	0	0	234
Total Local Taxes	\$ 3,859,720	\$ 261,276	\$ 0	\$ 385,423	\$ 1,018,631	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,525,050
<u>Licenses and Permits</u>										
Licenses										
Cable TV Franchise	\$ 7,060	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,060
Permits										
Beer Permits	697	0	0	0	0	0	0	0	0	697
Building Permits	13,275	0	0	0	0	0	0	0	0	13,275
Total Licenses and Permits	\$ 21,032	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 21,032

(Continued)

Exhibit J-5

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

	Special Revenue Funds					Debt Service Fund		Capital Projects Funds			Total
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service	General Capital Projects	Community Development/ Industrial Park	Capital Projects Funds			
								General	Total		
<u>Fines, Forfeitures, and Penalties</u>											
<u>Circuit Court</u>											
Fines	\$ 2,011	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	2,011
Officers Costs	2,716	0	0	0	0	0	0	0	0	0	2,716
Drug Court Fees	4,198	0	0	0	0	0	0	0	0	0	4,198
Jail Fees	9,029	0	0	0	0	0	0	0	0	0	9,029
DUI Treatment Fines	472	0	0	0	0	0	0	0	0	0	472
Data Entry Fee - Circuit Court	166	0	0	0	0	0	0	0	0	0	166
Courtroom Security Fee	34	0	0	0	0	0	0	0	0	0	34
<u>General Sessions Court</u>											
Fines	11,247	0	0	0	0	0	0	0	0	0	11,247
Fines for Littering	48	0	0	0	0	0	0	0	0	0	48
Officers Costs	17,865	0	0	0	0	0	0	0	0	0	17,865
Game and Fish Fines	349	0	0	0	0	0	0	0	0	0	349
Drug Control Fines	3,186	0	2,372	0	0	0	0	0	0	0	5,558
Drug Court Fees	1,947	0	0	0	0	0	0	0	0	0	1,947
Jail Fees	3,436	0	0	0	0	0	0	0	0	0	3,436
DUI Treatment Fines	2,103	0	0	0	0	0	0	0	0	0	2,103
Data Entry Fee - General Sessions Court	3,588	0	0	0	0	0	0	0	0	0	3,588
Courtroom Security Fee	363	0	0	0	0	0	0	0	0	0	363
<u>Juvenile Court</u>											
Officers Costs	2,416	0	0	0	0	0	0	0	0	0	2,416
Data Entry Fee - Juvenile Court	140	0	0	0	0	0	0	0	0	0	140
<u>Chancery Court</u>											
Officers Costs	912	0	0	0	0	0	0	0	0	0	912
Data Entry Fee - Chancery Court	1,082	0	0	0	0	0	0	0	0	0	1,082
Courtroom Security Fee	729	0	0	0	0	0	0	0	0	0	729
<u>Other Fines, Forfeitures, and Penalties</u>											
Proceeds from Confiscated Property	0	0	1,262	0	0	0	0	0	0	0	1,262
Total Fines, Forfeitures, and Penalties	\$ 68,037	\$ 0	\$ 3,634	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 71,671

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service Fund		Capital Projects Funds				Total
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service	General Capital Projects	Community Development/Industrial Park		Total		
							Development/Industrial	Park			
<u>Charges for Current Services</u>											
<u>General Service Charges</u>											
Convenience Waste Centers Collection Charge	\$ 0	\$ 12,149	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,149	\$ 584,228
<u>Fees</u>											
Library Fees	1,056	0	0	0	0	0	0	0	0	1,056	20,463
Telephone Commissions	20,463	0	0	0	0	0	0	0	0	20,463	3,888
Data Processing Fee - Register	3,888	0	0	0	0	0	0	0	0	3,888	1,527
Data Processing Fee - Sheriff	1,527	0	0	0	0	0	0	0	0	1,527	1,200
Sexual Offender Registration Fees - Sheriff	1,200	0	0	0	0	0	0	0	0	1,200	950
Data Processing Fee - County Clerk	950	0	0	0	0	0	0	0	0	950	
Total Charges for Current Services	\$ 613,312	\$ 12,149	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 625,461	
<u>Other Local Revenues</u>											
<u>Recurring Items</u>											
Investment Income	769	0	0	0	25,956	1	0	0	0	26,726	
Lease/Rentals	39,778	0	0	0	87,651	0	0	0	0	127,429	
Sale of Materials and Supplies	0	0	0	62,016	0	0	0	0	0	62,016	
Commissary Sales	5,719	0	0	0	0	0	0	0	0	5,719	
Miscellaneous Refunds	27,336	0	0	0	4	0	0	0	0	27,340	
<u>Nonrecurring Items</u>											
Sale of Equipment	757	0	0	0	0	0	0	0	0	757	
Sale of Property	3,000	0	0	0	0	0	0	0	0	3,000	
Contributions and Gifts	11,069	0	0	0	0	0	0	0	0	11,069	
Performance Bond Forfeitures	14,250	0	0	0	0	0	0	0	0	14,250	
Total Other Local Revenues	\$ 102,678	\$ 0	\$ 0	\$ 62,016	\$ 113,611	\$ 1	\$ 0	\$ 0	\$ 0	\$ 278,306	
<u>Fees Received from County Officials</u>											
<u>Fees in-Lieu-of Salary</u>											
County Clerk	145,897	0	0	0	0	0	0	0	0	145,897	
Circuit Court Clerk	19,631	0	0	0	0	0	0	0	0	19,631	
General Sessions Court Clerk	103,424	0	0	0	0	0	0	0	0	103,424	

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service Fund		Capital Projects Funds			Total
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service	General Capital Projects	Community Development/ Industrial Park			
							Development/ Industrial	Park		
<u>Fees Received from County Officials (Cont.)</u>										
<u>Fees in-Lieu-of Salary (Cont.)</u>										
Clerk and Master	\$ 52,066	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 52,066
Juvenile Court Clerk	6,172	0	0	0	0	0	0	0	0	6,172
Register	43,533	0	0	0	0	0	0	0	0	43,533
Sheriff	5,190	0	0	0	0	0	0	0	0	5,190
Trustee	188,386	0	0	0	0	0	0	0	0	188,386
Total Fees Received from County Officials	\$ 564,299	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 564,299
<u>State of Tennessee</u>										
<u>General Government Grants</u>										
Juvenile Services Program	\$ 10,917	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,917
Aging Programs	257,736	0	0	0	0	0	0	0	0	257,736
Solid Waste Grants	0	3,434	0	0	0	0	0	0	0	3,434
<u>Public Safety Grants</u>										
Law Enforcement Training Programs	7,200	0	0	0	0	0	0	0	0	7,200
<u>Health and Welfare Grants</u>										
Health Department Programs	82,759	0	0	0	0	0	0	0	0	82,759
Other Health and Welfare Grants	10,537	0	0	0	0	0	0	0	0	10,537
<u>Public Works Grants</u>										
Bridge Program	0	0	0	196,009	0	0	0	0	0	196,009
State Aid Program	0	0	0	164,119	0	0	0	0	0	164,119
<u>Other State Revenues</u>										
Income Tax	12,133	0	0	0	0	0	0	0	0	12,133
Beer Tax	0	18,421	0	0	0	0	0	0	0	18,421
Alcoholic Beverage Tax	0	28,167	0	0	0	0	0	0	0	28,167
Mixed Drink Tax	796	0	0	0	0	0	0	0	0	796
State Revenue Sharing - T.V.A.	311,100	0	0	0	0	0	0	0	0	311,100
Contracted Prisoner Boarding	242,935	0	0	0	0	0	0	0	0	242,935
Gasoline and Motor Fuel Tax	0	0	0	1,371,372	0	0	0	0	0	1,371,372
Petroleum Special Tax	0	0	0	10,524	0	0	0	0	0	10,524
Registrar's Salary Supplement	15,164	0	0	0	0	0	0	0	0	15,164

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service Fund		Capital Projects Funds			Total
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service	General Capital Projects	Community Development/Industrial Park			
							Development/Industrial	Park		
<u>State of Tennessee (Cont.)</u>										
<u>Other State Revenues (Cont.)</u>										
Other State Grants	\$ 51,600	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 51,600
Other State Revenues	928	0	0	0	0	0	0	0	0	928
Total State of Tennessee	\$ 1,003,805	\$ 50,022	\$ 0	\$ 1,742,024	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,795,851
<u>Federal Government</u>										
<u>Federal Through State</u>										
USDA - Other	\$ 28,498	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 28,498
Community Development	236,092	0	0	0	0	0	8,550	0	0	244,642
Civil Defense Reimbursement	27,500	0	0	0	0	0	0	0	0	27,500
Disaster Relief	2,528	0	0	97,563	0	0	0	0	0	100,091
Homeland Security Grants	74,983	0	0	0	0	0	0	0	0	74,983
<u>Direct Federal Revenue</u>	2,800	0	0	0	0	0	0	0	0	2,800
Other Direct Federal Revenue	\$ 372,401	\$ 0	\$ 0	\$ 97,563	\$ 0	\$ 0	\$ 8,550	\$ 0	\$ 0	\$ 478,514
Total Federal Government										
<u>Other Governments and Citizens Groups</u>										
<u>Other Governments</u>										
Contributions	\$ 1,800	\$ 0	\$ 0	\$ 0	\$ 150,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 151,800
Contracted Services	2,055	0	0	5,534	0	0	0	0	0	7,589
<u>Citizens Groups</u>										
Donations	3,139	0	0	0	137,508	100	0	0	0	140,747
Total Other Governments and Citizens Groups	\$ 6,994	\$ 0	\$ 0	\$ 5,534	\$ 287,508	\$ 100	\$ 0	\$ 0	\$ 0	\$ 300,136
Total	\$ 6,612,278	\$ 323,447	\$ 3,634	\$ 2,292,560	\$ 1,419,750	\$ 101	\$ 8,550	\$ 10,660,320		

Exhibit J-6

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

	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 964,841	\$ 0	\$ 0	\$ 219,418	\$ 1,184,259
Discount on Property Taxes	(7,837)	0	0	(1,786)	(9,623)
Trustee's Collections - Prior Year	39,724	0	0	8,993	48,717
Trustee's Collections - Bankruptcy	10	0	0	2	12
Circuit/Clerk & Master Collections - Prior Years	20,018	0	0	4,583	24,601
Interest and Penalty	7,010	0	0	1,597	8,607
Payments in-Lieu-of Taxes - T.V.A.	44	0	0	10	54
<u>County Local Option Taxes</u>					
Local Option Sales Tax	354,586	0	0	0	354,586
Wheel Tax	39,873	0	0	90,334	130,207
<u>Statutory Local Taxes</u>					
Interstate Telecommunications Tax	728	0	0	0	728
Total Local Taxes	\$ 1,418,997	\$ 0	\$ 0	\$ 323,151	\$ 1,742,148
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 943	\$ 0	\$ 0	\$ 0	\$ 943
Total Licenses and Permits	\$ 943	\$ 0	\$ 0	\$ 0	\$ 943
<u>Charges for Current Services</u>					
<u>Fees</u>					
Vending Machine Collections	\$ 148	\$ 0	\$ 0	\$ 0	\$ 148
<u>Education Charges</u>					
Lunch Payments - Children	0	0	132,360	0	132,360
Lunch Payments - Adults	0	0	17,660	0	17,660
Income from Breakfast	0	0	4,240	0	4,240
A la carte Sales	0	0	69,292	0	69,292
Transportation - Other State Systems	6,593	0	0	0	6,593
School Based Health Services - FFS	4,890	0	0	0	4,890
Receipts from Individual Schools	26,057	0	0	0	26,057
<u>Other Charges for Services</u>					
Other Charges for Services	0	0	26,040	0	26,040
Total Charges for Current Services	\$ 37,688	\$ 0	\$ 249,592	\$ 0	\$ 287,280
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 12,685	\$ 0	\$ 469	\$ 0	\$ 13,154
Lease/Rentals	16,030	0	0	0	16,030
Refund of Telecommunication and Internet Fees (E-Rate)	37,313	0	2,045	0	39,358
Miscellaneous Refunds	10,277	0	0	0	10,277
<u>Nonrecurring Items</u>					
Sale of Equipment	16,052	0	0	0	16,052
Damages Recovered from Individuals	338	0	0	0	338
<u>Other Local Revenues</u>					
Other Local Revenues	62	0	0	0	62
Total Other Local Revenues	\$ 92,757	\$ 0	\$ 2,514	\$ 0	\$ 95,271

(Continued)

Exhibit J-6

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

	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	Total
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-Behalf Contributions for OPEB	\$ 50,876	\$ 0	\$ 0	\$ 0	\$ 50,876
<u>State Education Funds</u>					
Basic Education Program	9,362,000	0	0	0	9,362,000
Early Childhood Education	239,753	0	0	0	239,753
School Food Service	0	0	9,079	0	9,079
Energy Efficient School Initiative	15,412	0	0	0	15,412
Driver Education	11,479	0	0	0	11,479
Other State Education Funds	278,730	0	0	0	278,730
Family Resource Centers - ARRA	14,889	0	0	0	14,889
Statewide Student Management System (SSMS) - ARRA	4,660	0	0	0	4,660
Career Ladder Program	51,738	0	0	0	51,738
Career Ladder - Extended Contract	40,200	0	0	0	40,200
Career Ladder - Extended Contract - ARRA	40,200	0	0	0	40,200
Other Vocational	3,487	0	0	0	3,487
<u>Other State Revenues</u>					
Mixed Drink Tax	527	0	0	0	527
State Revenue Sharing - T.V.A.	50,000	0	0	0	50,000
Other State Grants	78,735	0	0	0	78,735
Other State Revenues	5,250	0	0	0	5,250
Total State of Tennessee	\$ 10,247,936	\$ 0	\$ 9,079	\$ 0	\$ 10,257,015
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 510,730	\$ 0	\$ 510,730
USDA - Commodities	0	0	33,230	0	33,230
Breakfast	0	0	311,948	0	311,948
USDA - Other	0	0	14,170	0	14,170
Adult Education State Grant Program	108,207	0	0	0	108,207
Vocational Education - Basic Grants to States	0	45,372	0	0	45,372
Title I Grants to Local Education Agencies	0	401,935	0	0	401,935
Special Education - Grants to States	0	422,742	0	0	422,742
Special Education Preschool Grants	0	9,111	0	0	9,111
English Language Acquisition Grants	0	7,881	0	0	7,881
Rural Education	0	39,123	0	0	39,123
Eisenhower Professional Development State Grants	0	73,737	0	0	73,737
Race-to-the-Top - ARRA	0	134,336	0	0	134,336
Other Federal through State	0	166,376	0	0	166,376
Total Federal Government	\$ 108,207	\$ 1,300,613	\$ 870,078	\$ 0	\$ 2,278,898
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 1,800,000	\$ 0	\$ 0	\$ 0	\$ 1,800,000
<u>Other</u>					
Other	130,965	0	0	0	130,965
Total Other Governments and Citizens Groups	\$ 1,930,965	\$ 0	\$ 0	\$ 0	\$ 1,930,965
Total	\$ 13,837,493	\$ 1,300,613	\$ 1,131,263	\$ 323,151	\$ 16,592,520

Exhibit J-7

Crockett 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	\$ 13,619	
Dues and Memberships	<u>1,300</u>	
Total County Commission		\$ 14,919

Board of Equalization

Board and Committee Members Fees	\$ 210	
Total Board of Equalization		210

Beer Board

Board and Committee Members Fees	\$ 125	
Total Beer Board		125

County Mayor/Executive

County Official/Administrative Officer	\$ 66,702	
Accountants/Bookkeepers	30,855	
Secretary(ies)	20,353	
Longevity Pay	650	
Contracts with Private Agencies	6,218	
Dues and Memberships	1,737	
Postal Charges	1,485	
Printing, Stationery, and Forms	784	
Travel	4,747	
Other Contracted Services	3,120	
Office Supplies	2,132	
Other Charges	258	
Office Equipment	<u>4,131</u>	
Total County Mayor/Executive		143,172

County Attorney

County Official/Administrative Officer	\$ 250	
Total County Attorney		250

Election Commission

County Official/Administrative Officer	\$ 51,976	
Temporary Personnel	13,877	
Election Commission	1,700	
Election Workers	11,036	
Contracts with Private Agencies	10,874	
Data Processing Services	7,119	
Dues and Memberships	475	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Legal Notices, Recording, and Court Costs	\$	3,622	
Postal Charges		956	
Printing, Stationery, and Forms		1,025	
Travel		1,345	
Office Supplies		1,855	
Office Equipment		1,500	
Total Election Commission			\$ 107,360

Register of Deeds

County Official/Administrative Officer	\$	57,751	
Deputy(ies)		23,886	
Longevity Pay		350	
Data Processing Services		3,675	
Dues and Memberships		398	
Operating Lease Payments		736	
Postal Charges		312	
Printing, Stationery, and Forms		73	
Office Supplies		923	
Total Register of Deeds			88,104

County Buildings

Custodial Personnel	\$	14,432	
Other Salaries and Wages		215	
Communication		33,976	
Maintenance and Repair Services - Buildings		308,488	
Maintenance and Repair Services - Equipment		6,483	
Pest Control		4,485	
Custodial Supplies		13,919	
Electricity		32,303	
Natural Gas		6,220	
Water and Sewer		6,770	
Building and Contents Insurance		20,225	
Total County Buildings			447,516

Finance

Accounting and Budgeting

Accounting Services	\$	568	
Audit Services		4,376	
Total Accounting and Budgeting			4,944

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office

County Official/Administrative Officer	\$	57,751	
Deputy(ies)		41,704	
Longevity Pay		350	
Contracts with Private Agencies		8,800	
Data Processing Services		7,979	
Dues and Memberships		1,165	
Legal Notices, Recording, and Court Costs		32	
Postal Charges		234	
Travel		1,801	
Office Supplies		183	
Office Equipment		1,440	
Other Equipment		1,196	
Total Property Assessor's Office			\$ 122,635

County Trustee's Office

County Official/Administrative Officer	\$	57,751	
Deputy(ies)		49,355	
Longevity Pay		1,750	
Data Processing Services		4,500	
Dues and Memberships		490	
Maintenance Agreements		3,000	
Postal Charges		2,539	
Printing, Stationery, and Forms		400	
Travel		763	
Other Contracted Services		1,500	
Office Supplies		1,313	
Office Equipment		7,498	
Total County Trustee's Office			130,859

County Clerk's Office

County Official/Administrative Officer	\$	57,751	
Deputy(ies)		66,772	
Longevity Pay		900	
Dues and Memberships		503	
Postal Charges		3,745	
Printing, Stationery, and Forms		580	
Travel		780	
Other Contracted Services		9,833	
Office Supplies		2,124	
Office Equipment		1,603	
Total County Clerk's Office			144,591

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	57,751	
Deputy(ies)		111,405	
Longevity Pay		1,600	
Jury and Witness Expense		8,466	
Data Processing Services		8,462	
Dues and Memberships		573	
Postal Charges		2,347	
Printing, Stationery, and Forms		695	
Other Contracted Services		1,575	
Office Supplies		6,840	
Other Equipment		196	
Total Circuit Court			\$ 199,910

General Sessions Judge

Judge(s)	\$	83,640	
Dues and Memberships		430	
Travel		1,396	
Other Contracted Services		4,200	
Office Supplies		23	
Total General Sessions Judge			89,689

Drug Court

Assistant(s)	\$	21,630	
Supervisor/Director		14,160	
Social Security		3,147	
Communication		2,454	
Travel		4,493	
Drug Treatment		3,443	
Office Supplies		2,321	
Office Equipment		1,707	
Total Drug Court			53,355

Chancery Court

County Official/Administrative Officer	\$	57,751	
Deputy(ies)		24,871	
Longevity Pay		200	
Dues and Memberships		448	
Maintenance Agreements		3,068	
Postal Charges		2,794	
Printing, Stationery, and Forms		213	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Travel	\$	25	
Other Contracted Services		1,316	
Office Supplies		649	
Total Chancery Court			\$ 91,335

Juvenile Court

Supervisor/Director	\$	29,312	
Probation Officer(s)		17,114	
Longevity Pay		1,300	
In-Service Training		839	
Communication		1,380	
Maintenance and Repair Services - Vehicles		1,345	
Other Contracted Services		960	
Gasoline		3,548	
Office Supplies		342	
Other Charges		6,739	
Office Equipment		2,010	
Total Juvenile Court			64,889

Other Administration of Justice

Other Salaries and Wages	\$	7,747	
In-Service Training		450	
Other Charges		800	
Total Other Administration of Justice			8,997

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	63,527	
Assistant(s)		39,284	
Deputy(ies)		426,208	
Data Processing Personnel		25,022	
Guards		25,612	
Secretary(ies)		22,182	
Longevity Pay		6,000	
Other Salaries and Wages		58,707	
In-Service Training		10,375	
Communication		22,561	
Data Processing Services		13,674	
Dues and Memberships		2,255	
Evaluation and Testing		1,355	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Maintenance and Repair Services - Vehicles	\$	33,407	
Postal Charges		2,135	
Travel		5,772	
Gasoline		69,693	
Law Enforcement Supplies		12,658	
Office Supplies		10,915	
Tires and Tubes		7,021	
Uniforms		12,181	
Other Supplies and Materials		2,016	
Other Charges		3,393	
Data Processing Equipment		206	
Law Enforcement Equipment		5,298	
Maintenance Equipment		290	
Motor Vehicles		42,337	
Office Equipment		5,167	
Other Equipment		682	
Total Sheriff's Department			\$ 929,933

Jail

Dispatchers/Radio Operators	\$	125,110
Guards		292,927
Cafeteria Personnel		18,609
Part-time Personnel		17,211
Longevity Pay		5,100
Other Salaries and Wages		46,649
In-Service Training		480
Contracts with Public Carriers		3,488
Evaluation and Testing		1,915
Medical and Dental Services		114,588
Travel		2,299
Other Contracted Services		252
Custodial Supplies		13,237
Data Processing Supplies		2,124
Drugs and Medical Supplies		48,669
Electricity		26,007
Food Supplies		117,007
Law Enforcement Supplies		1,169
Natural Gas		7,616
Uniforms		9,328
Water and Sewer		8,556

(Continued)

Exhibit J-7

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

<u>General Fund (Cont.)</u>		
<u>Public Safety (Cont.)</u>		
<u>Jail (Cont.)</u>		
Other Supplies and Materials	\$ 4,000	
Other Charges	1,500	
Office Equipment	4,942	
Total Jail		\$ 872,783
<u>Juvenile Services</u>		
Other Charges	\$ 345	
Total Juvenile Services		345
<u>Fire Prevention and Control</u>		
Medical Insurance	\$ 4,057	
Contributions	56,000	
Total Fire Prevention and Control		60,057
<u>Civil Defense</u>		
Assistant(s)	\$ 12,315	
Supervisor/Director	16,802	
Communication	5,018	
Dues and Memberships	750	
Operating Lease Payments	1,020	
Maintenance and Repair Services - Vehicles	7,740	
Postal Charges	1,087	
Travel	2,216	
Electricity	3,436	
Food Supplies	28	
Gasoline	5,495	
Office Supplies	1,261	
Uniforms	280	
Utilities	1,289	
Other Supplies and Materials	331	
Other Charges	821	
Total Civil Defense		59,889
<u>Rescue Squad</u>		
Contributions	\$ 8,000	
Total Rescue Squad		8,000
<u>Disaster Relief</u>		
Data Processing Personnel	\$ 19,282	
Longevity Pay	50	
Total Disaster Relief		19,332

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management

Communication	\$	105	
Other Supplies and Materials		8,889	
Motor Vehicles		38,429	
Total Other Emergency Management			\$ 47,423

County Coroner/Medical Examiner

Other Per Diem and Fees	\$	2,000	
Contracts with Government Agencies		5,900	
Transportation - Other than Students		900	
Total County Coroner/Medical Examiner			8,800

Other Public Safety

Other Salaries and Wages	\$	3,429	
Total Other Public Safety			3,429

Public Health and Welfare

Local Health Center

Data Processing Personnel	\$	19,830	
Social Workers		3,481	
Medical Personnel		23,027	
Secretary(ies)		21,234	
Custodial Personnel		7,740	
Social Security		2,695	
State Retirement		1,212	
Employee and Dependent Insurance		4,180	
Employer Medicare		930	
Communication		3,605	
Travel		1,299	
Custodial Supplies		1,175	
Drugs and Medical Supplies		724	
Office Supplies		385	
Utilities		9,141	
Other Charges		658	
Total Local Health Center			101,316

Rabies and Animal Control

Supervisor/Director	\$	26,498	
Longevity Pay		1,150	
Communication		581	
Travel		4,436	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

Other Supplies and Materials	\$ 2,452	
Total Rabies and Animal Control		\$ 35,117

Ambulance/Emergency Medical Services

Assistant(s)	\$ 39,785	
Supervisor/Director	50,174	
Medical Personnel	424,134	
Secretary(ies)	23,726	
Part-time Personnel	22,368	
Longevity Pay	7,550	
Other Salaries and Wages	87,630	
In-Service Training	782	
Communication	4,980	
Contracts with Private Agencies	7,956	
Dues and Memberships	490	
Evaluation and Testing	150	
Licenses	2,170	
Maintenance and Repair Services - Vehicles	14,625	
Postal Charges	1,075	
Travel	1,197	
Diesel Fuel	47,063	
Drugs and Medical Supplies	35,000	
Office Supplies	2,228	
Uniforms	3,644	
Other Supplies and Materials	2,712	
Other Charges	1,517	
Motor Vehicles	256,745	
Office Equipment	1,228	
Other Equipment	1,652	
Total Ambulance/Emergency Medical Services		1,040,581

Maternal and Child Health Services

Contributions	\$ 4,000	
Total Maternal and Child Health Services		4,000

Alcohol and Drug Programs

Contributions	\$ 15,165	
Total Alcohol and Drug Programs		15,165

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Crippled Children Services

Contributions	\$ 1,650	
Total Crippled Children Services		\$ 1,650

Other Local Health Services

Contributions	\$ 2,000	
Total Other Local Health Services		2,000

Appropriation to State

Contracts with Government Agencies	\$ 43,900	
Contracts with Other Public Agencies	6,000	
Contributions	2,000	
Total Appropriation to State		51,900

Other Local Welfare Services

Other Charges	\$ 1,187	
Total Other Local Welfare Services		1,187

Social, Cultural, and Recreational Services

Adult Activities

Assistant(s)	\$ 19,425
Supervisor/Director	34,822
Social Workers	20,483
Medical Personnel	118,278
Bus Drivers	25,807
Clerical Personnel	13,385
Educational Assistants	16,713
Cafeteria Personnel	15,712
Maintenance Personnel	9,701
Part-time Personnel	9,067
Longevity Pay	3,300
In-Service Training	480
Audit Services	1,100
Communication	5,183
Data Processing Services	1,403
Dues and Memberships	250
Licenses	2,032
Maintenance and Repair Services - Buildings	1,377
Maintenance and Repair Services - Vehicles	2,487
Postal Charges	1,300
Travel	7,034

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Adult Activities (Cont.)

Other Contracted Services	\$	9,030	
Custodial Supplies		1,983	
Gasoline		7,452	
Instructional Supplies and Materials		350	
Office Supplies		2,322	
Utilities		7,135	
Other Supplies and Materials		1,261	
Criminal Investigation of Applicants - TBI		29	
Other Charges		1,760	
Office Equipment		2,126	
Other Equipment		1,250	
Total Adult Activities			\$ 344,037

Libraries

Librarians	\$	26,780	
Custodial Personnel		1,331	
Longevity Pay		350	
Other Salaries and Wages		43,201	
Communication		1,895	
Maintenance and Repair Services - Buildings		160,000	
Postal Charges		221	
Travel		771	
Data Processing Supplies		14,375	
Library Books/Media		8,708	
Office Supplies		1,353	
Utilities		6,208	
Other Supplies and Materials		193	
Other Charges		115	
Data Processing Equipment		910	
Office Equipment		650	
Total Libraries			267,061

Parks and Fair Boards

Other Contracted Services	\$	2,400	
Electricity		2,967	
Other Charges		1,302	
Total Parks and Fair Boards			6,669

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Agriculture and Natural Resources

Agriculture Extension Service

County Official/Administrative Officer	\$	16,493	
Assistant(s)		14,615	
Supervisor/Director		13,337	
Clerical Personnel		5,031	
Communication		4,300	
Dues and Memberships		350	
Travel		195	
Office Supplies		800	
Maintenance Equipment		3,172	
Total Agriculture Extension Service			\$ 58,293

Soil Conservation

Supervisor/Director	\$	33,774	
Secretary(ies)		25,459	
Longevity Pay		3,650	
Other Salaries and Wages		28,408	
Other Charges		5,000	
Total Soil Conservation			96,291

Flood Control

Dues and Memberships	\$	10,717	
Total Flood Control			10,717

Other Agriculture and Natural Resources

Part-time Personnel	\$	8,603	
Travel		763	
Other Supplies and Materials		922	
Total Other Agriculture and Natural Resources			10,288

Other Operations

Veterans' Services

Supervisor/Director	\$	11,615	
Postal Charges		180	
Travel		247	
Office Supplies		115	
Total Veterans' Services			12,157

Other Charges

Legal Services	\$	21,658	
Liability Insurance		46,500	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Other Charges (Cont.)

Trustee's Commission	\$	88,815	
Vehicle and Equipment Insurance		26,843	
Workers' Compensation Insurance		62,450	
Liability Claims		<u>325,000</u>	
Total Other Charges	\$		571,266

Contributions to Other Agencies

Contributions	\$	<u>42,100</u>	
Total Contributions to Other Agencies			42,100

Employee Benefits

Social Security	\$	251,238	
State Retirement		187,500	
Employee and Dependent Insurance		8,517	
Medical Insurance		186,300	
Unemployment Compensation		<u>9,343</u>	
Total Employee Benefits			642,898

Miscellaneous

Contracts with Government Agencies	\$	7,362	
Contracts with Private Agencies		5,625	
Legal Notices, Recording, and Court Costs		3,449	
Pauper Burials		250	
Postal Charges		500	
Other Contracted Services		5,397	
Instructional Supplies and Materials		4,319	
Office Supplies		2,022	
Other Supplies and Materials		1,818	
Premiums on Corporate Surety Bonds		509	
Other Charges		8,131	
Office Equipment		834	
Other Equipment		<u>3,402</u>	
Total Miscellaneous			43,618

Principal on Debt

General Government

Principal on Capital Leases	\$	<u>81,867</u>	
Total General Government			81,867

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Interest on Debt

General Government

Interest on Capital Leases	\$ 7,294	
Total General Government		\$ 7,294

Total General Fund \$ 7,170,323

Solid Waste/Sanitation Fund

Public Health and Welfare

Convenience Centers

Supervisor/Director	\$ 6,809	
Attendants	41,093	
Maintenance Personnel	10,300	
Part-time Personnel	1,000	
Other Salaries and Wages	493	
Social Security	4,046	
Communication	1,867	
Contracts with Private Agencies	229,686	
Maintenance and Repair Services - Equipment	10	
Maintenance and Repair Services - Vehicles	852	
Other Contracted Services	8,177	
Gasoline	3,388	
Utilities	3,685	
Trustee's Commission	2,999	
Total Convenience Centers		\$ 314,405

Total Solid Waste/Sanitation Fund 314,405

Drug Control Fund

Public Safety

Drug Enforcement

In-Service Training	\$ 545	
Confidential Drug Enforcement Payments	1,000	
Law Enforcement Supplies	3,234	
Trustee's Commission	26	
Motor Vehicles	3,418	
Total Drug Enforcement		\$ 8,223

Total Drug Control Fund 8,223

(Continued)

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

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	63,527	
Accountants/Bookkeepers		64,485	
Board and Committee Members Fees		14,220	
Communication		3,074	
Data Processing Services		4,818	
Dues and Memberships		2,747	
Legal Notices, Recording, and Court Costs		1,599	
Maintenance and Repair Services - Buildings		494	
Maintenance and Repair Services - Office Equipment		413	
Postal Charges		625	
Printing, Stationery, and Forms		426	
Travel		1,515	
Custodial Supplies		437	
Data Processing Supplies		96	
Drugs and Medical Supplies		1,377	
Electricity		5,092	
Natural Gas		332	
Office Supplies		948	
Water and Sewer		1,425	
Other Charges		4,579	
Total Administration			\$ 172,229

Highway and Bridge Maintenance

Foremen	\$	52,745	
Equipment Operators		60,901	
Truck Drivers		45,878	
Laborers		201,675	
Engineering Services		11,746	
Asphalt - Cold Mix		3,191	
Asphalt - Hot Mix		173,407	
Asphalt - Liquid		47,986	
Concrete		72	
Crushed Stone		179,261	
Fertilizer, Lime, and Seed		258	
Pipe		98,812	
Road Signs		7,510	
Wood Products		37,671	
Other Supplies and Materials		1,516	
Total Highway and Bridge Maintenance			922,629

(Continued)

Exhibit J-7

Crockett 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)	\$	60,462	
Laborers		59,257	
Laundry Service		1,706	
Maintenance and Repair Services - Equipment		18,560	
Diesel Fuel		168,372	
Equipment and Machinery Parts		31,686	
Garage Supplies		1,687	
Gasoline		19,250	
Lubricants		5,307	
Propane Gas		55	
Small Tools		877	
Tires and Tubes		35,465	
Other Supplies and Materials		578	
Total Operation and Maintenance of Equipment			\$ 403,262

Other Charges

Premiums on Corporate Surety Bonds	\$	100	
Trustee's Commission		17,747	
Vehicle and Equipment Insurance		38,780	
Workers' Compensation Insurance		36,814	
Total Other Charges			93,441

Employee Benefits

Social Security	\$	38,635	
State Retirement		35,946	
Employee and Dependent Insurance		143,558	
Unemployment Compensation		6,929	
Employer Medicare		9,036	
Total Employee Benefits			234,104

Capital Outlay

Bridge Construction	\$	222,460	
Communication Equipment		1,317	
Highway Equipment		156,008	
Motor Vehicles		35,425	
Office Equipment		240	
State Aid Projects		166,244	
Total Capital Outlay			581,694

Total Highway/Public Works Fund \$ 2,407,359

(Continued)

Exhibit J-7

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

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 75,361	
Principal on Notes	31,317	
Total General Government	<u>106,678</u>	\$ 106,678

Education

Principal on Bonds	\$ 690,000	
Total Education	<u>690,000</u>	690,000

Interest on Debt

General Government

Interest on Bonds	\$ 5,391	
Total General Government	<u>5,391</u>	5,391

Education

Interest on Bonds	\$ 573,566	
Total Education	<u>573,566</u>	573,566

Other Debt Service

General Government

Fiscal Agent Charges	\$ 502	
Trustee's Commission	12,854	
Underwriter's Discount	2,089	
Total General Government	<u>15,445</u>	15,445

Education

Fiscal Agent Charges	\$ 780	
Underwriter's Discount	22,170	
Other Debt Issuance Charges	47,176	
Total Education	<u>70,126</u>	70,126

Total General Debt Service Fund \$ 1,461,206

General Capital Projects Fund

Capital Outlay

Regular Capital Outlay

Other Equipment	\$ 1,180	
Total Regular Capital Outlay	<u>1,180</u>	\$ 1,180

Total General Capital Projects Fund 1,180

(Continued)

Exhibit J-7

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

<u>Community Development/Industrial Park Fund</u>		
<u>Capital Projects</u>		
<u>Public Health and Welfare Projects</u>		
Contracts with Private Agencies	\$ 4,750	
Other Contracted Services	<u>3,800</u>	
Total Public Health and Welfare Projects		<u>\$ 8,550</u>
Total Community Development/Industrial Park Fund		\$ 8,550
<u>Education Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Education Capital Projects</u>		
Contributions	\$ 1,800,000	
Total Education Capital Projects	<u>1,800,000</u>	<u>\$ 1,800,000</u>
Total Education Capital Projects Fund		<u>1,800,000</u>
Total Governmental Funds - Primary Government		<u>\$ 13,171,246</u>

Exhibit J-8

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 3,880,517	
Career Ladder Program	25,200	
Career Ladder Extended Contracts	25,848	
Homebound Teachers	13,894	
Educational Assistants	99,480	
Other Salaries and Wages	26,484	
Certified Substitute Teachers	35,116	
Non-certified Substitute Teachers	70,212	
Social Security	236,338	
State Retirement	358,529	
Medical Insurance	369,533	
Unemployment Compensation	12,401	
Employer Medicare	56,131	
Maintenance and Repair Services - Equipment	38,213	
Other Contracted Services	2,108	
Instructional Supplies and Materials	67,977	
Textbooks	104,510	
Other Charges	33,193	
Regular Instruction Equipment	80,774	
Total Regular Instruction Program		\$ 5,536,458

Alternative Instruction Program

Teachers	\$ 33,575	
Educational Assistants	20,100	
Social Security	2,936	
State Retirement	4,359	
Medical Insurance	9,018	
Unemployment Compensation	120	
Employer Medicare	687	
Total Alternative Instruction Program		70,795

Special Education Program

Teachers	\$ 350,219	
Career Ladder Program	1,600	
Homebound Teachers	1,525	
Educational Assistants	129,310	
Speech Pathologist	10,000	
Other Salaries and Wages	1,420	
Certified Substitute Teachers	525	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Non-certified Substitute Teachers	\$	690	
Social Security		24,645	
State Retirement		37,166	
Medical Insurance		103,485	
Unemployment Compensation		1,833	
Employer Medicare		6,224	
Other Contracted Services		2,820	
Total Special Education Program			\$ 671,462

Vocational Education Program

Teachers	\$	528,453	
Career Ladder Program		2,000	
Clerical Personnel		11,883	
Certified Substitute Teachers		1,277	
Non-certified Substitute Teachers		10,455	
Social Security		30,329	
State Retirement		48,787	
Medical Insurance		77,354	
Unemployment Compensation		800	
Employer Medicare		7,093	
Maintenance and Repair Services - Equipment		854	
Instructional Supplies and Materials		20,125	
Other Supplies and Materials		2,100	
Other Charges		4,989	
Vocational Instruction Equipment		1,348	
Total Vocational Education Program			747,847

Adult Education Program

Teachers	\$	26,188	
Social Security		1,622	
State Retirement		485	
Unemployment Compensation		120	
Employer Medicare		379	
Other Supplies and Materials		4,185	
Total Adult Education Program			32,979

Support Services

Attendance

Supervisor/Director	\$	29,258	
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(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Attendance (Cont.)

Other Salaries and Wages	\$	20,350	
Social Security		2,582	
State Retirement		3,259	
Medical Insurance		4,290	
Unemployment Compensation		120	
Employer Medicare		604	
Data Processing Services		4,660	
Travel		1,441	
In Service/Staff Development		275	
Total Attendance			\$ 66,839

Health Services

Medical Personnel	\$	43,120	
Other Salaries and Wages		57,255	
Social Security		5,827	
State Retirement		8,843	
Medical Insurance		8,898	
Unemployment Compensation		180	
Employer Medicare		1,363	
Travel		5,000	
Other Supplies and Materials		2,419	
Other Charges		8,293	
Total Health Services			141,198

Other Student Support

Guidance Personnel	\$	217,817	
Career Ladder Extended Contracts		1,440	
Guards		2,300	
Secretary(ies)		44,860	
Other Salaries and Wages		64,856	
Social Security		19,608	
State Retirement		22,610	
Medical Insurance		15,505	
Unemployment Compensation		500	
Employer Medicare		4,619	
Evaluation and Testing		18,411	
Travel		1,850	
Other Contracted Services		2,109	
Other Supplies and Materials		1,926	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Other Charges	\$ 69,645	
Total Other Student Support		\$ 488,056

Regular Instruction Program

Supervisor/Director	\$ 33,227	
Career Ladder Program	2,000	
Librarians	93,050	
Other Salaries and Wages	62,547	
Social Security	10,608	
State Retirement	15,718	
Medical Insurance	29,113	
Unemployment Compensation	403	
Employer Medicare	2,481	
Travel	14,359	
Library Books/Media	31,526	
In Service/Staff Development	25,306	
Total Regular Instruction Program		320,338

Special Education Program

Supervisor/Director	\$ 56,052	
Psychological Personnel	30,022	
Social Security	5,403	
State Retirement	8,693	
Medical Insurance	8,840	
Unemployment Compensation	100	
Employer Medicare	1,264	
Travel	7,721	
Other Charges	1,302	
Total Special Education Program		119,397

Vocational Education Program

Travel	\$ 3,508	
Total Vocational Education Program		3,508

Adult Programs

Supervisor/Director	\$ 51,426
Career Ladder Program	600
Other Salaries and Wages	25,364
Social Security	3,092

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Adult Programs (Cont.)

State Retirement	\$	4,654	
Medical Insurance		3,376	
Unemployment Compensation		232	
Employer Medicare		1,029	
Travel		2,470	
Other Supplies and Materials		18,003	
Other Charges		1,188	
Total Adult Programs			\$ 111,434

Other Programs

On-Behalf Payments to OPEB	\$	50,876	
Total Other Programs			50,876

Board of Education

Board and Committee Members Fees	\$	4,495	
Social Security		279	
Unemployment Compensation		40	
Employer Medicare		65	
Audit Services		4,500	
Dues and Memberships		4,009	
Legal Services		1,162	
Travel		1,143	
Other Contracted Services		3,335	
Liability Insurance		13,723	
Premiums on Corporate Surety Bonds		112	
Trustee's Commission		44,002	
Workers' Compensation Insurance		93,580	
Refund to Applicant for Criminal Investigation		1,776	
Other Charges		54,881	
Total Board of Education			227,102

Director of Schools

County Official/Administrative Officer	\$	106,800	
Secretary(ies)		33,265	
Other Salaries and Wages		4,600	
Social Security		7,998	
State Retirement		11,942	
Medical Insurance		15,361	
Unemployment Compensation		120	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

Employer Medicare	\$	1,923	
Communication		8,554	
Postal Charges		1,666	
Travel		4,098	
Other Contracted Services		5,743	
In Service/Staff Development		280	
Other Charges		191	
Total Director of Schools			\$ 202,541

Office of the Principal

Principals	\$	317,895	
Career Ladder Program		8,000	
Accountants/Bookkeepers		11,883	
Career Ladder Extended Contracts		6,000	
Assistant Principals		170,995	
Secretary(ies)		98,827	
Social Security		35,196	
State Retirement		52,713	
Medical Insurance		55,410	
Unemployment Compensation		600	
Employer Medicare		8,243	
Communication		38,463	
Dues and Memberships		2,243	
Postal Charges		4,360	
Travel		9,508	
Other Contracted Services		47,249	
Office Supplies		4,458	
Total Office of the Principal			872,043

Fiscal Services

Supervisor/Director	\$	48,678	
Clerical Personnel		34,400	
Social Security		4,874	
State Retirement		5,458	
Medical Insurance		3,376	
Unemployment Compensation		120	
Employer Medicare		1,140	
Data Processing Services		12,152	
Travel		802	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services (Cont.)

Office Supplies	\$	3,708	
Administration Equipment		1,450	
Total Fiscal Services			\$ 116,158

Operation of Plant

Custodial Personnel	\$	213,095	
Social Security		11,863	
State Retirement		11,512	
Medical Insurance		27,756	
Unemployment Compensation		562	
Employer Medicare		2,774	
Other Contracted Services		32,403	
Electricity		364,053	
Natural Gas		74,656	
Water and Sewer		26,862	
Other Supplies and Materials		49,756	
Boiler Insurance		4,391	
Building and Contents Insurance		80,006	
Other Charges		13,635	
Plant Operation Equipment		3,000	
Total Operation of Plant			916,324

Maintenance of Plant

Maintenance Personnel	\$	122,376	
Social Security		6,652	
State Retirement		8,040	
Medical Insurance		21,945	
Unemployment Compensation		232	
Employer Medicare		1,556	
Communication		2,578	
Maintenance and Repair Services - Buildings		33,228	
Maintenance and Repair Services - Equipment		51,296	
Maintenance and Repair Services - Vehicles		2,488	
Travel		986	
Other Supplies and Materials		31,340	
Other Charges		10,530	
Maintenance Equipment		4,396	
Total Maintenance of Plant			297,643

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation

Supervisor/Director	\$	84,900	
Mechanic(s)		38,878	
Bus Drivers		173,804	
Other Salaries and Wages		29,370	
Social Security		19,180	
State Retirement		13,515	
Medical Insurance		17,556	
Unemployment Compensation		1,287	
Employer Medicare		4,563	
Communication		840	
Maintenance and Repair Services - Vehicles		4,486	
Medical and Dental Services		3,719	
Travel		1,360	
Diesel Fuel		133,997	
Equipment and Machinery Parts		1,313	
Gasoline		26,546	
Lubricants		5,250	
Tires and Tubes		8,813	
Vehicle Parts		15,985	
Other Supplies and Materials		1,696	
Vehicle and Equipment Insurance		24,702	
Other Charges		14,680	
Transportation Equipment		180,450	
Total Transportation			\$ 806,890

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	1,250
Teachers		78,930
Clerical Personnel		1,000
Educational Assistants		28,289
Other Salaries and Wages		14,604
Social Security		7,625
State Retirement		9,037
Unemployment Compensation		300
Employer Medicare		1,783
Communication		352
Travel		35
Other Supplies and Materials		5,302

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services (Cont.)

Other Charges	\$ 5,668	
Total Community Services		\$ 154,175

Early Childhood Education

Teachers	\$ 70,220	
Career Ladder Program	1,000	
Educational Assistants	32,280	
Social Security	5,996	
State Retirement	7,555	
Medical Insurance	6,752	
Unemployment Compensation	240	
Employer Medicare	1,402	
Travel	5,872	
Instructional Supplies and Materials	13,282	
Other Supplies and Materials	1,837	
Other Equipment	17,273	
Total Early Childhood Education		163,709

Capital Outlay

Regular Capital Outlay

Building Improvements	\$ 2,342,917	
Total Regular Capital Outlay		2,342,917

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$ 150,000	
Total Education		150,000

Total General Purpose School Fund		\$ 14,610,689
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School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$ 451,236
Educational Assistants	46,970
Social Security	26,492
State Retirement	37,827
Medical Insurance	56,489
Employer Medicare	6,560

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Regular Instruction Program (Cont.)

Instructional Supplies and Materials	\$ 11,354	
Other Supplies and Materials	10,015	
Other Charges	3,787	
Regular Instruction Equipment	139,111	
Total Regular Instruction Program		\$ 789,841

Special Education Program

Teachers	\$ 168,387	
Educational Assistants	93,806	
Other Salaries and Wages	15,333	
Social Security	15,023	
State Retirement	21,359	
Medical Insurance	11,099	
Employer Medicare	3,513	
Evaluation and Testing	500	
Other Contracted Services	4,004	
Instructional Supplies and Materials	40,021	
Textbooks	1,600	
Other Supplies and Materials	8,349	
Special Education Equipment	24,694	
Total Special Education Program		407,688

Vocational Education Program

Instructional Supplies and Materials	\$ 3,474	
Vocational Instruction Equipment	21,733	
Total Vocational Education Program		25,207

Support Services

Other Student Support

Travel	\$ 12,180	
Total Other Student Support		12,180

Regular Instruction Program

Supervisor/Director	\$ 31,573
Clerical Personnel	11,036
Social Security	2,460
State Retirement	3,582
Medical Insurance	4,389
Employer Medicare	575

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Travel	\$ 1,589	
In Service/Staff Development	2,295	
Total Regular Instruction Program		\$ 57,499

Special Education Program

Travel	\$ 1,270	
Total Special Education Program		1,270

Vocational Education Program

Travel	\$ 1,442	
Total Vocational Education Program		1,442

Transportation

Bus Drivers	\$ 7,822	
Social Security	485	
State Retirement	426	
Employer Medicare	113	
Total Transportation		8,846

Total School Federal Projects Fund \$ 1,303,973

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$ 44,620
Accountants/Bookkeepers	19,681
Cafeteria Personnel	364,577
Other Salaries and Wages	850
Social Security	25,151
State Retirement	22,064
Medical Insurance	30,075
Employer Medicare	5,882
Communication	2,920
Maintenance and Repair Services - Equipment	12,232
Payments to Schools - Lunch	22
Postal Charges	530
Travel	11,437
Other Contracted Services	8,665
Food Supplies	482,472

(Continued)

Exhibit J-8

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Office Supplies	\$	3,303	
Uniforms		424	
USDA - Commodities		33,230	
Other Supplies and Materials		42,721	
In Service/Staff Development		2,760	
Other Charges		15,338	
Food Service Equipment		2,133	
Total Food Service			<u>\$ 1,131,087</u>

Total Central Cafeteria Fund \$ 1,131,087

School Transportation Fund

Support Services

Board of Education

Trustee's Commission	\$	5,604	
Total Board of Education			<u>\$ 5,604</u>

Total School Transportation Fund 5,604

Total Governmental Funds - Crockett County School Department \$ 17,051,353

Exhibit J-9

Crockett 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 - Alamo Fund	City School ADA - Bells Fund	Total
<u>Cash Receipts</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 0	\$ 299,520	\$ 192,040	\$ 491,560
Discount on Property Taxes	0	(2,441)	(1,565)	(4,006)
Trustee's Collections - Prior Years	0	13,801	8,850	22,651
Trustee's Collections - Bankruptcy Circuit/Clerk and Master Collections - Prior Years	0	3	2	5
Interest and Penalty	0	6,256	3,912	10,168
Interest and Penalty	0	2,226	1,428	3,654
Payments in-Lieu-of Taxes - T.V.A.	0	14	9	23
Local Option Sales Tax	383,703	109,657	70,305	563,665
Wheel Tax	0	12,426	7,924	20,350
Interstate Telecommunications Tax	0	212	136	348
Marriage Licenses	0	294	188	482
Mixed Drink Tax	0	168	107	275
Total Cash Receipts	\$ 383,703	\$ 442,136	\$ 283,336	\$ 1,109,175
<u>Cash Disbursements</u>				
Remittance of Revenues Collected	\$ 379,866	\$ 439,063	\$ 281,601	\$ 1,100,530
Trustee's Commission	3,837	7,613	4,883	16,333
Total Cash Disbursements	\$ 383,703	\$ 446,676	\$ 286,484	\$ 1,116,863
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0	\$ (4,540)	\$ (3,148)	\$ (7,688)
Cash Balance, July 1, 2011	0	5,991	4,078	10,069
Cash Balance, June 30, 2012	\$ 0	\$ 1,451	\$ 930	\$ 2,381

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

October 5, 2012

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

To the County Mayor and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Crockett County, Tennessee, as of and for the year ended June 30, 2012, which collectively comprise Crockett County's basic financial statements and have issued our report thereon dated October 5, 2012. Our report on the aggregate discretely presented component units financial statements was qualified due to not including the financial statements of the Crockett County Emergency Communications District, which were not available from other auditors as of the date of this report. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses: 12.01 and 12.12.

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. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies: 12.02, 12.05, 12.06, 12.07, 12.10, and 12.11.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Crockett 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: 12.03, 12.04, 12.08, and 12.09.

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

Crockett 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 Crockett 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 supervisor, County Commission, Board of Education, others within Crockett County, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

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

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
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7841

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

Independent Auditor's Report

October 5, 2012

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

To the County Mayor and Board of County Commissioners:

Compliance

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

In our opinion, Crockett 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 Crockett 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 Crockett 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 Crockett County's internal control over compliance.

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

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

Schedule of Expenditures of Federal Awards

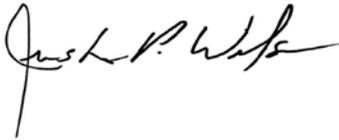
We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Crockett County as of and for the year ended June 30, 2012, and have issued our report thereon dated October 5, 2012. Our report on the aggregate discretely presented component units was qualified due to not including the financial statements of the Crockett County Emergency Communications District, which were not available from other auditors as of the date of this report. Our audit was performed for the purpose of forming our opinions on the financial statements as a whole. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility

of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Crockett 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 Crockett County's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, the county mayor, road supervisor, director of schools, County Commission, Board of Education, others within Crockett 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.

Yours very truly,

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

Justin P. Wilson
Comptroller of the Treasury

JPW/sb

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	\$ 311,948
National School Lunch Program	10.555	N/A	516,546 (7)
Fresh Fruit and Vegetable Program	10.582	N/A	8,354
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	33,230 (7)
Soil and Water Conservation	10.902	(2)	28,498
Total U.S. Department of Agriculture			<u>\$ 898,576</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants	14.228	GG-11-34504-00	\$ 236,092
Passed-through State Housing Development Agency:			
HOME Investment Partnerships Program	14.239	HM-08-10	8,550
Total U.S. Department of Housing and Urban Development			<u>\$ 244,642</u>
U.S. Department of Labor:			
Passed-through State Department of Education:			
Unemployment Insurance, Recovery Act	17.225	N/A	\$ 5,250
Total U.S. Department of Labor			<u>\$ 5,250</u>
U.S. Department of Transportation:			
Passed-through State Department of Military:			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	34101-000006383	\$ 6,500
Total U.S. Department of Transportation			<u>\$ 6,500</u>
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	DG1234579	\$ 108,207
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	397,494
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	410,724
Special Education - Preschool Grants	84.173	N/A	8,926
Special Education - Grants to States, Recovery Act	84.391	N/A	15,142
Special Education - Preschool Grants, Recovery Act	84.392	N/A	8,346
Career and Technical Education - Basic Grants to States	84.048	N/A	77,180
Education Technology State Grants Cluster:			
Education Technology State Grants	84.318	N/A	341
Education Technology State Grants, Recovery Act	84.386	N/A	481
English Language Acquisition State Grants	84.365	N/A	7,881
Improving Teacher Quality State Grants	84.367	N/A	77,459
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	137,097
State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	84.397	N/A	59,749
Education Jobs Fund	84.410	N/A	171,247
Total U.S. Department of Education			<u>\$ 1,480,274</u>

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Health and Human Services:			
Passed-through Northwest Tennessee Development District: Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	(2)	\$ 257,736
Passed-through State Department of Education: Promoting Safe and Stable Families	93.556	(2)	28,707
Passed-through State Department of Health: Grants to States for Operation of Offices of Rural Health	93.913	(3)	28,138
Total U.S. Department of Health and Human Services			<u>\$ 314,581</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military: Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(4)	\$ 100,091
Emergency Management Performance Grants	97.042	34101-53111	27,500
Homeland Security Grant Program	97.067	(5)	68,483
Total U.S. Department of Homeland Security			<u>\$ 196,074</u>
Total Federal Awards			<u>\$ 3,145,897</u>

<u>State Grants</u>		<u>Contract Number</u>	
State Supplement Juvenile Court Improvement Funds - State Commission on Children and Youth	N/A	N/A	\$ 10,917
Waste Tire Option Grant - State Department of Environment and Conservation	N/A	Z-08-212991-02	3,434
Preventive Health and Human Services - State Department of Health	N/A	(6)	54,621
Drug Court Grant - State Office of Criminal Justice Program Services	N/A	4152	50,000
Rural Library Computer Grant - State Library and Archives	N/A	(2)	1,600
Benchmarking Papers Project - State Department of Education	N/A	(2)	500
High Schools That Work - State Department of Education	N/A	(2)	3,487
ACT/EXP - Internet Connectivity - State Department of Education	N/A	(2)	6,234
Energy Efficient Schools Initiative - State Department of Education	N/A	(2)	15,412
Early Childhood Education - State Department of Education	N/A	(2)	239,753
Lottery for Education: After School Programs - State Department of Education	N/A	(2)	158,796
Coordinated School Health - State Department of Education	N/A	(2)	42,006
Connect Tennessee - State Department of Education	N/A	(2)	6,358
Safe Schools - State Department of Education	N/A	(2)	10,215
Adult Education - State Department of Labor and Workforce Development	N/A	(2)	36,129
Crockett Academy - State Department of Children's Services	N/A	GG-12-35255	68,520
Total State Grants			<u>\$ 707,982</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) GG1132143: \$5,687; Z-12-43999: \$22,451.
- (4) FEMA-1974-DR-TN: \$32,380; FEMA-1979-DR-TN: \$67,711.
- (5) DHS-2009-HSGP-Z-2528: \$12,835; DHS-2010-HSGP-Z-5695: \$55,648.
- (6) Z-12-43999: \$43,581; GG1132143: \$11,040.
- (7) Total for CFDA No. 10.555 is \$549,776.

Crockett 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 Crockett County, Tennessee, for the year ended June 30, 2011, which have not been corrected.

CROCKETT COUNTY AND CROCKETT COUNTY SCHOOL DEPARTMENT

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
11.01	140	Material audit adjustments were required for proper financial statement presentation

OFFICE OF COUNTY MAYOR

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
11.02	140	A formal purchase order system had not been established

OFFICE OF DIRECTOR OF SCHOOLS

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
11.05	142	The office had deficiencies in budget operations

**OFFICES OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK;
CLERK AND MASTER; AND REGISTER**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
11.10	145	Multiple employees operated from the same cash drawer

OFFICE OF REGISTER

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
11.11	145	Some funds were not deposited within three days of collection

OFFICE OF ASSESSOR OF PROPERTY

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
11.13	146	The State Division of Property Assessments noted deficiencies in the maintenance of records by the Assessor of Property

CROCKETT COUNTY

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
11.14	147	Crockett County has a material recurring audit finding

OFFICES OF COUNTY MAYOR; CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK, CLERK AND MASTER, REGISTER, AND SHERIFF

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
11.15	148	Duties were not segregated adequately

CROCKETT COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2012

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the aggregate discretely presented component units is qualified. Our report on the governmental activities, each major fund, and the aggregate remaining fund information is unqualified.
2. The audit of the financial statements of Crockett County disclosed significant deficiencies in internal control. Two of these deficiencies were considered to be material weaknesses.
3. The audit disclosed no instances of noncompliance that are material to the financial statements of Crockett County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555); Title I Grants to Local Educational Agencies (CFDA No. 84.010); and the Special Education Cluster: Special Education – Grants to States, Special Education – Preschool Grants, Special Education – Grants to States, Recovery Act, and Special Education – Preschool Grants, Recovery Act (CFDA Nos. 84.027, 84.173, 84.391, and 84.392) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Crockett 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 director of schools and the school nutrition director provided written responses on certain findings, which are paraphrased in this report. Other management officials did not provide responses for inclusion in this report.

OFFICES OF COUNTY MAYOR AND DIRECTOR OF SCHOOLS

FINDING 12.01 **MATERIAL AUDIT ADJUSTMENTS WERE REQUIRED FOR PROPER FINANCIAL STATEMENT PRESENTATION**
(Internal Control – Material Weakness Under *Government Auditing Standards*)

At June 30, 2012, various general ledger account balances of the General Debt Service and General Purpose School funds were not materially correct, and audit adjustments were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require Crockett County and the School Department to have adequate internal controls over the maintenance of their accounting records. Material audit adjustments were required because the county's and School Department's financial reporting systems did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the county and the School Department have ineffective controls over the maintenance of their accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. This deficiency is the result of management's failure to correct the finding noted in the prior-year audit report. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

Crockett County and the School Department should have appropriate processes in place to ensure that their general ledgers are materially correct.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

The Board of Education will better forecast revenues and expenditures from outside sources such as loans as well as routine accounts payable and accounts receivable from vendors and grant awards.

OFFICE OF COUNTY MAYOR

FINDING 12.02 **A FORMAL PURCHASE ORDER SYSTEM HAD NOT BEEN ESTABLISHED**

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

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

RECOMMENDATION

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

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 12.03 **THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS
(Noncompliance Under *Government Auditing Standards*)**

We noted the following deficiencies in budget operations of the office:

- A. Total expenditures and other uses of the Central Cafeteria and School Transportation funds exceeded total appropriations approved by the County Commission by \$5,891 and \$10,839, respectively.
- B. Expenditures exceeded appropriations in the following major appropriation categories (the legal level of control) of the General Purpose School and School Federal Projects funds:

<u>Fund/Major Appropriation Category</u>	<u>Amount Overspent</u>
General Purpose School:	
Instruction:	
Vocational Education Program	\$ 350
Adult Education Program	1,200
Support Services:	
Special Education Program	276
Adult Programs	4,353
Board of Education	13,073

<u>Fund/Major Appropriation Category</u>	<u>Amount Overspent</u>
General Purpose School (Cont.):	
Capital Outlay:	
Regular Capital Outlay	\$ 16,875
Transfers Out	20,000
School Federal Projects:	
Support Services:	
Vocational Education Program	135
Transfers Out	96,346

The amount overspent in the Transfers Out category of the General Purpose School Fund was due to a transfer of \$20,000 to the School Federal Projects Fund to provide operating funds until federal reimbursements of grant expenditures were received. The amount overspent in the Transfers Out category of the School Federal Projects Fund included a transfer of \$88,000 to the General Purpose School Fund to return operating funds transferred in the prior year. These transfers were not budgeted by the Board of Education and the County Commission.

- C. Salaries exceeded some line-item appropriations in the General Purpose School Fund by amounts ranging from \$383 to \$14,490.

Section 5-9-401, *Tennessee Code Annotated*, states that “All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs for the various departments, commissions, institutions, boards, offices, and agencies of county governments shall be appropriated to such use by the county legislative bodies.”

The budget resolution approved by the County Commission states that the salary, wages, or enumeration of each official, employee, or agent of the county will not exceed expenditures that accompany this resolution. Therefore, the salaries that exceeded line-item appropriations were expenditures not approved by the County Commission.

These deficiencies exist because management failed to hold spending to the limits authorized by the County Commission, which resulted in unauthorized expenditures, and failed to correct budgetary deficiencies noted in the prior-year audit report.

RECOMMENDATION

Expenditures should be held within appropriations approved by the County Commission. Transfers should be budgeted by the Board of Education and the County Commission.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

The Board of Education will make every attempt to better forecast expenditures in all budgets. We plan to have all three payrolls completed before June 29. Federal projects bookkeeping will no longer be divided between two bookkeepers.

MANAGEMENT'S RESPONSE – SCHOOL NUTRITION DIRECTOR

The School Nutrition Program did exceed expenditures by \$5,891 due to an increase in participation in the Summer Feeding Program for the month of June 2012. Based on this deficiency, the School Nutrition Department will carefully budget expenditures for the 2012-2013 school year.

FINDING 12.04 **THE DIRECTOR OF SCHOOLS ENTERED INTO AN OPERATING LEASE AGREEMENT WITHOUT APPROVAL FROM THE BOARD OF EDUCATION AND THE COUNTY COMMISSION**
(Noncompliance Under *Government Auditing Standards*)

On July 18, 2011, the director of schools entered into a three-year operating lease agreement totaling \$79,500 with Taylor Associates Communications, Inc., which provided for the use and support of student reading software with payment terms of \$26,500 annually. This lease agreement was not approved by the Board of Education and the County Commission. Section 7-51-904, *Tennessee Code Annotated (TCA)*, provides that such contract, lease, or lease-purchase agreement shall first be approved by resolution of the governing body, and no such contract, lease, or lease-purchase agreement shall be entered into by a county without such approval.

RECOMMENDATION

School Department leases should be approved by the Board of Education and the County Commission as required by state statute.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

The Board of Education will review the policy manual before entering into future lease agreements to ensure they are approved by the school board and County Commission as a separate action even though they are approved by both when the budget is passed initially.

AUDITOR'S COMMENT

Section 7-51-904, *TCA*, requires specific resolution approval in addition to the budget approval process.

FINDING 12.05 DEFICIENCIES WERE NOTED IN THE USE OF CELLULAR PHONES
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The following deficiencies were noted in the use of cellular phones provided by the School Department:

- A. The School Department had cellular phones available for employees to use for business purposes. However, the Board of Education had not adopted written guidelines governing the use of these phones. Sound business practices dictate that management should provide written guidance by identifying those who are entitled to use the phones and the purposes for which the phones can be used. This deficiency is the result of a lack of management oversight. The lack of a formal policy increases the risk of abuse.

- B. A review of invoices and information obtained during our audit revealed the technology director had given a School Department cellular phone to his secretary's husband. The secretary's husband was not an employee of the School Department. The phone was subsequently returned to the department, and the secretary reimbursed the General Purpose School Fund for charges paid during the time her husband had the phone in his possession.

RECOMMENDATION

The Board of Education should adopt written guidelines governing the use of cellular phones. These guidelines should identify those who are entitled to use the phones and the purposes for which the phones can be used. Only employees should be allowed to use phones provided and paid for by the School Department.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

The Board of Education will ensure the technology director will not issue cellular phones to any employee or other person unless approved by the director of schools. The board is in the process of implementing a policy for the purchase and use of cellular phones by employees.

FINDING 12.06 DEFICIENCIES WERE NOTED WITH THE PURCHASE OF GIFT CARDS GIVEN TO EMPLOYEES
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The following deficiencies were noted with the purchase of gift cards given to employees of the School Department as employee recognition and Christmas gifts:

- A. On September 12, 2011, 275 restaurant gift cards were purchased from Longhorn Steak House totaling \$9,900 (\$40 per card less a ten percent discount) and given to employees as recognition gifts. Also, on November 21, 2011, \$13,400 in “Chamber bucks” to be used at local businesses was purchased from the Crockett County Chamber of Commerce. Chamber bucks totaling \$50 were given to each employee as Christmas gifts. The School Department had each employee sign a roster indicating receipt of the restaurant gift card; however, there was no documentation maintained to support the disposition of the Chamber bucks. Sound business practices dictate that documentation should be on file to support all payments. This deficiency is the result of a lack of management oversight. The practice of issuing gift cards without adequate documentation increases the risks of fraud and abuse.
- B. Although we found documentation in the minutes of the Board of Education recommending monthly employee recognitions, there was no notation in the minutes that the purchase of these recognition and Christmas gifts had been approved. However, the school business manager advised us that the Board of Education did approve the payments.

RECOMMENDATION

Documentation should be on file indicating which employees received the gift cards and Chamber bucks. Documentation should be in the minutes of the Board of Education indicating the board’s approval for providing these benefits to its employees.

MANAGEMENT’S RESPONSE – DIRECTOR OF SCHOOLS

The Board of Education generated a list for employees to sign upon receiving gift cards per the audit finding. This was implemented for the last distribution of gift cards to teachers. Discrepancy between the number of Chamber bucks and gift cards purchased is based on the number of employees we have at a particular time. Chamber bucks have been distributed with December payroll checks for over 14 years, and gift cards have been distributed to employees throughout the school year for the past three years from the UTRUST Employee Recognition Program.

OFFICES OF TRUSTEE AND CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

FINDING 12.07 **USERNAMES AND PASSWORDS WERE SHARED BY EMPLOYEES**

(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, this information was shared with other employees. Employees also processed transactions using other users’ logins. If inappropriate activity

were to occur, the employee responsible for this activity would not be easily identified because employees had access to each other's username and password and sometimes used the shared user account. Sound business practices dictate that each transaction be identified to the individual creating the transaction. These practices were discontinued after this deficiency was brought to management's attention. Users now process all transactions using their unique usernames and passwords. Passwords are no longer shared.

RECOMMENDATION

Each employee should access the application using his or her unique username and password to ensure that transactions are properly identified to that employee. Usernames and passwords should remain confidential and should not be shared among employees.

OFFICES OF COUNTY CLERK AND REGISTER

FINDING 12.08 **SOME FUNDS WERE NOT DEPOSITED WITHIN THREE DAYS OF COLLECTION**
(Noncompliance Under *Government Auditing Standards*)

In some instances, the county clerk and register did not deposit funds within three days of collection. Section 5-8-207, *Tennessee Code Annotated*, requires county officials to deposit public funds to the office bank account within three days of collection. This deficiency is the result of management's failure to make a concerted effort to deposit funds in a timely manner. Also, this deficiency is the result of the register's failure to correct the finding reported in the prior-year audit report. The delay in depositing funds increases the risks of fraud and misappropriation.

RECOMMENDATION

Officials should ensure that all funds are deposited to the office bank account within three days of collection as required by state statute.

OFFICE OF ASSESSOR OF PROPERTY

FINDING 12.09 **ASSESSMENT RECORDS WERE IMPROPERLY CHANGED DURING THE YEAR AS PROPERTY TRANSFERS WERE MADE**
(Noncompliance Under *Government Auditing Standards*)

The assessor updated assessment records as property transfers were made during the year to reflect the current property owners. Section 67-5-502(a)(1), *Tennessee Code Annotated*, requires all property to be assessed to the person or persons owning or claiming to own the same on January 1 for the year the assessment is made. This deficiency can be attributed to the failure of management to correct the finding noted in the prior-year audit report.

RECOMMENDATION

Property should be assessed to the person or persons owning the property as of January 1 in compliance with state statute.

OFFICES OF COUNTY MAYOR; CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK; CLERK AND MASTER; REGISTER; AND SHERIFF

FINDING 12.10 DUTIES WERE NOT SEGREGATED ADEQUATELY
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Duties were not segregated adequately among officials and employees in the Offices of County Mayor; Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; Register; and Sheriff. Officials and employees responsible for maintaining the accounting records in these offices were also involved in issuing receipts, preparing bank deposits, taking deposits to the bank, posting receipts to the cash journal, and/or reconciling bank statements. These same employees also performed the daily reconciliation of receipts with cash. Accounting standards provide that internal controls be designed to provide reasonable assurance of the reliability in financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

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

OFFICES OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK; CLERK AND MASTER; AND REGISTER

FINDING 12.11 MULTIPLE EMPLOYEES OPERATED FROM THE SAME CASH DRAWER
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Multiple employees operated from the same cash drawer in the Offices of Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; and 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 the beginning amount at the end of the day. This amount should be verified to the employee's receipts at the end of each day. Failure to adhere to this control regimen greatly increases the risk that a cash shortage

may not be detected in a timely manner. Furthermore, in the event of a cash shortage, the official would not be able to determine who was responsible for the shortage because multiple employees were working from one cash drawer. This deficiency has been a management decision by the officials resulting in a loss of control over assets. Also, this deficiency is the result of the failure of management to correct the finding noted in the prior-year audit report.

RECOMMENDATION

Officials should assign each employee their own cash drawer.

CROCKETT COUNTY

FINDING 12.12 **CROCKETT COUNTY HAS A MATERIAL RECURRING AUDIT FINDING**
(Internal Control – Material Weakness Under *Government Auditing Standards*)

Crockett County has a material audit finding that has been reported in its Annual Financial Report for three or more consecutive years. This recurring material finding is listed below:

<u>Finding Numbers</u>	<u>Description</u>
12.01, 11.01, 10.02	Crockett County has several funds that required material audit adjustments for proper financial statement presentation

The recurring nature of the above-noted finding indicates that management is either unwilling or unable to address the deficiency. The Local Government Modernization Act of 2005 in Section 9-3-405, *Tennessee Code Annotated (TCA)*, encourages local governments to consider establishing an Audit Committee and further provides that the Comptroller may require that an Audit Committee be established in any local government that (1) is in noncompliance with the accounting and financial reporting standards required by the Governmental Accounting Standards Board, or (2) has recurring findings from the annual audit for three or more consecutive years as determined by the Comptroller to be a material weakness in internal control or material noncompliance under *Government Auditing Standards*. The responsibilities and duties of an Audit Committee are to address financial and other reporting practices, internal control, compliance with laws and regulations, and ethics.

RECOMMENDATION

Crockett County should establish an Audit Committee to address financial and other reporting practices, internal control, compliance with laws and regulations, and ethics. This Audit Committee should provide management with guidance to correct all reported material weaknesses in internal control and material noncompliance. If these findings

continue to recur, Crockett County may be required to establish an Audit Committee under the provisions of Section 9-3-405, *TCA*.

MANAGEMENT’S RESPONSE – DIRECTOR OF SCHOOLS

Crockett County Board of Education will work closer with fiscal consultants during the school year and review audit findings from prior years to significantly decrease and/or eliminate material audit adjustments.

BEST PRACTICE

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

Crockett County does not have a central system of accounting, budgeting, and purchasing. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the County Commission resulting in decentralization and some duplication of effort. The Division of 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 Crockett 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.

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

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

Director of Schools – Summary Schedule of Prior-year's Findings

FINDINGS 11.06 and 11.16

The School Department is now following all bid processes as required by OMB Circular A133, as well as Section 49-2-203, *Tennessee Code Annotated*.