
ANNUAL FINANCIAL REPORT HAYWOOD COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2012



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

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

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

HAYWOOD COUNTY, TENNESSEE

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

Scope

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

Results

Our report on the aggregate discretely presented component units is qualified because the financial statements do not include one component unit whose financial statements were not available from other auditors at the date of this report. Our report on the governmental activities, the business-type 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 Haywood County management. Detailed findings and recommendations are included in the Single Audit section of this report.

Findings and Best Practices

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

OFFICE OF COUNTY MAYOR

- ◆ The Solid Waste Disposal Fund had a deficit in unrestricted net assets.
- ◆ Tennessee Consolidated Retirement System payments were not remitted timely resulting in the assessment of interest and penalties.
- ◆ The billing/accounts receivable software used by the Solid Waste Office did not have adequate controls.
- ◆ Usernames and passwords were shared by Landfill Office employees.
- ◆ Usernames and passwords were shared by Ambulance Service employees.

OFFICE OF CHIEF ADMINISTRATIVE HIGHWAY OFFICER

- ◆ The Highway Department did not maintain a system to account for materials used on some types of road projects.
-

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ Amounts withheld from contractor payments were not deposited into an escrow account.
-

OFFICE OF TRUSTEE

- ◆ The trustee collected certain delinquent taxes without statutory authority.
-

OFFICE OF REGISTER

- ◆ Duties were not segregated adequately.
 - ◆ The register allowed individuals unsupervised access to the office after business hours.
 - ◆ Multiple employees operated from the same cash drawer.
 - ◆ Usernames and passwords were shared by employees.
-

BEST PRACTICES

The Division of Local Government Audit strongly believes that the items noted below are best practices 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 Haywood County.

- Haywood County should adopt a central system of accounting, budgeting, and purchasing.
- Haywood County should establish an Audit Committee.

INTRODUCTORY SECTION

Haywood County Officials

June 30, 2012

Officials

Franklin Smith, County Mayor
Greg McCarley, Chief Administrative Highway Officer
Marlon King, Director of Schools
William Howse, Trustee
Dare Simpson, Assessor of Property
Sonya Castellaw, County Clerk
Mary Lonon, Circuit, General Sessions, and Juvenile Courts Clerk
Sarah Levy, Clerk and Master
Steve Smith, Register
Melvin Bond, Sheriff

Board of County Commissioners

Franklin Smith, County Mayor, Chairman	Samuel Mathes
Becky Booth	Jeffrey Richmond
Kathy Chapman	Janice Rogers
Wally Eubanks	Jerry Smith
John Gorman, Jr.	Larry Stanley
Robert Green	Joe Stephens
Bob Hooper	Robert Thornton
Richard Jameson	Marjorie Vaulx
Leonard Jones, Jr.	James Waldrop
Allen King	Charles Wills
Chris Lea	

Highway Commission

William Brummett, Jr., Chairman
James Boyd
Milton Booth
Robert English, Jr.
Willie Ross

Board of Education

Harold Garrett, Chairman
Allen Currie
Pearlie Hess
Robbie King
Daniel Thornton

FINANCIAL SECTION



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

INDEPENDENT AUDITOR'S REPORT

February 19, 2013

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

To the County Mayor and Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Haywood County, Tennessee, as of and for the year ended June 30, 2012, which collectively comprise Haywood County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Haywood County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Haywood County Utility District, which represent 16 percent and .55 percent, respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Haywood County Utility District, is based on the report of other auditors.

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

The financial statements of the Haywood 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 Haywood 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, based on our audit and the report of other auditors, except for the effects of not including the financial statements of the Haywood 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 Haywood 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Haywood County, Tennessee, as of June 30, 2012, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2013, on our consideration of Haywood 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.

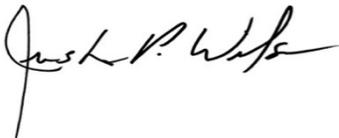
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required 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 70 through 75 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 Haywood 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 Haywood 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 Haywood 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,



Justin P. Wilson
Comptroller of the Treasury

JPW/sb

BASIC FINANCIAL STATEMENTS

Exhibit A

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

	Primary Government			Component Units	
	Governmental Activities	Business- type Activities	Total	Haywood	Haywood
				School Department	County Utility District
<u>ASSETS</u>					
Cash	\$ 36,163	\$ 0	\$ 36,163	\$ 0	\$ 305,254
Equity in Pooled Cash and Investments	8,805,676	125,524	8,931,200	3,805,440	0
Accounts Receivable	1,071,048	527,279	1,598,327	16,694	20,987
Allowance for Uncollectibles	(146,672)	(157,879)	(304,551)	0	0
Due from Other Governments	776,671	7,036	783,707	483,866	0
Due from Primary Government	0	0	0	90,408	0
Property Taxes Receivable	6,220,084	0	6,220,084	3,873,517	0
Allowance for Uncollectible Property Taxes	(154,569)	0	(154,569)	(96,257)	0
Prepaid Items	3,176	0	3,176	0	0
Deferred Charges - Debt Issuance Costs	338,591	0	338,591	0	0
Capital Assets:					
Assets Not Depreciated:					
Land	4,320,861	235,000	4,555,861	170,993	0
Construction in Progress	0	0	0	3,171,920	0
Assets Net of Accumulated Depreciation:					
Buildings and Improvements	12,101,798	106,183	12,207,981	6,815,733	3,550,682
Infrastructure	6,728,793	0	6,728,793	0	0
Other Capital Assets	3,715,679	139,025	3,854,704	2,138,959	0
Total Assets	\$ 43,817,299	\$ 982,168	\$ 44,799,467	\$ 20,471,273	\$ 3,876,923
<u>LIABILITIES</u>					
Accounts Payable	\$ 342,661	\$ 66,758	\$ 409,419	\$ 5,412	\$ 15,335
Payroll Deductions Payable	45,343	989	46,332	601,244	0
Due to Component Units	90,408	0	90,408	0	0
Due to State of Tennessee	3,859	153	4,012	0	0
Accrued Interest Payable	67,200	0	67,200	0	7,598
Other Current Liabilities	6,298	0	6,298	0	0
Customer Deposits Payable	0	0	0	0	19,405
Deferred Revenue - Current Property Taxes	5,624,411	0	5,624,411	3,502,566	0
Other Deferred Revenues	0	333,384	333,384	0	0
Noncurrent Liabilities:					
Due Within One Year	867,956	30,783	898,739	0	9,893
Due in More Than One Year (net of unamortized premium on debt)	18,659,145	1,743,720	20,402,865	535,716	457,684
Total Liabilities	\$ 25,707,281	\$ 2,175,787	\$ 27,883,068	\$ 4,644,938	\$ 509,915

(Continued)

Exhibit A

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

	Primary Government			Component Units	
	Governmental Activities	Business- type Activities	Total	Haywood	Haywood
				School Department	County Utility District
<u>NET ASSETS</u>					
Invested in Capital Assets, Net of Related Debt	\$ 12,979,386	\$ 0	\$ 12,979,386	\$ 0	\$ 3,083,105
Invested in Capital Assets	0	480,208	480,208	12,297,605	0
Restricted for:					
General Government	94,713	0	94,713	0	0
Finance	4,439	0	4,439	0	0
Administration of Justice	181,312	0	181,312	0	0
Public Safety	89,182	0	89,182	0	0
Social, Cultural, and Recreational Services	12,737	0	12,737	0	0
Highway/Public Works	2,260,253	0	2,260,253	0	0
Education	0	0	0	90,724	0
Operation of Non-Instructional Services	0	0	0	597,615	0
Debt Service	901,739	0	901,739	0	0
Capital Projects	289,678	0	289,678	2,746	0
Other Purposes	17,863	0	17,863	0	0
Unrestricted	1,278,716	(1,673,827)	(395,111)	2,837,645	283,903
Total Net Assets (Deficit)	<u>\$ 18,110,018</u>	<u>\$ (1,193,619)</u>	<u>\$ 16,916,399</u>	<u>\$ 15,826,335</u>	<u>\$ 3,367,008</u>

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

Exhibit B

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

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets											
	Program Revenues					Primary Government					Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Governmental Activities	Business-type Activities	Total	Haywood County School Department	Haywood County Utility District		
Primary Government:												
Governmental Activities:												
General Government	\$ 982,900	\$ 256,226	\$ 15,377	\$ 0	\$ (711,297)	\$ 0	\$ (711,297)	\$ 0	\$ 0	\$ 0		
Finance	929,966	574,177	0	0	(355,789)	0	(355,789)	0	0	0		
Administration of Justice	1,111,799	788,434	9,600	0	(313,765)	0	(313,765)	0	0	0		
Public Safety	4,735,233	697,535	80,478	83,532	(3,873,688)	0	(3,873,688)	0	0	0		
Public Health and Welfare	2,122,848	1,798,215	57,663	741,251	474,281	0	474,281	0	0	0		
Social, Cultural, and Recreational Services	1,096,134	36,130	174,890	69,621	(815,493)	0	(815,493)	0	0	0		
Agriculture and Natural Resources	335,423	0	0	0	(335,423)	0	(335,423)	0	0	0		
Other Operations	626,709	17,160	0	0	(609,549)	0	(609,549)	0	0	0		
Highways/Public Works	3,151,796	348,911	1,992,899	218,430	(591,556)	0	(591,556)	0	0	0		
Education	3,136,180	0	0	0	(3,136,180)	0	(3,136,180)	0	0	0		
Interest on Long-term Debt	777,573	0	32,565	0	(745,008)	0	(745,008)	0	0	0		
Other Debt Service	59,002	0	16,355	0	(42,647)	0	(42,647)	0	0	0		
Total Governmental Activities	\$ 19,065,563	\$ 4,516,788	\$ 2,379,827	\$ 1,112,834	\$ (11,056,114)	\$ 0	\$ (11,056,114)	\$ 0	\$ 0	\$ 0		
Business-type Activities:												
Solid Waste Disposal	\$ 863,715	\$ 446,546	\$ 43,381	\$ 0	\$ 0	\$ (373,788)	\$ (373,788)	\$ 0	\$ 0	\$ 0		
Total Primary Government	\$ 19,929,278	\$ 4,963,334	\$ 2,423,208	\$ 1,112,834	\$ (11,056,114)	\$ (373,788)	\$ (11,429,902)	\$ 0	\$ 0	\$ 0		
Component Units:												
Haywood County School Department	\$ 29,580,740	\$ 384,474	\$ 5,745,413	\$ 3,136,180	\$ 0	\$ 0	\$ 0	\$ (20,314,673)	\$ 0	\$ 0		
Haywood County Utility District	288,137	181,514	0	0	0	0	0	0	(106,623)	0		
Total Component Units	\$ 29,868,877	\$ 565,988	\$ 5,745,413	\$ 3,136,180	\$ 0	\$ 0	\$ 0	\$ (20,314,673)	\$ (106,623)	\$ 0		

(Continued)

Exhibit B

Haywood 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 Government		Component Units	
				Governmental Activities	Business-type Activities	Haywood County School Department	Haywood County Utility District
	Expenses	Contributions	Total				
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes			\$ 4,925,568	\$ 0	\$ 4,925,568	\$ 3,627,381	\$ 0
Property Taxes Levied for Debt Service			883,508	0	883,508	0	0
Local Option Sales Taxes			135,862	0	135,862	1,514,860	0
Hotel/Motel Tax			45,425	0	45,425	0	0
Wheel Tax			927,887	0	927,887	267,012	0
Litigation Taxes			563,303	0	563,303	0	0
Business Tax			168,369	0	168,369	0	0
Wholesale Beer Tax			103,580	0	103,580	0	0
Other Local Taxes			37,218	0	37,218	47,753	0
Grants and Contributions Not Restricted to Specific Programs			1,778,381	0	1,778,381	17,539,555	0
Unrestricted Investment Income			121,275	0	121,275	0	1,805
Miscellaneous			119,307	48,975	168,282	12,303	0
Gain on Disposal of Capital Assets			172,330	0	172,330	0	0
Total General Revenues			\$ 9,982,013	\$ 48,975	\$ 10,030,988	\$ 23,008,864	\$ 1,805
Transfers			\$ (105,000)	\$ 105,000	\$ 0	\$ 0	\$ 0
Change in Net Assets			\$ (1,179,101)	\$ (219,813)	\$ (1,398,914)	\$ 2,694,191	\$ (104,818)
Net Assets (Deficit), July 1, 2011			19,057,037	(973,806)	18,083,231	13,132,144	3,471,826
Prior-period Adjustment			232,082	0	232,082	0	0
Net Assets (Deficit), June 30, 2012			\$ 18,110,018	\$ (1,193,619)	\$ 16,916,399	\$ 15,826,335	\$ 3,367,008

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

Exhibit C-1

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other	Governmental Funds	
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 36,163	\$ 36,163	\$ 36,163
Equity in Pooled Cash and Investments	2,495,426	3,006,840	2,678,750	268,729	355,931	8,805,676	8,805,676
Accounts Receivable	1,042,211	7,461	6,240	0	15,136	1,071,048	1,071,048
Allowance for Uncollectibles	(146,672)	0	0	0	0	(146,672)	(146,672)
Due from Other Governments	492,257	278,715	0	0	5,699	776,671	776,671
Due from Other Funds	4,080	0	0	0	0	4,080	4,080
Property Taxes Receivable	4,762,380	497,638	960,066	0	0	6,220,084	6,220,084
Allowance for Uncollectible Property Taxes	(118,345)	(12,366)	(23,858)	0	0	(154,569)	(154,569)
Prepaid Items	3,176	0	0	0	0	3,176	3,176
Total Assets	\$ 8,534,513	\$ 3,778,288	\$ 3,621,198	\$ 268,729	\$ 412,929	\$ 16,615,657	\$ 16,615,657

ASSETS

LIABILITIES AND FUND BALANCES

Liabilities	\$ 323,185	\$ 3,472	\$ 627	\$ 10,440	\$ 4,937	\$ 342,661
Accounts Payable	41,178	0	0	1,563	2,602	45,343
Payroll Deductions Payable	0	0	0	0	4,080	4,080
Due to Other Funds	90,408	0	0	0	0	90,408
Due to Component Units	3,589	0	0	136	134	3,859
Due to State of Tennessee	6,298	0	0	0	0	6,298
Other Current Liabilities	4,306,306	449,981	868,124	0	0	5,624,411
Deferred Revenue - Current Property Taxes	325,196	33,981	65,559	0	0	424,736
Deferred Revenue - Delinquent Property Taxes	723,581	130,000	0	0	0	853,581
Other Deferred Revenues	\$ 5,819,741	\$ 617,434	\$ 934,310	\$ 12,139	\$ 11,753	\$ 7,395,377
Total Liabilities						

(Continued)

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Governmental Funds	Governmental Funds	
\$	3,176	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	3,176
Restricted for General Government	91,537	0	0	0	0	0	91,537
Restricted for Finance	4,439	0	0	0	0	0	4,439
Restricted for Administration of Justice	181,312	0	0	0	0	0	181,312
Restricted for Public Safety	20,184	0	0	0	68,998	0	89,182
Restricted for Social, Cultural, and Recreational Services	12,737	0	0	0	0	0	12,737
Restricted for Highways/Public Works	0	2,121,359	0	0	0	0	2,121,359
Restricted for Debt Service	0	0	902,211	0	0	0	902,211
Restricted for Capital Projects	0	0	0	256,590	33,088	0	289,678
Restricted for Other Purposes	14,860	0	0	0	3,003	0	17,863
Committed:							
Committed for Finance	0	0	0	0	31,083	0	31,083
Committed for Public Safety	9,823	0	0	0	0	0	9,823
Committed for Public Health and Welfare	23,541	0	0	0	181,186	0	204,727
Committed for Highways/Public Works	0	1,039,495	0	0	0	0	1,039,495
Committed for Debt Service	0	0	1,784,677	0	0	0	1,784,677
Committed for Capital Projects	0	0	0	0	83,818	0	83,818
Unassigned	2,353,163	0	0	0	0	0	2,353,163
Total Fund Balances	\$ 2,714,772	\$ 3,160,854	\$ 2,686,888	\$ 256,590	\$ 401,176	\$ 9,220,280	
Total Liabilities and Fund Balances	\$ 8,534,513	\$ 3,778,288	\$ 3,621,198	\$ 268,729	\$ 412,929	\$ 16,615,657	

LIABILITIES AND FUND BALANCES (CONT.)

Fund Balances	
Nonspendable:	
Prepaid Items	
Restricted:	
Restricted for General Government	
Restricted for Finance	
Restricted for Administration of Justice	
Restricted for Public Safety	
Restricted for Social, Cultural, and Recreational Services	
Restricted for Highways/Public Works	
Restricted for Debt Service	
Restricted for Capital Projects	
Restricted for Other Purposes	
Committed:	
Committed for Finance	
Committed for Public Safety	
Committed for Public Health and Welfare	
Committed for Highways/Public Works	
Committed for Debt Service	
Committed for Capital Projects	
Unassigned	
Total Fund Balances	
Total Liabilities and Fund Balances	

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

Exhibit C-2

Haywood 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)		\$	9,220,280
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	4,320,861	
Add: buildings and improvements net of accumulated depreciation		12,101,798	
Add: infrastructure net of accumulated depreciation		6,728,793	
Add: other capital assets net of accumulated depreciation		<u>3,715,679</u>	26,867,131
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: capital lease payable	\$	(31,184)	
Less: other loans payable		(2,186,180)	
Less: bonds payable		(17,187,144)	
Less: compensated absences payable		(25,087)	
Add: deferred charges - debt issuance costs		338,591	
Less: accrued interest on bonds and capital lease		(67,200)	
Less: other deferred revenues - premium on bonds		<u>(97,506)</u>	(19,255,710)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>1,278,317</u>
Net assets of governmental activities (Exhibit A)		\$	<u>18,110,018</u>

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

Exhibit C-3

Haywood 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 /	General	General	Capital Projects	Other	Governmental Funds	
		Public Works	Debt Service	Projects				
<u>Revenues</u>								
Local Taxes	\$ 6,503,799	\$ 629,899	\$ 1,440,537	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,574,235
Licenses and Permits	23,698	0	0	0	0	0	0	23,698
Fines, Forfeitures, and Penalties	223,126	0	1,273	0	0	40,694	0	265,093
Charges for Current Services	1,152,808	11	0	0	0	639,068	0	1,791,887
Other Local Revenues	86,875	352,617	217,840	8,525	0	72,112	0	737,969
Fees Received from County Officials	1,067,687	0	0	0	0	0	0	1,067,687
State of Tennessee	1,064,835	1,978,294	63,540	13,922	0	102,878	0	3,223,469
Federal Government	234,637	267,295	102,830	83,532	0	716,501	0	1,404,795
Other Governments and Citizens Groups	498,584	0	0	0	0	0	0	498,584
Total Revenues	\$ 10,856,049	\$ 3,228,116	\$ 1,826,020	\$ 105,979	\$ 1,571,253	\$ 1,571,253	\$ 1,571,253	\$ 17,587,417
<u>Expenditures</u>								
Current:								
General Government	\$ 1,435,530	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,435,530
Finance	714,532	0	0	0	0	171,084	0	885,616
Administration of Justice	926,526	0	0	0	0	750	0	927,276
Public Safety	3,587,080	0	0	0	0	50,620	0	3,637,700
Public Health and Welfare	1,455,849	0	0	0	0	336,587	0	1,792,436
Social, Cultural, and Recreational Services	975,579	0	0	0	0	0	0	975,579
Agriculture and Natural Resources	230,481	0	0	0	0	0	0	230,481
Other Operations	751,641	0	0	0	0	73,790	0	825,431
Highways	0	2,783,223	0	0	0	0	0	2,783,223
Debt Service:								
Principal on Debt	29,699	0	708,348	0	0	0	0	738,047
Interest on Debt	3,044	0	777,463	0	0	0	0	780,507
Other Debt Service	0	0	27,895	0	0	0	0	27,895
Capital Projects	0	0	0	3,197,877	0	762,715	0	3,960,592
Total Expenditures	\$ 10,109,961	\$ 2,783,223	\$ 1,513,706	\$ 3,197,877	\$ 1,395,546	\$ 1,395,546	\$ 1,395,546	\$ 19,000,313

(Continued)

Exhibit C-3

Haywood 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	General Capital Projects	Other	Governmental Funds	
Excess (Deficiency) of Revenues Over Expenditures	\$ 746,088	\$ 444,893	\$ 312,314	\$ (3,091,898)	\$ 175,707	\$ (1,412,896)	
<u>Other Financing Sources (Uses)</u>							
Other Loans Issued	0	0	0	2,186,180	0	2,186,180	
Proceeds from Sale of Capital Assets	3,092	0	176,604	0	0	179,696	
Insurance Recovery	20,625	2,025	0	0	0	22,650	
Transfers Out	0	0	0	0	(105,000)	(105,000)	
Total Other Financing Sources (Uses)	\$ 23,717	\$ 2,025	\$ 176,604	\$ 2,186,180	\$ (105,000)	\$ 2,283,526	
Net Change in Fund Balances	\$ 769,805	\$ 446,918	\$ 488,918	\$ (905,718)	\$ 70,707	\$ 870,630	
Fund Balance, July 1, 2011	1,944,967	2,713,936	2,197,970	1,162,308	330,469	8,349,650	
Fund Balance, June 30, 2012	\$ 2,714,772	\$ 3,160,854	\$ 2,686,888	\$ 256,590	\$ 401,176	\$ 9,220,280	

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

Exhibit C-4

Haywood 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)		\$ 870,630
(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	\$ 1,365,647	
Less: current-year depreciation expense	<u>(2,163,354)</u>	(797,707)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		
Less: proceeds received from the disposal of capital assets		(7,366)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2012	\$ 1,278,317	
Less: deferred delinquent property taxes and other deferred June 30, 2011	<u>(1,062,957)</u>	215,360
(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: other loan proceeds	\$ (2,186,180)	
Add: change in premium on bond issuance	16,355	
Less: change in deferred debt issuance costs	(31,107)	
Add: principal payments on capital lease	29,699	
Add: principal payments on bonds	<u>708,348</u>	(1,462,885)
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 2,934	
Change in compensated absences payable	<u>(67)</u>	<u>2,867</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ (1,179,101)</u>

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

Exhibit D-1

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

	<u>Major Fund</u>
	<u>Business-type</u>
	<u>Activities -</u>
	<u>Enterprise</u>
	<u>Fund</u>
	<u>Solid Waste</u>
	<u>Disposal Fund</u>
<u>ASSETS</u>	
Current Assets:	
Equity in Pooled Cash and Investments	\$ 125,524
Accounts Receivable	527,279
Allowance for Uncollectibles	(157,879)
Due from Other Governments	7,036
Total Current Assets	<u>\$ 501,960</u>
Noncurrent Assets:	
Capital Assets:	
Assets Not Depreciated:	
Land	\$ 235,000
Assets Net of Accumulated Depreciation:	
Buildings and Improvements	106,183
Other Capital Assets	139,025
Total Noncurrent Assets	<u>\$ 480,208</u>
Total Assets	<u>\$ 982,168</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 66,758
Payroll Deductions Payable	989
Due to State of Tennessee	153
Other Deferred Revenues	333,384
Current Portion of Long-term Liabilities	30,783
Total Current Liabilities	<u>\$ 432,067</u>
Noncurrent Liabilities:	
Due in More than One Year	<u>\$ 1,743,720</u>
Total Noncurrent Liabilities	<u>\$ 1,743,720</u>
Total Liabilities	<u>\$ 2,175,787</u>
<u>NET ASSETS</u>	
Invested in Capital Assets	\$ 480,208
Unrestricted	<u>(1,673,827)</u>
Net Assets (Deficit)	<u>\$ (1,193,619)</u>

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

Exhibit D-2

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

	<u>Major Fund</u>
	<u>Business-type</u>
	<u>Activities -</u>
	<u>Enterprise</u>
	<u>Fund</u>
	<u>Solid Waste</u>
	<u>Disposal Fund</u>
<u>Operating Revenues</u>	
Tipping Fees	\$ 446,546
Sale of Materials and Supplies	36,998
Miscellaneous Refunds	1,095
Total Operating Revenues	<u>\$ 484,639</u>
<u>Operating Expenses</u>	
Supervisor/Director	\$ 18,489
Equipment Operators	105,330
Overtime Pay	6,005
Social Security	10,176
State Retirement	15,015
Employee and Dependent Insurance	12,329
Life Insurance	831
Unemployment Compensation	472
Other Fringe Benefits	7,106
Communication	2,487
Contracts with Government Agencies	2,840
Contracts with Private Agencies	446,252
Licenses	8,875
Maintenance and Repair Services	642
Rentals	42,000
Travel	768
Crushed Stone	697
Diesel Fuel	14,245
Drugs and Medical Supplies	16
Electricity	6,488
Equipment and Machinery Parts	30,803
Gasoline	5,870
Lubricants	1,198
Office Supplies	1,169
Tires and Tubes	5,164
Other Supplies and Materials	1,872
Premiums on Corporate Surety Bonds	100
Trustee's Commission	4,853
Vehicle and Equipment Insurance	3,662

(Continued)

Exhibit D-2

Haywood County, Tennessee
Statement of Revenues, Expenses, and Changes in Net Assets
Proprietary Fund (Cont.)

	<u>Major Fund</u> <u>Business-type</u> <u>Activities -</u> <u>Enterprise</u> <u>Fund</u> <u>Solid Waste</u> <u>Disposal Fund</u>
<u>Operating Expenses (Cont.)</u>	
Workers' Compensation Insurance	\$ 12,283
Depreciation	32,554
Landfill Postclosure Care Costs	41,590
Other Charges	10,110
Maintenance Equipment	9,436
Other Construction	1,988
Total Operating Expenses	<u>\$ 863,715</u>
Operating Income (Loss)	<u>\$ (379,076)</u>
<u>Nonoperating Revenues</u>	
Lease/Rentals	\$ 10,882
Disaster Relief Grants	83
Solid Waste Grants	22,298
Contributions	21,000
Total Nonoperating Revenues	<u>\$ 54,263</u>
Income Before Transfers	\$ (324,813)
Transfers In	<u>105,000</u>
Change in Net Assets	\$ (219,813)
Net Assets (Deficit), July 1, 2011	<u>(973,806)</u>
Net Assets (Deficit), June 30, 2012	<u>\$ (1,193,619)</u>

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

Exhibit D-3

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

	<u>Major Fund</u> <u>Business-type</u> <u>Activities -</u> <u>Enterprise</u> <u>Fund</u> <u>Solid Waste</u> <u>Disposal Fund</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 464,330
Receipts from Others	41,177
Payments for Waste Collections and Disposal Activity	(788,734)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (283,227)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Receipts from Farmland Rental	\$ 8,630
Receipts from Grants	22,383
Contributions	23,250
Transfers from Other Funds	105,000
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 159,263</u>
Net Increase (Decrease) in Cash	\$ (123,964)
Cash, July 1, 2011	<u>249,488</u>
Cash, June 30, 2012	<u><u>\$ 125,524</u></u>
<u>Reconciliation of Operating Income (Loss)</u>	
<u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (379,076)
Adjustments to Reconcile Net Operating Income (Loss)	
to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	32,554
Loss of Capital Asset	4,547
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	(21,294)
Increase (Decrease) in Allowance for Uncollectibles	9,531
(Increase) Decrease in Due from Other Governments	2,253
Increase (Decrease) in Accounts Payable	26,998
Increase (Decrease) in Payroll Deductions Payable	50
Increase (Decrease) in Due to State of Tennessee	25
Increase (Decrease) in Other Deferred Revenues	30,378
Increase (Decrease) in Accrued Liability for Landfill Postclosure Care Costs	<u>10,807</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ (283,227)</u>
<u>Reconciliation of Cash With Statement of Net Assets</u>	
Equity in Pooled Cash and Investments Per Net Assets	<u>\$ 125,524</u>
Cash, June 30, 2012	<u><u>\$ 125,524</u></u>

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

Exhibit E

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,019,336
Accounts Receivable	1,527
Due from Other Governments	<u>239,404</u>
Total Assets	<u><u>\$ 1,260,267</u></u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 239,404
Due to Litigants, Heirs, and Others	<u>1,020,863</u>
Total Liabilities	<u><u>\$ 1,260,267</u></u>

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Haywood 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 Haywood County:

A. Reporting Entity

Haywood County is a public municipal corporation governed by an elected 20-member board. As required by GAAP, these financial statements present Haywood 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 Haywood County School Department operates the public school system in the county, and the voters of Haywood 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 Haywood County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Haywood County, and the Haywood 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 Haywood County Emergency Communications District were not available from other auditors in time for inclusion in this report.

The Haywood County Utility District provides water services to customers within the district, and the Haywood County Commission appoints its three-member governing body. The district is funded primarily from charges

to customers for water services and grants. Before the issuance of most debt instruments, the district must obtain the County Commission's approval.

The Haywood 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 Haywood County Emergency Communications District were not available in time for inclusion, as previously mentioned. Complete financial statements of the Haywood County Emergency Communications District and the Haywood County Utility District can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Haywood County Emergency Communications District
100 S. Dupree Avenue
Brownsville, TN 38012

Haywood County Utility District
1 North Washington
Brownsville, TN 38012

B. Government-wide and Fund Financial Statements

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

Haywood County issues all debt for the discretely presented Haywood County School Department. Net debt issues totaling \$3,136,180 were contributed by the county to the School Department during the year ended June 30, 2012.

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

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

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

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

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

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

Haywood 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.

General Capital Projects Fund – This fund accounts for jail construction capital expenditures of the county, and for debt issued by Haywood County that is subsequently contributed to the discretely presented Haywood County School Department for construction and renovation projects.

Haywood County reports the following major enterprise fund:

Solid Waste Disposal Fund – This fund accounts for the county’s solid waste landfill operations.

Additionally, Haywood County reports the following fund type:

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

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

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

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

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has one proprietary fund, an enterprise fund, to account for the operations of the county's landfill. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the county's enterprise fund are tipping fees.

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

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

2. Receivables and Payables

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

All ambulance, solid waste disposal, and property taxes receivable are shown with an allowance for uncollectibles. Ambulance and solid waste disposal receivables allowance for uncollectibles is based on

historical collection data. The allowance for uncollectible property taxes is equal to 2.49 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 receivables 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. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

4. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are

reported in the governmental and the business-type columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$10,000 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 governmental activities of the primary government and the discretely presented School Department are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	25
Other Capital Assets	5 - 10
Infrastructure	8 - 30

Property, plant, and equipment of the proprietary fund are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	30
Machinery and Equipment	5 - 30

5. Compensated Absences

The general policy of Haywood County (with the exception of sick and vacation leave for employees of the Haywood County Highway Department) does not allow employees to accumulate sick and vacation days beyond year end.

It is the policy of the Haywood County Highway Department to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the Highway Department does not have a policy to pay any amounts when employees separate from service with the government. A liability for the vacation benefits is reported in governmental funds

only if they have matured, for example, as a result of employee resignations and retirements.

It is the policy of the discretely presented School Department to permit the unlimited accumulation of unused sick leave for professional personnel (teachers). Nonprofessional personnel are allowed to accumulate a limited amount of sick leave. There is 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 School Department.

6. Long-term Obligations

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

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

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

7. Net Assets and Fund Equity

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

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

As of June 30, 2012, Haywood County had \$5,556,624 in outstanding debt issued for capital purposes of the discretely presented Haywood County School Department. This debt is a liability of Haywood County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Haywood County has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county's capital assets.

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

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

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

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

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

Assigned Fund Balance – includes amounts that are constrained by the county’s intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The County Commission has authorized the county’s Budget Committee to make assignments for the general government. The Board of Education makes assignments for the School Department.

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

8. Prior-period Adjustment

Capital assets were restated \$232,082 from the prior year because a bridge 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 Haywood County School Department

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

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

Primary Government

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

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

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

B. Net Assets Deficit

The Solid Waste Disposal Fund had a deficit of \$1,673,827 in unrestricted net assets and a total net assets deficit of \$1,193,619 at June 30, 2012. This

deficit primarily resulted from the recognition of a liability (\$1,774,503) for costs associated with closing the county's landfill and monitoring the landfill for 30 years after closure.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

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

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

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government

sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool and in repurchase agreements. Repurchase agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

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

B. Capital Assets

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

Primary Government

Governmental Activities:

	* Restated			
	Balance			Balance
	7-1-11	Increases	Decreases	6-30-12
Capital Assets				
Not Depreciated:				
Land	\$ 4,325,061	\$ 0	\$ 4,200	\$ 4,320,861
Construction in Progress	11,239,636	0	11,239,636	0
Total Capital Assets Not Depreciated	<u>\$ 15,564,697</u>	<u>\$ 0</u>	<u>\$ 11,243,836</u>	<u>\$ 4,320,861</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 8,134,391	\$ 10,152,140	\$ 0	\$ 18,286,531
Infrastructure	50,285,507	239,494	0	50,525,001
Other Capital Assets	8,313,946	2,213,649	519,654	10,007,941
Total Capital Assets Depreciated	<u>\$ 66,733,844</u>	<u>\$ 12,605,283</u>	<u>\$ 519,654</u>	<u>\$ 78,819,473</u>

Governmental Activities (Cont.):

	* Restated			
	Balance			Balance
	7-1-11	Increases	Decreases	6-30-12
Less Accumulated				
Depreciation For:				
Buildings				
and Improvements	\$ 5,619,565	\$ 565,168	\$ 0	\$ 6,184,733
Infrastructure	42,941,041	855,167	0	43,796,208
Other Capital Assets	6,065,731	743,019	516,488	6,292,262
Total Accumulated				
Depreciation	\$ 54,626,337	\$ 2,163,354	\$ 516,488	\$ 56,273,203
Total Capital Assets				
Depreciated, Net	\$ 12,107,507	\$ 10,441,929	\$ 3,166	\$ 22,546,270
Governmental Activities				
Capital Assets, Net	\$ 27,672,204	\$ 10,441,929	\$ 11,247,002	\$ 26,867,131

*See Note I.D.8. for prior-period adjustment.

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

Governmental Activities:

General Government	\$ 116,033
Finance	53,087
Administration of Justice	96,389
Public Safety	691,954
Public Health and Welfare	100,714
Social, Cultural, and Recreational Services	110,617
Other Operations	1,158
Highway Department	993,402
Total Depreciation Expense - Governmental Activities	<u>\$ 2,163,354</u>

Business-type Activities:

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Capital Assets				
Not Depreciated:				
Land	\$ 235,000	\$ 0	\$ 0	\$ 235,000
Total Capital Assets				
Not Depreciated	\$ 235,000	\$ 0	\$ 0	\$ 235,000
Capital Assets				
Depreciated:				
Buildings and				
Improvements	\$ 225,797	\$ 0	\$ (10,497)	\$ 215,300
Other Capital Assets	663,538	0	(57,895)	605,643
Total Capital Assets				
Depreciated	\$ 889,335	\$ 0	\$ (68,392)	\$ 820,943
Less Accumulated				
Depreciation For:				
Buildings and				
Improvements	\$ 107,881	\$ 7,186	\$ (5,950)	\$ 109,117
Other Capital Assets	499,145	25,368	(57,895)	466,618
Total Accumulated				
Depreciation	\$ 607,026	\$ 32,554	\$ (63,845)	\$ 575,735
Total Capital Assets				
Depreciated, Net	\$ 282,309	\$ (32,554)	\$ (4,547)	\$ 245,208
Business-type Activities				
Capital Assets, Net	\$ 517,309	\$ (32,554)	\$ (4,547)	\$ 480,208

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

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Capital Assets Not				
Depreciated:				
Land	\$ 170,993	\$ 0	\$ 0	\$ 170,993
Construction in Progress	162,412	3,171,920	(162,412)	3,171,920
Total Capital Assets				
Not Depreciated	\$ 333,405	\$ 3,171,920	\$ (162,412)	\$ 3,342,913

Governmental Activities (Cont.):

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Capital Assets				
Depreciated:				
Buildings and				
Improvements	\$ 19,245,954	\$ 0	\$ 0	\$ 19,245,954
Other Capital Assets	5,684,450	511,056	0	6,195,506
Total Capital Assets				
Depreciated	\$ 24,930,404	\$ 511,056	\$ 0	\$ 25,441,460
Less Accumulated				
Depreciation For:				
Buildings and				
Improvements	\$ 11,902,684	\$ 527,537	\$ 0	\$ 12,430,221
Other Capital Assets	3,676,256	380,291	0	4,056,547
Total Accumulated				
Depreciation	\$ 15,578,940	\$ 907,828	\$ 0	\$ 16,486,768
Total Capital Assets				
Depreciated, Net	\$ 9,351,464	\$ (396,772)	\$ 0	\$ 8,954,692
Governmental Activities				
Capital Assets, Net	\$ 9,684,869	\$ 2,775,148	\$ (162,412)	\$ 12,297,605

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

Governmental Activities:

Instruction	\$ 461,188
Support Services	397,832
Operation of Non-Instructional Services	<u>48,808</u>
Total Depreciation Expense -	
Governmental Activities	<u>\$ 907,828</u>

C. Interfund Receivables, Payables, and Transfers

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

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
General	Nonmajor governmental	\$ 4,080

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.

Due to/from Primary Government and Component Units:

Receivable Fund	Payable Fund	Amount
Component Unit: School Department: Nonmajor governmental	Primary Government: General	\$ 90,408

Interfund Transfers:

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

Primary Government

Transfer Out	Transfer In
	Solid Waste Disposal Fund
Nonmajor governmental fund	\$ 105,000

Discretely Presented Haywood County School Department

Transfer Out	Transfer In
	General Purpose School Fund
School Federal Projects Fund	\$ 3,223

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.

D. Operating Lease

In a prior year, the county mayor obtained document scanning services under an operating lease. The rental expenditures for the year ended June 30, 2012, were \$59,363. On July 26, 2012, this lease was canceled and a new lease went into effect as approved by the County Commission. Future lease payments under the new lease are as follows:

<u>Year Ending June 30</u>	<u>Governmental Funds</u>
2013	\$ 69,000
2014	69,000
2015	69,000
2016	69,000
2017	<u>69,000</u>
Total Minimum Lease Payments	<u>\$ 345,000</u>

E. Capital Lease

On October 1, 2010, Haywood County entered into a two-year lease-purchase agreement for four Sheriff's Department vehicles. The terms of the agreement require total lease payments of \$93,625 plus interest of five percent. Title to the vehicles transfers to Haywood County at the end of the lease period. The General Fund is making the lease payments.

The assets acquired through capital leases are as follows:

<u>Asset</u>	<u>Governmental Activities</u>
Other Capital Assets	\$ 93,625
Less: Accumulated Depreciation	<u>(34,173)</u>
Total Book Value	<u>\$ 59,452</u>

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

<u>Year Ending June 30</u>	<u>Governmental Funds</u>
2013	\$ 32,743
Total Minimum Lease Payments	\$ 32,743
Less: Amount Representing Interest	<u>(1,559)</u>
Present Value of Minimum Lease Payments	<u>\$ 31,184</u>

F. Long-term Debt

Primary Government

General Obligation Bonds 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.

General obligation bonds and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds and other loans outstanding were issued for original terms of up to 40 years for bonds and ten years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds 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, other loans, and the capital lease 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	3.625 to 5.55%	2-5-38	\$ 15,860,000	\$ 15,097,144
General Obligation Bonds - Refunding	3 to 3.5	6-30-16	3,400,000	2,090,000
Other Loans Payable	0 to variable	6-30-21	2,186,180	2,186,180
Capital Lease	5	10-1-12	93,625	31,184

During 2011-12, Haywood County entered into an agreement with the Tennessee Energy Efficient Schools Council to receive funding from the Energy Efficient Schools Initiative program. Under this agreement, the program made \$2,000,000 available for loan to Haywood County to increase energy efficiency in the Haywood County school system. As of June 30, 2012, Haywood County had drawn \$1,536,516 of the available \$2,000,000 loan. This is an interest-free loan.

During 2011-12, Haywood County entered into a loan agreement with the City of Clarksville Public Building Authority. Under the loan agreement, the authority made \$1,509,000 available for loan to Haywood County for school renovation projects. As of June 30, 2012, Haywood County had drawn \$649,664 of the available \$1,509,000 loan. This loan is repayable at a variable interest rate that is a tax-exempt variable rate determined by the remarketing agent daily or weekly, depending on the particular program. In addition, the county pays various other fees in connection with this loan. At

June 30, 2012, the variable interest rate was .78 percent and other fees totaled .15 percent of the outstanding loan principal. The loan is also assessed an annual trustee fee of \$1,500.

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

Year Ending	Bonds		
	Principal	Interest	Total
2013	\$ 726,290	\$ 750,491	\$ 1,476,781
2014	742,515	727,170	1,469,685
2015	783,798	701,996	1,485,794
2016	800,141	673,925	1,474,066
2017	881,546	644,673	1,526,219
2018-22	4,861,230	2,384,020	7,245,250
2023-27	4,829,962	1,608,018	6,437,980
2028-32	3,416,560	411,852	3,828,412
2033-37	141,939	20,487	162,426
2038	3,163	77	3,240
Total	<u>\$ 17,187,144</u>	<u>\$ 7,922,709</u>	<u>\$ 25,109,853</u>

Year Ending	Other Loans			Total
	Principal	Interest	Other Fees	
2013	\$ 91,667	\$ 5,068	\$ 2,475	\$ 99,210
2014	278,000	4,483	2,362	284,845
2015	282,000	3,874	2,245	288,119
2016	285,000	3,234	2,122	290,356
2017	288,000	2,571	1,995	292,566
2018-21	961,513	3,478	5,168	970,159
Total	<u>\$ 2,186,180</u>	<u>\$ 22,708</u>	<u>\$ 16,367</u>	<u>\$ 2,225,255</u>

There is \$2,686,888 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$915, based on the 2010 federal census. Debt per capita, including bonds, other loans, and the capital lease, totaled \$1,033, based on the 2010 federal census.

Changes in Long-term Liabilities

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

Governmental Activities:

	<u>Bonds</u>	<u>Capital Lease</u>
Balance, July 1, 2011	\$ 17,895,492	\$ 60,883
Reductions	<u>(708,348)</u>	<u>(29,699)</u>
Balance, June 30, 2012	<u>\$ 17,187,144</u>	<u>\$ 31,184</u>
Balance Due Within One Year	<u>\$ 726,290</u>	<u>\$ 31,184</u>
	<u>Other Loans Payable</u>	<u>Compensated Absences</u>
Balance, July 1, 2011	\$ 0	\$ 25,020
Additions	2,186,180	25,087
Reductions	<u>0</u>	<u>(25,020)</u>
Balance, June 30, 2012	<u>\$ 2,186,180</u>	<u>\$ 25,087</u>
Balance Due Within One Year	<u>\$ 91,667</u>	<u>\$ 18,815</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2012	\$ 19,429,595
Less: Balance Due Within One Year	(867,956)
Add: Unamortized Premium on Debt	<u>97,506</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 18,659,145</u>

Compensated absences will be paid from the employing fund, the Highway/Public Works Fund.

Haywood County Solid Waste Disposal Fund (enterprise fund)

Changes in Long-term Liabilities

Long-term liability activity for the Solid Waste Disposal Fund (enterprise fund) for the year ended June 30, 2012, was as follows:

Business-type Activities:

	<u>Postclosure Care Costs</u>
Balance, July 1, 2011	\$ 1,763,696
Additions	41,590
Reductions	<u>(30,783)</u>
Balance, June 30, 2012	<u>\$ 1,774,503</u>
Balance Due Within One Year	<u>\$ 30,783</u>

Discretely Presented Haywood County School Department

Changes in Long-term Liabilities

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

Governmental Activities:

	<u>Other Postemployment Benefits</u>
Balance, July 1, 2011	\$ 404,992
Additions	270,004
Reductions	<u>(139,280)</u>
Balance, June 30, 2012	<u>\$ 535,716</u>
Balance Due Within One Year	<u>\$ 0</u>

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

G. On-Behalf Payments

Primary Government

The State of Tennessee pays health insurance premiums for some retired employees on-behalf of Haywood County. These payments are made by the state to the Medicare Supplement Plan. This plan is administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Medicare Supplement Plan

for the year ended June 30, 2012, were \$1,714. The county has recognized these on-behalf payments as revenues and expenditures in the General Fund.

Discretely Presented Haywood County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Haywood 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 \$83,101 and \$34,860, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

Primary Government

Employee Health Insurance

It is the policy of the county to purchase commercial insurance for its employees' health coverage. Retirees are not allowed to continue coverage. Settled claims have not exceeded this commercial insurance coverage in any of the past three years.

Workers' Compensation Insurance

Haywood County participates in the Local Government Workers' Compensation Fund (LGWCF), a public entity risk pool established under the provisions of Section 29-20-401, *Tennessee Code Annotated (TCA)*, by the Tennessee County Services Association to provide a program of workers' compensation coverage to employees of local governments. The county pays an annual premium to the LGWCF for its workers' compensation insurance coverage. The LGWCF is to be self-sustaining through member premiums. The LGWCF reinsures through commercial insurance companies for claims exceeding \$300,000.

Liability, Property, and Casualty

Haywood County is exposed to various risks related to general liability, property, and casualty losses. The county participates in the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The county pays an annual premium to the LGPCF for its general liability, property, and casualty insurance coverage.

The creation of the LGPCF provides for it to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims exceeding \$100,000 for each insured event.

Discretely Presented Haywood County School Department

Employee Health Insurance

The Haywood County School Department participates in the Local Education Group Insurance Fund (LEGIF), which is 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

The School Department participates in the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The School Department pays annual premiums to the TN-RMT for its 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 Event

Director of Schools Marlon King resigned July 30, 2012, and was succeeded by Teresa Russell.

C. Contingent Liabilities

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

D. Landfill Closure/Postclosure Care Costs

Haywood County has active permits on file with the state Department of Environment and Conservation for a sanitary landfill and a demolition landfill. The county has provided financial assurances for estimated postclosure liabilities as required by the State of Tennessee. These financial assurances are on file with the Department of Environment and Conservation.

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Haywood County closed its sanitary landfill in 1998. The \$1,774,503, reported as postclosure care liability at June 30, 2012, represents amounts based on what it would cost to perform all postclosure care in 2012. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

E. Joint Ventures

The Brownsville - Haywood County Emergency Management Agency is a joint venture between Haywood County and the City of Brownsville. The agency's three-member board includes the county mayor, the mayor of the City of Brownsville, and one member who is jointly selected by the county mayor and the city mayor. The agency is jointly funded by the county and the City of Brownsville with additional revenues received from the State of Tennessee, the federal government, and private contributions. During the year ended June 30, 2012, the county did not provide financial assistance to the agency.

The Brownsville - Haywood County Rescue Squad is a joint venture between Haywood County and the City of Brownsville. The agency's six-member board includes the county mayor, the mayor of the City of Brownsville, and four other members. The purpose of the rescue squad is to provide assistance in search and rescue, drowning, flooding, evacuations, and road clearing from storms. The agency is jointly funded by the county and the City of Brownsville with additional revenues received from the private contributions. During the year ended June 30, 2012, the county contributed \$10,000 to the rescue squad.

The HTL Advantage is a joint venture between Haywood, Tipton, and Lauderdale counties and the cities of Brownsville, Ripley, and Covington. The board comprises ten members and consists of the mayors from each of the counties and cities, and one member from the Southwest Tennessee Electric Cooperative, the Covington Electric System, Ripley Power and Light, and the Brownsville Electric System. The purpose of the board is to establish and operate an office that markets the entire defined region for economic development and to bring the region attention of prospective industrial and commercial interests, which would be beneficial for the common good of all entities involved herein. The counties, cities, and electric systems provide the funding for the board. Haywood County contributed \$90,000 to HTL Advantage during the year.

The Elma Ross Public Library is a joint venture between Haywood County and the City of Brownsville. It is operated by an appointed board. The board comprises seven members, four of whom are appointed by the Haywood County Commission. The remaining three members are appointed by the City of Brownsville. Haywood County has control over budgeting and financing the joint venture only to the extent of representation by the four board members appointed. Haywood County contributed \$70,973 to the operations of the library during the year ended June 30, 2012.

Haywood County does not have an equity interest in any of the above-noted joint ventures. Complete financial statements for the Brownsville - Haywood County Emergency Management Agency, Brownsville - Haywood County Rescue Squad, HTL Advantage, and the Elma Ross Public Library can be obtained from their respective administrative offices at the following addresses:

Administrative Offices:

Brownsville – Haywood County
Emergency Management Agency
City Hall
Brownsville, TN 38012

Brownsville – Haywood County
Rescue Squad
P.O. Box 668
111 N. Washington
Brownsville, TN 38012

HTL Advantage
1469 South Main Street
Covington, TN 38019

Elma Ross Public Library
1011 East Main Street
Brownsville, TN 38012

F. Retirement Commitments

Plan Description

Employees of Haywood 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 Haywood 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

Haywood County has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2012, was 13.33 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2012, the county's annual pension cost of \$1,189,567 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2009, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected three percent annual rate of inflation, (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected postretirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The county's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2009, was six years. An

actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-12	\$1,189,567	100%	\$0
6-30-11	1,134,920	100	0
6-30-10	1,203,197	100	0

Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the plan was 97.84 percent funded. The actuarial accrued liability for benefits was \$28.42 million, and the actuarial value of assets was \$27.80 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$.61 million. The covered payroll (annual payroll of active employees covered by the plan) was \$8.77 million, and the ratio of the UAAL to the covered payroll was 7.01 percent.

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

SCHOOL TEACHERS

Plan Description

The Haywood County School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member’s high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979, are vested after five years of service.

Members joining prior to July 1, 1979, are vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. A cost of living adjustment (COLA) is provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

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

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2012, was 9.05 percent of annual covered payroll. The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2012, 2011, and 2010, were \$1,186,704, \$1,188,094, and \$849,123, respectively, equal to the required contributions for each year.

G. Other Postemployment Benefits (OPEB)

Plan Description

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

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employer in the plan develops its own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state provides a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. During the year ended June 30, 2012, the Haywood County School Department contributed \$139,280, for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan
	<hr/>
ARC	\$ 271,000
Interest on the NPO	16,200
Adjustment to the ARC	(17,196)
Annual OPEB cost	<hr/> \$ 270,004
Less: Amount of contribution	(139,280)
Increase/decrease in NPO	\$ 130,724
Net OPEB obligation, 7-1-11	<hr/> 404,992
Net OPEB obligation, 6-30-12	<hr/> <hr/> \$ 535,716

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
<hr/>				
6-30-10	Local Education Group	\$ 216,694	75 %	\$ 347,030
6-30-11	"	225,824	74	404,992
6-30-12	"	270,004	52	535,716

Funded Status and Funding Progress

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

	<u>Local Education Group Plan</u>
Actuarial valuation date	7-1-11
Actuarial accrued liability (AAL)	\$ 2,170,000
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 2,170,000
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 13,077,558
UAAL as a % of covered payroll	17%

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 Plan, the projected unit credit actuarial cost method was used and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 9.25 percent for fiscal year 2012. The trend will decrease to 8.75 percent in fiscal year 2013 and then be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. The rate includes a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with June 30, 2008.

H. Purchasing Laws

Office of County Mayor

Purchasing procedures for the County Mayor's Office 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 Chief Administrative Highway Officer

Purchasing procedures for the Highway Department are governed by provisions of Chapter 24, Private Acts of 1991, as amended and Section 54-7-113, *TCA* (Uniform Road Law), which 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 discretely presented Haywood County School Department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, *TCA*, which provides for the county Board of Education, through its executive committee (director of schools and chairman of the Board of Education), to make all purchases. This statute also requires competitive bids to be solicited through newspaper advertisement on all purchases exceeding \$10,000.

VI. OTHER NOTES – DISCRETELY PRESENTED HAYWOOD COUNTY UTILITY DISTRICT

A. Summary of Significant Accounting Policies

1. Reporting Entity

The Haywood County Utility District was incorporated pursuant to a resolution of the Haywood County Commission, dated July 17, 1997, and pursuant to Section 7-82-101, *Tennessee Code Annotated*, also known as "The Utility District Law of 1937." The district is considered a component unit of Haywood County, Tennessee, because, as of fiscal year 2010, the Haywood County Commission serves as the governing body over the district. Accordingly, the county also must approve all bond issues of the district. The district was constructed through grants received through the county and is held accountable to the county.

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

The district's financial statements are presented on the full accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The accounting policies of the system conform to applicable generally accepted accounting principles as defined in the pronouncements of the Governmental Accounting Standards Board (GASB), Financial Accounting Standards Board (FASB), Statements and Interpretations, Accounting Principle Board (APB) Opinions, and Accounting Research Bulletins (ARBs), issued on or before November 30, 1989. As allowed by GASB, the district has elected not to apply FASB Statements and Interpretations issued after November 30, 1989.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the district are charges for sales to customers for sales and service. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

3. **Assets, Liabilities, and Equity**

a. **Deposits and Investments**

The district's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the district to invest in certificates of deposit, obligations of the U.S. Treasury, agencies and instrumentalities, obligations guaranteed by the U.S. government or its agencies, repurchase agreements, and the state's investment pool.

b. **Accounts Receivable**

Trade receivables result from unpaid billings for water service to customers. The billings and collections for the district are prepared and collected by Brownsville Energy Authority. Brownsville Energy Authority remits to the district the entire amount of the billings on a monthly basis. Therefore, an

allowance for uncollectible accounts receivable is considered unnecessary at this time as the risk of loss is entirely with Brownsville Energy Authority.

c. Capital Assets

Capital assets, which include property, plant, equipment, and construction in process, are defined by the district as assets with an initial, individual cost of more than \$100 (amount not rounded) and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Assets acquired through contributions from developers or other customers are capitalized at their 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. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the district are depreciated using the straight line method over the following useful lives:

Distribution plant	33 - 40 years
--------------------	---------------

d. Compensated Absences

The district does not have any employees on staff. The district pays a set monthly fee to Brownsville Energy Authority for the use of their employees. Therefore, no compensated absences are recorded.

e. Long-term Obligations

Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

f. Net Assets

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

- 1.) Invested in Capital Assets, net of related debt – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds that are attributable to the acquisition, construction, or improvement of those assets; debt related to unspent proceeds or other restricted cash and investments is excluded from the determination.
- 2.) Unrestricted – All other net assets that do not meet the description of the above category.

B. Stewardship, Compliance, and Accountability

Budgetary Information

The district does not adopt a formal budget.

C. Detailed Notes

1. Deposits and Investments

Custodial Credit Risk – The district’s policies limit deposits and investments to those instruments allowed by applicable state laws and are described below. State statute requires that all deposits with financial institutions be collateralized by securities whose market value is equal to 105 percent of the value of uninsured deposits. The deposits must be collateralized by federal depository insurance or the Tennessee Bank Collateral Pool, by collateral held by the district’s agent in the district’s name, or by the Federal Reserve Banks acting as third-party agents. State statutes also authorize the district to invest in bonds, notes, or treasury bills of the United States or any of its agencies, certificates of deposit at Tennessee state chartered banks and savings and loan associations and federally chartered banks and savings and loan associations, repurchase agreements utilizing obligations of the United States or its agencies as the underlying securities, and the state pooled investment fund. Statutes also require that securities underlying repurchase agreements must have a market value at least equal to the amount of funds invested in the repurchase transaction. As of June 30, 2012, the district had no risk exposure.

2. Receivables

Receivables as of June 30, 2012, were made up of the following:

	Balance 6-30-12
Billed services for utility customers	\$ 20,987

3. Capital Assets

Capital assets activity during the year was as follows:

Description	Balance 7-1-11	Additions	Balance 6-30-12
Capital Assets, Not Depreciated	\$ 18,401	\$ 0	\$ 18,401
Capital Assets, Depreciated	\$ 4,999,024	\$ 0	\$ 4,999,024
Less Accumulated Depreciation	\$ 1,329,027	\$ 137,716	\$ 1,466,743
Total Capital Assets, Depreciated, Net	\$ 3,669,997	\$ (137,716)	\$ 3,532,281
Total Capital Assets, Net	\$ 3,688,398	\$ (137,716)	\$ 3,550,682

Depreciation expense totaled \$137,716 for the fiscal year ended June 30, 2012.

4. Long-term Debt

Long-term debt is made up of the following:

	Balance 6-30-12
General Obligation Bonds:	
General Obligation Bonds, Series 1998 interest at 4.875% due serially through 2037	\$ 467,577
Total General Obligation Bonds	\$ 467,577
Total current portion of General Obligation Bonds	\$ 9,893
Total long-term portion of General Obligation Bonds	\$ 457,684

In the year ended June 30, 1998, Haywood County issued \$560,000 of General Obligation Bonds, Series 1998 to the Rural Utility Services for construction of the district's water distribution system. Although this bond is in the name of Haywood County, and Haywood County is ultimately responsible for the debt repayment, the district has agreed to and is repaying the debt.

The following is a summary of long-term debt transactions for the year ended June 30, 2012.

	<u>Bonds</u>
Balance, July 1, 2011	\$ 475,473
Reductions	<u>(7,896)</u>
Balance, June 30, 2012	<u>\$ 467,577</u>
Balance Due Within One Year	<u>\$ 9,893</u>

The scheduled annual requirements for long-term debt at June 30, 2012, are as follows:

Year Ending	Bonds		
	Principal	Interest	Total
2013	\$ 9,893	\$ 22,632	\$ 32,525
2014	10,445	22,080	32,525
2015	10,960	21,565	32,525
2016	11,501	21,024	32,525
2017	12,010	20,514	32,524
2018-22	69,814	92,809	162,623
2023-27	88,832	73,791	162,623
2028-32	113,030	49,593	162,623
2033-37	141,092	18,805	159,897
Total	<u>\$ 467,577</u>	<u>\$ 342,813</u>	<u>\$ 810,390</u>

5. Net Assets

Net assets represent the difference between assets and liabilities. The net assets amounts were as follows:

	<u>Balance 6-30-12</u>
Invested in capital assets, net of related liabilities	
Net property, plant and equipment in services	\$ 3,550,682
Less: debt disclosed in Note VI.C.4.	<u>(467,577)</u>
	\$ 3,083,105
Unrestricted	<u>283,903</u>
Total net assets	<u>\$ 3,367,008</u>

D. Other Information

Risk Management

The district is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 2012, the district did not purchase any insurance. The district contracts with Brownsville Energy Authority for services necessary to operate and maintain the district. No settled claims have been incurred in any of the above mentioned risk categories during the past three years, and there has been no significant reduction in the coverage provided.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

Haywood 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	\$ 6,503,799	\$ 6,269,344	\$ 6,269,344	\$ 234,455
Licenses and Permits	23,698	16,396	16,396	7,302
Fines, Forfeitures, and Penalties	223,126	149,444	149,444	73,682
Charges for Current Services	1,152,808	1,096,656	1,096,656	56,152
Other Local Revenues	86,875	143,518	143,518	(56,643)
Fees Received from County Officials	1,067,687	1,048,320	882,664	185,023
State of Tennessee	1,064,835	700,608	712,845	351,990
Federal Government	234,637	112,207	222,207	12,430
Other Governments and Citizens Groups	498,584	605,138	621,450	(122,866)
Total Revenues	\$ 10,856,049	\$ 10,141,631	\$ 10,114,524	\$ 741,525
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 200,489	\$ 167,343	\$ 202,455	\$ 1,966
Beer Board	1,067	1,800	1,800	733
County Mayor/Executive	238,775	235,623	241,598	2,823
County Attorney	46,196	33,564	46,341	145
Election Commission	124,123	135,089	135,089	10,966
Register of Deeds	127,011	122,226	128,900	1,889
Development	64,382	65,587	65,587	1,205
County Buildings	633,487	648,346	659,646	26,159
<u>Finance</u>				
Accounting and Budgeting	9,350	9,100	9,350	0
Property Assessor's Office	318,732	332,355	332,355	13,623
Reappraisal Program	25,569	31,624	31,624	6,055
County Trustee's Office	94,085	261,588	96,697	2,612
County Clerk's Office	266,796	276,883	276,883	10,087
<u>Administration of Justice</u>				
Circuit Court	450,679	450,586	464,796	14,117
General Sessions Judge	229,166	229,622	230,622	1,456
General Sessions Court Clerk	5,129	5,500	5,500	371
Chancery Court	157,861	157,472	159,274	1,413
Juvenile Court	83,691	76,047	84,347	656
<u>Public Safety</u>				
Sheriff's Department	1,337,309	1,404,299	1,377,912	40,603
Jail	1,533,922	1,449,015	1,567,415	33,493
Workhouse	145,897	155,835	155,835	9,938
Fire Prevention and Control	295,768	310,710	310,710	14,942
Civil Defense	62,994	68,006	68,006	5,012
Rescue Squad	12,632	12,632	12,632	0
County Coroner/Medical Examiner	4,800	4,800	4,800	0
Other Public Safety	193,758	185,180	203,180	9,422

(Continued)

Exhibit F-1

Haywood 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	\$ 51,181	\$ 55,914	\$ 55,914	\$ 4,733
Rabies and Animal Control	74,920	85,000	85,000	10,080
Ambulance/Emergency Medical Services	1,210,365	1,273,629	1,280,780	70,415
Alcohol and Drug Programs	0	5,000	5,000	5,000
Other Local Health Services	3,150	3,150	3,150	0
Appropriation to State	116,233	127,078	127,078	10,845
<u>Social, Cultural, and Recreational Services</u>				
Libraries	130,167	137,385	137,385	7,218
Parks and Fair Boards	646,754	678,000	683,500	36,746
Other Social, Cultural, and Recreational	198,658	100,415	211,215	12,557
<u>Agriculture and Natural Resources</u>				
Agriculture Extension Service	139,218	143,854	153,654	14,436
Soil Conservation	91,263	92,992	92,994	1,731
<u>Other Operations</u>				
Industrial Development	100,891	117,000	142,000	41,109
Veterans' Services	13,408	15,978	15,978	2,570
Other Charges	99,077	96,380	99,980	903
Contributions to Other Agencies	283,529	297,130	298,130	14,601
Employee Benefits	1,714	0	1,714	0
Miscellaneous	253,022	254,042	254,042	1,020
<u>Principal on Debt</u>				
General Government	29,699	0	29,699	0
<u>Interest on Debt</u>				
General Government	3,044	0	3,044	0
Total Expenditures	<u>\$ 10,109,961</u>	<u>\$ 10,313,779</u>	<u>\$ 10,553,611</u>	<u>\$ 443,650</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 746,088</u>	<u>\$ (172,148)</u>	<u>\$ (439,087)</u>	<u>\$ 1,185,175</u>
<u>Other Financing Sources (Uses)</u>				
Proceeds from Sale of Capital Assets	\$ 3,092	\$ 0	\$ 0	\$ 3,092
Insurance Recovery	20,625	1,000	13,783	6,842
Total Other Financing Sources (Uses)	<u>\$ 23,717</u>	<u>\$ 1,000</u>	<u>\$ 13,783</u>	<u>\$ 9,934</u>
Net Change in Fund Balance	\$ 769,805	\$ (171,148)	\$ (425,304)	\$ 1,195,109
Fund Balance, July 1, 2011	<u>1,944,967</u>	<u>1,966,712</u>	<u>1,966,712</u>	<u>(21,745)</u>
Fund Balance, June 30, 2012	<u><u>\$ 2,714,772</u></u>	<u><u>\$ 1,795,564</u></u>	<u><u>\$ 1,541,408</u></u>	<u><u>\$ 1,173,364</u></u>

Exhibit F-2

Haywood 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	\$ 629,899	\$ 614,799	\$ 614,799	\$ 15,100
Charges for Current Services	11	0	0	11
Other Local Revenues	352,617	295,570	295,570	57,047
State of Tennessee	1,978,294	2,896,434	2,896,434	(918,140)
Federal Government	267,295	0	0	267,295
Total Revenues	<u>\$ 3,228,116</u>	<u>\$ 3,806,803</u>	<u>\$ 3,806,803</u>	<u>\$ (578,687)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 183,723	\$ 201,000	\$ 201,000	\$ 17,277
Highway and Bridge Maintenance	997,091	2,307,541	2,307,541	1,310,450
Operation and Maintenance of Equipment	692,675	955,554	955,554	262,879
Other Charges	107,915	131,000	131,000	23,085
Employee Benefits	227,015	265,750	265,750	38,735
Capital Outlay	574,804	1,943,985	1,943,985	1,369,181
Total Expenditures	<u>\$ 2,783,223</u>	<u>\$ 5,804,830</u>	<u>\$ 5,804,830</u>	<u>\$ 3,021,607</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 444,893</u>	<u>\$ (1,998,027)</u>	<u>\$ (1,998,027)</u>	<u>\$ 2,442,920</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 2,025	\$ 0	\$ 0	\$ 2,025
Total Other Financing Sources (Uses)	<u>\$ 2,025</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,025</u>
Net Change in Fund Balance	\$ 446,918	\$ (1,998,027)	\$ (1,998,027)	\$ 2,444,945
Fund Balance, July 1, 2011	2,713,936	2,713,430	2,713,430	506
Fund Balance, June 30, 2012	<u>\$ 3,160,854</u>	<u>\$ 715,403</u>	<u>\$ 715,403</u>	<u>\$ 2,445,451</u>

Exhibit F-3

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

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-11	\$ 27,801	\$ 28,415	\$ 615	97.84 %	\$ 8,771	7.01 %
7-1-09	22,465	22,739	274	98.80	8,388	3.27
7-1-07	20,764	21,105	341	98.38	7,573	4.50

Exhibit F-4

Haywood County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plan
Discretely Presented Haywood County School Department
June 30, 2012

(Dollar amounts in thousands)

Plan	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Local Education Group	7-1-09	\$ 0	\$ 1,941	\$ 1,941	0%	\$ 13,878	14%
"	7-1-10	0	2,015	2,015	0	11,225	18
"	7-1-11	0	2,170	2,170	0	13,078	17

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

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Beer Board, County Mayor/Executive, County Attorney, etc.). Management may make revisions within major categories, but only the Haywood 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 Haywood County’s garbage collection operations.

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

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

Capital Projects 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.

Community Development/Industrial Park Fund – The Community Development/Industrial Park Fund is used to account for revenues received from public works grants provided for community development projects.

HUD Grant Projects Fund – The HUD Grant Projects Fund is used to account for revenues received from grants provided for housing projects.

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for revenues provided for an industrial park project.

Exhibit G-1

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

	Special Revenue Funds				Capital Projects Funds				Total Nonmajor Governmental Funds
	Solid Waste/ Sanitation	Drug Control	Constituti- onal Officers - Fees	Total	Community Development/ Industrial Park	HUD Grant Projects	Other Capital Projects	Total	
Cash	\$ 1,000	\$ 0	\$ 35,163	\$ 36,163	\$ 0	\$ 0	\$ 0	\$ 0	\$ 36,163
Equity in Pooled Cash and Investments	172,723	68,998	0	241,721	73,664	3,003	37,543	114,210	355,931
Accounts Receivable	15,136	0	0	15,136	0	0	0	0	15,136
Due from Other Governments	0	0	0	0	0	0	5,699	5,699	5,699
Total Assets	\$ 188,859	\$ 68,998	\$ 35,163	\$ 293,020	\$ 73,664	\$ 3,003	\$ 43,242	\$ 119,909	\$ 412,929

ASSETS

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

LIABILITIES AND FUND BALANCES

Liabilities									
Accounts Payable	\$ 4,937	\$ 0	\$ 0	\$ 4,937	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,937
Payroll Deductions Payable	2,602	0	0	2,602	0	0	0	0	2,602
Due to Other Funds	0	0	4,080	4,080	0	0	0	0	4,080
Due to State of Tennessee	134	0	0	134	0	0	0	0	134
Total Liabilities	\$ 7,673	\$ 0	\$ 4,080	\$ 11,753	\$ 0	\$ 0	\$ 0	\$ 0	\$ 11,753

Fund Balances

Restricted:									
Restricted for Public Safety	\$ 0	\$ 68,998	\$ 0	\$ 68,998	\$ 0	\$ 0	\$ 0	\$ 0	\$ 68,998
Restricted for Capital Projects	0	0	0	0	33,088	0	0	33,088	33,088
Restricted for Other Purposes	0	0	0	0	0	3,003	0	3,003	3,003
Committed:									
Committed for Finance	0	0	31,083	31,083	0	0	0	0	31,083
Committed for Public Health and Welfare	181,186	0	0	181,186	0	0	0	0	181,186
Committed for Capital Projects	0	0	0	0	40,576	0	43,242	83,818	83,818
Total Liabilities and Fund Balances	\$ 181,186	\$ 68,998	\$ 31,083	\$ 281,267	\$ 73,664	\$ 3,003	\$ 43,242	\$ 119,909	\$ 401,176
Total Liabilities and Fund Balances	\$ 188,859	\$ 68,998	\$ 35,163	\$ 293,020	\$ 73,664	\$ 3,003	\$ 43,242	\$ 119,909	\$ 412,929

Exhibit G-2

Haywood 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	Constitu- tional Officers - Fees	Total	Community Development/ Industrial Park	HUD Grant Projects	Other Capital Projects	Total	
Revenues									
Fines, Forfeitures, and Penalties	\$ 48	\$ 40,646	\$ 0	\$ 40,694	\$ 0	\$ 0	\$ 0	\$ 0	\$ 40,694
Charges for Current Services	476,878	0	162,190	639,068	0	0	0	0	639,068
Other Local Revenues	2,559	0	2,559	2,559	40,576	0	28,977	69,553	72,112
State of Tennessee	47,179	0	0	47,179	50,000	0	5,699	55,699	102,878
Federal Government	0	0	0	0	622,967	93,534	0	716,501	716,501
Total Revenues	\$ 526,664	\$ 40,646	\$ 162,190	\$ 729,500	\$ 713,543	\$ 93,534	\$ 34,676	\$ 841,753	\$ 1,571,253
Expenditures									
Current:									
Finance	\$ 0	\$ 0	\$ 171,084	\$ 171,084	\$ 0	\$ 0	\$ 0	\$ 0	\$ 171,084
Administration of Justice	0	0	750	750	0	0	0	0	750
Public Safety	0	50,620	0	50,620	0	0	0	0	50,620
Public Health and Welfare	336,587	0	0	336,587	0	0	0	0	336,587
Other Operations	73,790	0	0	73,790	0	0	0	0	73,790
Capital Projects	0	0	0	0	663,543	90,531	8,641	762,715	762,715
Total Expenditures	\$ 410,377	\$ 50,620	\$ 171,834	\$ 632,831	\$ 663,543	\$ 90,531	\$ 8,641	\$ 762,715	\$ 1,395,546
Excess (Deficiency) of Revenues Over Expenditures	\$ 116,287	\$ (9,974)	\$ (9,644)	\$ 96,669	\$ 50,000	\$ 3,003	\$ 26,035	\$ 79,038	\$ 175,707
Other Financing Sources (Uses)									
Transfers Out	\$ (105,000)	\$ 0	\$ 0	\$ (105,000)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (105,000)
Total Other Financing Sources (Uses)	\$ (105,000)	\$ 0	\$ 0	\$ (105,000)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (105,000)
Net Change in Fund Balances	\$ 11,287	\$ (9,974)	\$ (9,644)	\$ (8,331)	\$ 50,000	\$ 3,003	\$ 26,035	\$ 79,038	\$ 70,707
Fund Balance, July 1, 2011	169,899	78,972	40,727	289,598	23,664	0	17,207	40,871	330,469
Fund Balance, June 30, 2012	\$ 181,186	\$ 68,998	\$ 31,083	\$ 281,267	\$ 73,664	\$ 3,003	\$ 43,242	\$ 119,909	\$ 401,176

Exhibit G-3

Haywood 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>				
Fines, Forfeitures, and Penalties	\$ 48	\$ 0	\$ 0	\$ 48
Charges for Current Services	476,878	591,000	591,000	(114,122)
Other Local Revenues	2,559	1,000	1,000	1,559
State of Tennessee	47,179	43,264	43,264	3,915
Total Revenues	\$ 526,664	\$ 635,264	\$ 635,264	\$ (108,600)
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Waste Pickup	\$ 336,587	\$ 333,463	\$ 344,464	\$ 7,877
<u>Other Operations</u>				
Other Charges	26,286	32,350	32,350	6,064
Employee Benefits	47,504	35,125	53,945	6,441
Total Expenditures	\$ 410,377	\$ 400,938	\$ 430,759	\$ 20,382
Excess (Deficiency) of Revenues Over Expenditures	\$ 116,287	\$ 234,326	\$ 204,505	\$ (88,218)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (105,000)	\$ (255,000)	\$ (255,000)	\$ 150,000
Total Other Financing Sources (Uses)	\$ (105,000)	\$ (255,000)	\$ (255,000)	\$ 150,000
Net Change in Fund Balance	\$ 11,287	\$ (20,674)	\$ (50,495)	\$ 61,782
Fund Balance, July 1, 2011	169,899	133,217	133,217	36,682
Fund Balance, June 30, 2012	\$ 181,186	\$ 112,543	\$ 82,722	\$ 98,464

Exhibit G-4

Haywood 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	\$ 40,646	\$ 8,350	\$ 40,916	\$ (270)
Total Revenues	\$ 40,646	\$ 8,350	\$ 40,916	\$ (270)
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 50,620	\$ 8,350	\$ 51,100	\$ 480
Total Expenditures	\$ 50,620	\$ 8,350	\$ 51,100	\$ 480
Excess (Deficiency) of Revenues Over Expenditures	\$ (9,974)	\$ 0	\$ (10,184)	\$ 210
Net Change in Fund Balance	\$ (9,974)	\$ 0	\$ (10,184)	\$ 210
Fund Balance, July 1, 2011	78,972	78,973	78,973	(1)
Fund Balance, June 30, 2012	\$ 68,998	\$ 78,973	\$ 68,789	\$ 209

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 H

Haywood 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	\$ 1,440,537	\$ 1,319,285	\$ 1,369,285	\$ 71,252
Fines, Forfeitures, and Penalties	1,273	0	0	1,273
Other Local Revenues	217,840	202,525	266,525	(48,685)
State of Tennessee	63,540	12,000	12,000	51,540
Federal Government	102,830	0	102,830	0
Total Revenues	<u>\$ 1,826,020</u>	<u>\$ 1,533,810</u>	<u>\$ 1,750,640</u>	<u>\$ 75,380</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 708,348	\$ 667,601	\$ 714,731	\$ 6,383
<u>Interest on Debt</u>				
General Government	775,118	729,765	780,342	5,224
Education	2,345	0	2,345	0
<u>Other Debt Service</u>				
General Government	26,687	8,407	27,070	383
Education	1,208	0	1,208	0
Total Expenditures	<u>\$ 1,513,706</u>	<u>\$ 1,405,773</u>	<u>\$ 1,525,696</u>	<u>\$ 11,990</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 312,314</u>	<u>\$ 128,037</u>	<u>\$ 224,944</u>	<u>\$ 87,370</u>
<u>Other Financing Sources (Uses)</u>				
Proceeds from Sale of Capital Assets	\$ 176,604	\$ 0	\$ 176,000	\$ 604
Transfers Out	0	(884)	(884)	884
Total Other Financing Sources (Uses)	<u>\$ 176,604</u>	<u>\$ (884)</u>	<u>\$ 175,116</u>	<u>\$ 1,488</u>
Net Change in Fund Balance	\$ 488,918	\$ 127,153	\$ 400,060	\$ 88,858
Fund Balance, July 1, 2011	<u>2,197,970</u>	<u>2,196,595</u>	<u>2,196,595</u>	<u>1,375</u>
Fund Balance, June 30, 2012	<u>\$ 2,686,888</u>	<u>\$ 2,323,748</u>	<u>\$ 2,596,655</u>	<u>\$ 90,233</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.

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

Exhibit I-1

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

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,019,336	\$ 1,019,336
Accounts Receivable	0	1,527	1,527
Due from Other Governments	239,404	0	239,404
Total Assets	<u>\$ 239,404</u>	<u>\$ 1,020,863</u>	<u>\$ 1,260,267</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 239,404	\$ 0	\$ 239,404
Due to Litigants, Heirs, and Others	0	1,020,863	1,020,863
Total Liabilities	<u>\$ 239,404</u>	<u>\$ 1,020,863</u>	<u>\$ 1,260,267</u>

Exhibit I-2

Haywood 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	\$ 1,367,459	\$ 1,367,459	\$ 0
Due from Other Governments	226,945	239,404	226,945	239,404
Total Assets	\$ 226,945	\$ 1,606,863	\$ 1,594,404	\$ 239,404
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 226,945	\$ 1,606,863	\$ 1,594,404	\$ 239,404
Total Liabilities	\$ 226,945	\$ 1,606,863	\$ 1,594,404	\$ 239,404
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 968,760	\$ 5,943,741	\$ 5,893,165	\$ 1,019,336
Accounts Receivable	2,355	1,527	2,355	1,527
Total Assets	\$ 971,115	\$ 5,945,268	\$ 5,895,520	\$ 1,020,863
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 971,115	\$ 5,945,268	\$ 5,895,520	\$ 1,020,863
Total Liabilities	\$ 971,115	\$ 5,945,268	\$ 5,895,520	\$ 1,020,863
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 968,760	\$ 5,943,741	\$ 5,893,165	\$ 1,019,336
Equity in Pooled Cash and Investments	0	1,367,459	1,367,459	0
Accounts Receivable	2,355	1,527	2,355	1,527
Due from Other Governments	226,945	239,404	226,945	239,404
Total Assets	\$ 1,198,060	\$ 7,552,131	\$ 7,489,924	\$ 1,260,267
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 226,945	\$ 1,606,863	\$ 1,594,404	\$ 239,404
Due to Litigants, Heirs, and Others	971,115	5,945,268	5,895,520	1,020,863
Total Liabilities	\$ 1,198,060	\$ 7,552,131	\$ 7,489,924	\$ 1,260,267

Haywood County School Department

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

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

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

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

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

Exhibit J-1

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 19,680,071	\$ 15,103	\$ 3,089,411	\$ 3,136,180	\$ (13,439,377)
Support Services	6,764,963	0	172,966	0	(6,591,997)
Operation of Non-Instructional Services	3,135,706	369,371	2,483,036	0	(283,299)
Total Governmental Activities	\$ 29,580,740	\$ 384,474	\$ 5,745,413	\$ 3,136,180	\$ (20,314,673)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 3,627,381
Local Option Sales Taxes					1,514,860
Wheel Tax					267,012
Other Local Taxes					47,753
Grants and Contributions Not Restricted to Specific Programs					17,539,555
Miscellaneous					12,303
Total General Revenues					\$ 23,008,864
Change in Net Assets					\$ 2,694,191
Net Assets, July 1, 2011					13,132,144
Net Assets, June 30, 2012					\$ 15,826,335

Exhibit J-2

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

	<u>Major Funds</u>		<u>Nonmajor Funds</u>	<u>Total</u>
	<u>General Purpose School</u>	<u>School Federal Projects</u>	<u>Other Govern-mental Funds</u>	<u>Govern-mental Funds</u>
<u>ASSETS</u>				
Equity in Pooled Cash and Investments	\$ 3,049,145	\$ 236,674	\$ 519,621	\$ 3,805,440
Accounts Receivable	16,455	0	239	16,694
Due from Other Governments	448,816	35,050	0	483,866
Due from Primary Government	0	0	90,408	90,408
Property Taxes Receivable	3,873,517	0	0	3,873,517
Allowance for Uncollectible Property Taxes	(96,257)	0	0	(96,257)
Total Assets	<u>\$ 7,291,676</u>	<u>\$ 271,724</u>	<u>\$ 610,268</u>	<u>\$ 8,173,668</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 5,412	\$ 0	\$ 0	\$ 5,412
Payroll Deductions Payable	536,499	54,838	9,907	601,244
Deferred Revenue - Current Property Taxes	3,502,566	0	0	3,502,566
Deferred Revenue - Delinquent Property Taxes	264,499	0	0	264,499
Other Deferred Revenues	138,885	0	0	138,885
Total Liabilities	<u>\$ 4,447,861</u>	<u>\$ 54,838</u>	<u>\$ 9,907</u>	<u>\$ 4,512,606</u>
<u>Fund Balances</u>				
Restricted:				
Restricted for Education	\$ 73,838	\$ 16,886	\$ 0	\$ 90,724
Restricted for Operation of Non-Instructional Services	0	0	597,615	597,615
Restricted for Capital Projects	0	0	2,746	2,746
Assigned:				
Assigned for Education	119,391	200,000	0	319,391
Assigned for Support Services	3,448	0	0	3,448
Unassigned	2,647,138	0	0	2,647,138
Total Fund Balances	<u>\$ 2,843,815</u>	<u>\$ 216,886</u>	<u>\$ 600,361</u>	<u>\$ 3,661,062</u>
Total Liabilities and Fund Balances	<u>\$ 7,291,676</u>	<u>\$ 271,724</u>	<u>\$ 610,268</u>	<u>\$ 8,173,668</u>

Exhibit J-3

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

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

Total fund balances - balance sheet - governmental funds (Exhibit J-2)		\$ 3,661,062
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 170,993	
Add: construction in progress	3,171,920	
Add: buildings and improvements net of accumulated depreciation	6,815,733	
Add: other capital assets net of accumulated depreciation	<u>2,138,959</u>	12,297,605
(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		(535,716)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>403,384</u>
Net assets of governmental activities (Exhibit A)		<u><u>\$ 15,826,335</u></u>

Exhibit J-4

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

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Federal Projects	Other Govern- mental Funds	
<u>Revenues</u>				
Local Taxes	\$ 5,676,485	\$ 0	\$ 0	\$ 5,676,485
Licenses and Permits	998	0	0	998
Charges for Current Services	15,103	0	369,371	384,474
Other Local Revenues	141,211	0	760	141,971
State of Tennessee	17,442,987	0	21,232	17,464,219
Federal Government	274,380	3,423,758	1,830,019	5,528,157
Other Governments and Citizens Groups	0	0	3,136,180	3,136,180
Total Revenues	<u>\$ 23,551,164</u>	<u>\$ 3,423,758</u>	<u>\$ 5,357,562</u>	<u>\$ 32,332,484</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 13,207,959	\$ 2,526,161	\$ 0	\$ 15,734,120
Support Services	9,403,874	705,682	2,828	10,112,384
Operation of Non-Instructional Services	650,749	284,950	2,122,994	3,058,693
Capital Outlay	39,063	0	0	39,063
Capital Projects	0	0	3,130,606	3,130,606
Total Expenditures	<u>\$ 23,301,645</u>	<u>\$ 3,516,793</u>	<u>\$ 5,256,428</u>	<u>\$ 32,074,866</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 249,519</u>	<u>\$ (93,035)</u>	<u>\$ 101,134</u>	<u>\$ 257,618</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 12,114	\$ 0	\$ 0	\$ 12,114
Transfers In	3,223	0	0	3,223
Transfers Out	0	(3,223)	0	(3,223)
Total Other Financing Sources (Uses)	<u>\$ 15,337</u>	<u>\$ (3,223)</u>	<u>\$ 0</u>	<u>\$ 12,114</u>
Net Change in Fund Balances	\$ 264,856	\$ (96,258)	\$ 101,134	\$ 269,732
Fund Balance, July 1, 2011	<u>2,578,959</u>	<u>313,144</u>	<u>499,227</u>	<u>3,391,330</u>
Fund Balance, June 30, 2012	<u>\$ 2,843,815</u>	<u>\$ 216,886</u>	<u>\$ 600,361</u>	<u>\$ 3,661,062</u>

Exhibit J-5

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

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

Net change in fund balances - total governmental funds (Exhibit J-4)		\$ 269,732
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 3,520,564	
Less: current-year depreciation expense	<u>(907,828)</u>	2,612,736
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2012	\$ 403,384	
Less: deferred delinquent property taxes and other deferred June 30, 2011	<u>(460,937)</u>	(57,553)
(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in other postemployment benefits liability		<u>(130,724)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 2,694,191</u>

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

	Special Revenue Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
	Central Cafeteria	Education Capital Projects	
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 516,875	\$ 2,746	\$ 519,621
Accounts Receivable	239	0	239
Due from Primary Government	90,408	0	90,408
Total Assets	<u>\$ 607,522</u>	<u>\$ 2,746</u>	<u>\$ 610,268</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Payroll Deductions Payable	\$ 9,907	\$ 0	\$ 9,907
Total Liabilities	<u>\$ 9,907</u>	<u>\$ 0</u>	<u>\$ 9,907</u>
<u>Fund Balances</u>			
Restricted:			
Restricted for Operation of Non-Instructional Services	\$ 597,615	\$ 0	\$ 597,615
Restricted for Capital Projects	0	2,746	2,746
Total Fund Balances	<u>\$ 597,615</u>	<u>\$ 2,746</u>	<u>\$ 600,361</u>
Total Liabilities and Fund Balances	<u>\$ 607,522</u>	<u>\$ 2,746</u>	<u>\$ 610,268</u>

Exhibit J-7

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

	Special Revenue Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
	Central Cafeteria	Education Capital Projects	
<u>Revenues</u>			
Charges for Current Services	\$ 369,371	\$ 0	\$ 369,371
Other Local Revenues	760	0	760
State of Tennessee	21,232	0	21,232
Federal Government	1,830,019	0	1,830,019
Other Governments and Citizens Groups	0	3,136,180	3,136,180
Total Revenues	<u>\$ 2,221,382</u>	<u>\$ 3,136,180</u>	<u>\$ 5,357,562</u>
<u>Expenditures</u>			
Current:			
Support Services	\$ 0	\$ 2,828	\$ 2,828
Operation of Non-Instructional Services	2,122,994	0	2,122,994
Capital Projects	0	3,130,606	3,130,606
Total Expenditures	<u>\$ 2,122,994</u>	<u>\$ 3,133,434</u>	<u>\$ 5,256,428</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 98,388</u>	<u>\$ 2,746</u>	<u>\$ 101,134</u>
Net Change in Fund Balances	\$ 98,388	\$ 2,746	\$ 101,134
Fund Balance, July 1, 2011	<u>499,227</u>	<u>0</u>	<u>499,227</u>
Fund Balance, June 30, 2012	<u>\$ 597,615</u>	<u>\$ 2,746</u>	<u>\$ 600,361</u>

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 5,676,485	\$ 0	\$ 0	\$ 5,676,485	\$ 5,584,940	\$ 5,584,940	\$ 91,545
Licenses and Permits	998	0	0	998	2,000	2,000	(1,002)
Charges for Current Services	15,103	0	0	15,103	34,268	34,268	(19,165)
Other Local Revenues	141,211	0	0	141,211	202,049	268,622	(127,411)
State of Tennessee	17,442,987	0	0	17,442,987	17,248,313	17,449,503	(6,516)
Federal Government	274,380	0	0	274,380	198,068	256,086	18,294
Total Revenues	\$ 23,551,164	\$ 0	\$ 0	\$ 23,551,164	\$ 23,269,638	\$ 23,595,419	\$ (44,255)
Expenditures							
<u>Instruction</u>							
Regular Instruction Program	\$ 10,727,846	\$ (19,011)	\$ 34,164	\$ 10,742,999	\$ 10,812,400	\$ 10,751,711	\$ 8,712
Alternative Instruction Program	376,371	0	0	376,371	446,114	376,371	0
Special Education Program	1,475,004	0	12,052	1,487,056	1,528,675	1,546,831	59,775
Vocational Education Program	576,726	0	0	576,726	643,436	643,436	66,710
Adult Education Program	52,012	0	2,735	54,747	46,495	57,776	3,029
<u>Support Services</u>							
Attendance	30,536	0	0	30,536	42,820	30,536	0
Health Services	180,463	0	0	180,463	187,624	187,624	7,161
Other Student Support	850,178	0	0	850,178	867,118	877,539	27,361
Regular Instruction Program	916,689	0	6,019	922,708	892,923	925,666	2,958
Alternative Instruction Program	3,945	0	0	3,945	22,359	22,359	18,414
Special Education Program	220,276	0	0	220,276	194,685	222,026	1,750
Vocational Education Program	127,936	0	0	127,936	131,172	131,172	3,236
Adult Programs	103,533	0	0	103,533	102,296	103,533	0

(Continued)

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures		Variance with Final Budget - Positive (Negative)
				(Budgetary Basis)		
				Budgeted Amounts Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Support Services (Cont.)</u>						
Other Programs	\$ 117,961	\$ 0	\$ 0	\$ 117,961	\$ 117,961	\$ 0
Board of Education	414,091	0	0	414,091	443,915	29,824
Director of Schools	307,924	(596)	13,397	320,725	334,830	14,105
Office of the Principal	1,493,766	0	0	1,493,766	1,567,428	73,662
Fiscal Services	305,849	0	0	305,849	319,930	14,081
Operation of Plant	1,533,853	(94)	0	1,533,759	1,603,027	69,268
Maintenance of Plant	646,816	(42,245)	26,497	631,068	693,228	62,160
Transportation	1,966,747	(20,413)	23,758	1,970,092	2,040,586	70,494
Central and Other	183,311	0	0	183,311	183,372	61
<u>Operation of Non-Instructional Services</u>						
Food Service	33,379	(29,776)	0	3,603	3,603	0
Early Childhood Education	617,370	(17,765)	769	600,374	601,986	32
<u>Capital Outlay</u>						
Regular Capital Outlay	39,063	0	0	39,063	45,000	605,937
Total Expenditures	\$ 23,301,645	\$ (129,900)	\$ 119,391	\$ 23,291,136	\$ 24,429,866	\$ 1,138,730
<u>Excess (Deficiency) of Revenues</u>						
Over Expenditures	\$ 249,519	\$ 129,900	\$ (119,391)	\$ 260,028	\$ (834,447)	\$ 1,094,475
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 12,114	\$ 0	\$ 0	\$ 12,114	\$ 0	\$ 12,114
Transfers In	3,223	0	0	3,223	14,000	(10,777)
Total Other Financing Sources (Uses)	\$ 15,337	\$ 0	\$ 0	\$ 15,337	\$ 14,000	\$ 1,337

(Continued)

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Net Change in Fund Balance	\$ 264,856	\$ 129,900	\$ (119,391)	\$ 275,365	\$ (220,448)	\$ (820,447)	\$ 1,095,812
Fund Balance, July 1, 2011	2,578,959	(129,900)	0	2,449,059	2,527,335	2,527,335	(78,276)
Fund Balance, June 30, 2012	\$ 2,843,815	\$ 0	\$ (119,391)	\$ 2,724,424	\$ 2,306,887	\$ 1,706,888	\$ 1,017,536

Exhibit J-9

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Federal Government	\$ 3,423,758	\$ 0	\$ 3,423,758	\$ 3,664,648	\$ 3,724,175	\$ (300,417)
Total Revenues	\$ 3,423,758	\$ 0	\$ 3,423,758	\$ 3,664,648	\$ 3,724,175	\$ (300,417)
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 1,730,672	\$ (94,089)	\$ 1,636,583	\$ 1,651,378	\$ 1,749,050	\$ 112,467
Special Education Program	762,429	(5,844)	756,585	875,099	899,348	142,763
Vocational Education Program	33,060	0	33,060	39,143	33,060	0
<u>Support Services</u>						
Other Student Support	75,898	0	75,898	103,401	87,003	11,105
Regular Instruction Program	374,189	0	374,189	438,444	405,814	31,625
Special Education Program	196,790	0	196,790	216,499	212,654	15,864
Transportation	58,805	0	58,805	64,254	62,284	3,479
<u>Operation of Non-Instructional Services</u>						
Community Services	284,950	0	284,950	286,418	284,950	0
Total Expenditures	\$ 3,516,793	\$ (99,933)	\$ 3,416,860	\$ 3,674,636	\$ 3,734,163	\$ 317,303
Excess (Deficiency) of Revenues Over Expenditures	\$ (93,035)	\$ 99,933	\$ 6,898	\$ (9,988)	\$ (9,988)	\$ 16,886
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (3,223)	\$ 0	\$ (3,223)	\$ (3,223)	\$ (3,223)	\$ 0
Total Other Financing Sources (Uses)	\$ (3,223)	\$ 0	\$ (3,223)	\$ (3,223)	\$ (3,223)	\$ 0

(Continued)

Exhibit J-9

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Net Change in Fund Balance	\$ (96,258) \$	99,933 \$	3,675 \$	(13,211) \$	(13,211) \$	16,886
Fund Balance, July 1, 2011	313,144	(99,933)	213,211	313,144	313,144	(99,933)
Fund Balance, June 30, 2012	\$ 216,886 \$	0 \$	216,886 \$	299,933 \$	299,933 \$	(83,047)

Exhibit J-10

Haywood County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Haywood 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	\$ 369,371	\$ 450,473	\$ 450,473	\$ (81,102)
Other Local Revenues	760	750	750	10
State of Tennessee	21,232	21,500	21,500	(268)
Federal Government	1,830,019	1,720,780	1,820,232	9,787
Total Revenues	<u>\$ 2,221,382</u>	<u>\$ 2,193,503</u>	<u>\$ 2,292,955</u>	<u>\$ (71,573)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 2,122,994	\$ 2,193,503	\$ 2,292,955	\$ 169,961
Total Expenditures	<u>\$ 2,122,994</u>	<u>\$ 2,193,503</u>	<u>\$ 2,292,955</u>	<u>\$ 169,961</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 98,388</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 98,388</u>
Net Change in Fund Balance	\$ 98,388	\$ 0	\$ 0	\$ 98,388
Fund Balance, July 1, 2011	<u>499,227</u>	<u>499,227</u>	<u>499,227</u>	<u>0</u>
Fund Balance, June 30, 2012	<u><u>\$ 597,615</u></u>	<u><u>\$ 499,227</u></u>	<u><u>\$ 499,227</u></u>	<u><u>\$ 98,388</u></u>

MISCELLANEOUS SCHEDULES

Exhibit K-1

Haywood County, Tennessee
Schedule of Changes in Long-term Capital Lease, Other Loans, 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	Outstanding 6-30-12
<u>CAPITAL LEASE PAYABLE</u>								
Payable through General Fund								
Sheriff's Vehicles (4)	\$ 93,625	5 %	10-1-10	10-1-12	\$ 60,883	0 \$	29,699 \$	31,184
Total Capital Lease Payable					\$ 60,883	0 \$	29,699 \$	31,184
<u>OTHER LOANS PAYABLE</u>								
Payable through General Debt Service Fund								
Energy Efficient School Initiative	(1)	0	9-8-11	6-30-21	0 \$	1,536,516 \$	0 \$	1,536,516
Haywood High School Renovations	(2)	Variable	12-15-11	6-30-20	0	649,664	0	649,664
Total Other Loans Payable					0 \$	2,186,180 \$	0 \$	2,186,180
<u>BONDS PAYABLE</u>								
Payable through General Debt Service Fund								
Waterline (USDA Rural Development)	560,000	4.875	2-5-1998	2-5-38	\$ 475,230	0 \$	7,800 \$	467,430
General Obligation 2007	5,000,000	4 to 4.05	12-20-07	6-1-28	5,000,000	0	0	5,000,000
General Obligation 2008	4,425,000	3.625 to 4.3	12-23-08	6-30-21	3,975,000	0	175,000	3,800,000
General Obligation Refunding, Series 2009	3,400,000	3 to 3.5	4-15-09	6-30-16	2,600,000	0	510,000	2,090,000
General Obligation 2009	300,000	4.5	6-30-09	6-28-24	270,262	0	15,548	254,714
General Obligation 2010	5,575,000	4.75 to 5.55	3-10-10	6-1-30	5,575,000	0	0	5,575,000
Total Bonds Payable					\$ 17,895,492	0 \$	708,348 \$	17,187,144

(1) Total amount approved was \$2,000,000, of which \$463,484 remains available for draws as of June 30, 2012.

(2) Total amount approved was \$1,509,000, of which \$859,336 remains available for draws as of June 30, 2012.

Exhibit K-2

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

Year Ending June 30	Capital Lease		
	Principal	Interest	Total
2013	\$ 31,184	\$ 1,559	\$ 32,743
Total	\$ 31,184	\$ 1,559	\$ 32,743

Year Ending June 30	Other Loans Payable			
	Principal	Interest	Other Fees	Total
2013	\$ 91,667	\$ 5,068	\$ 2,475	\$ 99,210
2014	278,000	4,483	2,362	284,845
2015	282,000	3,874	2,245	288,119
2016	285,000	3,234	2,122	290,356
2017	288,000	2,571	1,995	292,566
2018	292,000	1,885	1,862	295,747
2019	295,000	1,167	1,724	297,891
2020	254,664	426	1,582	256,672
2021	119,849	0	0	119,849
Total	\$ 2,186,180	\$ 22,708	\$ 16,367	\$ 2,225,255

Year Ending June 30	Bonds		
	Principal	Interest	Total
2013	\$ 726,290	\$ 750,491	\$ 1,476,781
2014	742,515	727,170	1,469,685
2015	783,798	701,996	1,485,794
2016	800,141	673,925	1,474,066
2017	881,546	644,673	1,526,219
2018	933,019	609,461	1,542,480
2019	984,558	571,923	1,556,481
2020	1,011,171	531,708	1,542,879
2021	1,062,858	489,823	1,552,681
2022	869,624	181,105	1,050,729
2023	906,472	406,834	1,313,306
2024	943,369	365,935	1,309,304
2025	952,496	322,811	1,275,307
2026	993,359	278,797	1,272,156
2027	1,034,266	233,641	1,267,907
2028	1,075,216	185,660	1,260,876
2029	1,121,214	135,045	1,256,259
2030	1,172,260	74,049	1,246,309
2031	23,359	9,125	32,484
2032	24,511	7,973	32,484
2033	25,721	6,763	32,484
2034	26,991	5,493	32,484
2035	28,321	4,165	32,486
2036	29,720	2,766	32,486
2037	31,186	1,300	32,486
2038	3,163	77	3,240
Total	\$ 17,187,144	\$ 7,922,709	\$ 25,109,853

Exhibit K-3

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

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
Solid Waste/Sanitation	Solid Waste Disposal	Operations	<u>\$ 105,000</u>
Total Transfers Primary Government			<u>\$ 105,000</u>
<u>DISCRETELY PRESENTED HAYWOOD COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	<u>\$ 3,223</u>
Total Transfers Discretely Presented Haywood County School Department			<u>\$ 3,223</u>

Exhibit K-4

Haywood County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Haywood 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, and County Commission	\$ 91,596 (1,2)	\$ 50,000	State Automobile Mutual Insurance Company
Chief Administrative Highway Officer	Section 8-24-102, TCA, and County Commission	71,976 (1)	100,000	"
Director of Schools	State Board of Education and County Board of Education	98,834 (3)	50,000	"
Trustee	Section 8-24-102, TCA, and County Commission	61,711 (1)	938,755	"
Assessor of Property	Section 8-24-102, TCA, and County Commission	61,711 (1)	10,000	Auto-Owners Insurance Company
County Clerk	Section 8-24-102, TCA	59,191	50,000	State Automobile Mutual Insurance Company
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, TCA	59,191	50,000	Western Surety Company
Clerk and Master	Section 8-24-102, TCA, and County Commission	59,191 (4)	70,000	RLI Insurance Company
Register	Section 8-24-102, TCA, and County Commission	61,711 (1)	25,000	State Automobile Mutual Insurance Company
Sheriff	Section 8-24-102, TCA, and County Commission	67,630 (1,5)	25,000	"
Employee Blanket Bonds:				
Office of County Mayor and Highway Department:				
All Employees			150,000	Local Government Property and Casualty Fund
Office of Director of Schools:				
All Employees			150,000	Tennessee Risk Management Trust

- (1) Includes a certified public administrator supplement of \$2,520.
- (2) Includes county commission chairman compensation of \$19,096.
- (3) Includes a career ladder supplement of \$1,000.
- (4) Does not include special commissioner fees of \$750.
- (5) Does not include a law enforcement training supplement of \$600.

Exhibit K-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 4,069,716	\$ 0	\$ 0	\$ 0	\$ 425,257
Discount on Property Taxes	(43,885)	0	0	0	(4,586)
Trustee's Collections - Prior Year	311,076	0	0	0	32,906
Trustee's Collections - Bankruptcy	244	0	0	0	33
Circuit/Clerk & Master Collections - Prior Years	165,769	0	0	0	17,322
Interest and Penalty	45,259	0	0	0	4,822
Payments in-Lieu-of Taxes - T.V.A.	197,523	0	0	0	20,639
Payments in-Lieu-of Taxes - Local Utilities	65,640	0	0	0	0
Payments in-Lieu-of Taxes - Other	411,110	0	0	0	0
<u>County Local Option Taxes</u>					
Local Option Sales Tax	136,435	0	0	0	0
Hotel/Motel Tax	44,697	0	0	0	0
Wheel Tax	527,345	0	0	0	133,506
Litigation Tax - General	251,482	0	0	0	0
Litigation Tax - Special Purpose	6,195	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0
Business Tax	168,369	0	0	0	0
Other County Local Option Taxes	35,753	0	0	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	6,026	0	0	0	0
Wholesale Beer Tax	103,580	0	0	0	0
Beer Privilege Tax	1,465	0	0	0	0
Total Local Taxes	\$ 6,503,799	\$ 0	\$ 0	\$ 0	\$ 629,899
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Animal Registration	\$ 756	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	1,246	0	0	0	0
<u>Permits</u>					
Beer Permits	1,188	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Licenses and Permits (Cont.)</u>					
<u>Permits (Cont.)</u>					
Building Permits	\$ 20,508	\$ 0	\$ 0	\$ 0	\$ 0
Total Licenses and Permits	\$ 20,508	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 2,992	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	1,083	0	0	0	0
Drug Control Fines	1,235	0	2,842	0	0
Jail Fees	9,207	0	0	0	0
Data Entry Fee - Circuit Court	146	0	0	0	0
Courtroom Security Fee	639	0	0	0	0
<u>General Sessions Court</u>					
Fines	28,378	48	0	0	0
Officers Costs	23,756	0	0	0	0
Game and Fish Fines	501	0	0	0	0
Drug Control Fines	0	0	238	0	0
Jail Fees	28,262	0	0	0	0
DUI Treatment Fines	4,048	0	0	0	0
Data Entry Fee - General Sessions Court	3,565	0	0	0	0
Courtroom Security Fee	76,255	0	0	0	0
Victims Assistance Assessments	17,160	0	0	0	0
<u>Juvenile Court</u>					
Fines	518	0	0	0	0
Officers Costs	714	0	0	0	0
Data Entry Fee - Juvenile Court	1,306	0	0	0	0
<u>Chancery Court</u>					
Officers Costs	1,083	0	0	0	0
Data Entry Fee - Chancery Court	2,458	0	0	0	0
Courtroom Security Fee	86	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Judicial District Drug Program</u>					
Drug Task Force Forfeitures and Seizures					
Data Entry Fee - Other Courts	\$ 4,078	\$ 0	\$ 37,566	\$ 0	\$ 0
Other Fines, Forfeitures, and Penalties	13,156	0	0	0	0
Other Fines, Forfeitures, and Penalties	1,500	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 223,126	\$ 48	\$ 40,646	\$ 0	\$ 0
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Residential Waste Collection Charge	\$ 0	\$ 475,646	\$ 0	\$ 0	\$ 0
Patient Charges	944,306	0	0	0	0
Zoning Studies	120	0	0	0	0
Work Release Charges for Board	0	1,232	0	0	0
Health Department Collections	125,610	0	0	0	0
Other General Service Charges	2,832	0	0	0	0
<u>Fees</u>					
Recreation Fees	29,684	0	0	0	0
Copy Fees	708	0	0	0	0
Telephone Commissions	32,138	0	0	0	0
Vending Machine Collections	6,446	0	0	0	11
Constitutional Officers' Fees and Commissions	0	0	0	162,190	0
Data Processing Fee - Register	5,818	0	0	0	0
Data Processing Fee - Sheriff	2,322	0	0	0	0
Sexual Offender Registration Fees - Sheriff	1,500	0	0	0	0
Data Processing Fee - County Clerk	1,324	0	0	0	0
Total Charges for Current Services	\$ 1,152,808	\$ 476,878	\$ 0	\$ 162,190	\$ 11
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	16,585	0	0	0	570

(Continued)

Exhibit K-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Other Local Revenues (Cont.)</u>					
<u>Recurring Items (Cont.)</u>					
Sale of Materials and Supplies	\$ 38,143	\$ 0	\$ 0	\$ 0	\$ 47,927
Commissary Sales	29,875	0	0	0	0
Sale of Gasoline	0	0	0	0	300,973
Miscellaneous Refunds	0	2,559	0	0	3,147
<u>Nonrecurring Items</u>					
Sale of Equipment	500	0	0	0	0
Damages Recovered from Individuals	1,772	0	0	0	0
<u>Other Local Revenues</u>	0	0	0	0	0
Total Other Local Revenues	\$ 86,875	\$ 2,559	\$ 0	\$ 0	\$ 352,617
<u>Fees Received from County Officials</u>					
<u>Excess Fees</u>	\$ 183,500	\$ 0	\$ 0	\$ 0	\$ 0
Trustee					
Fees in-Lieu-of Salary					
County Clerk	213,299	0	0	0	0
Circuit Court Clerk	24,225	0	0	0	0
General Sessions Court Clerk	449,164	0	0	0	0
Clerk and Master	93,458	0	0	0	0
Juvenile Court Clerk	29,954	0	0	0	0
Register	60,617	0	0	0	0
Sheriff	13,470	0	0	0	0
Total Fees Received from County Officials	\$ 1,067,687	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 9,600	\$ 0	\$ 0	\$ 0	\$ 0
On-Behalf Contributions for OPEB	1,714	0	0	0	0
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	11,400	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>State of Tennessee (Cont.)</u>					
<u>Public Safety Grants (Cont.)</u>					
Other Public Safety Grants	\$ 34,294	\$ 0	\$ 0	\$ 0	\$ 0
<u>Health and Welfare Grants</u>	10,484	0	0	0	0
Other Health and Welfare Grants	0	0	0	0	218,430
<u>Public Works Grants</u>	0	47,179	0	0	0
Bridge Program	0				
Litter Program	0				
<u>Other State Revenues</u>	21,875	0	0	0	0
Income Tax	64,530	0	0	0	0
Alcoholic Beverage Tax	4,083	0	0	0	0
Mixed Drink Tax	315,189	0	0	0	32,935
State Revenue Sharing - T.V.A.	569,250	0	0	0	0
Contracted Prisoner Boarding	0	0	0	0	1,713,373
Gasoline and Motor Fuel Tax	0	0	0	0	13,556
Petroleum Special Tax	15,164	0	0	0	0
Registrar's Salary Supplement	0	0	0	0	0
Other State Grants	7,252	0	0	0	0
Other State Revenues					
Total State of Tennessee	\$ 1,064,835	\$ 47,179	\$ 0	\$ 0	\$ 1,978,294
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA - Other	\$ 174,890	\$ 0	\$ 0	\$ 0	\$ 0
Community Development	24,750	0	0	0	0
Disaster Relief	213	0	0	0	267,295
Other Federal through State	0	0	0	0	0
<u>Direct Federal Revenue</u>					
Forest Service	34,784	0	0	0	0
Tax Credit Bond Rebate	0	0	0	0	0
Total Federal Government	\$ 234,637	\$ 0	\$ 0	\$ 0	\$ 267,295

(Continued)

Exhibit K-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works
Other Governments and Citizens Groups					
Other Governments					
Contributions	\$ 416,130	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Services	82,454	0	0	0	0
Total Other Governments and Citizens Groups	\$ 498,584	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 10,856,049	\$ 526,664	\$ 40,646	\$ 162,190	\$ 3,228,116

(Continued)

Exhibit K-5

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

	Debt Service Fund	Capital Projects Funds						Total
		General Debt Service	General Capital Projects	Community Development/Industrial Park	HUD Grant Projects	Other Capital Projects		
<u>Local Taxes</u>								
<u>County Property Taxes</u>								
Current Property Tax	\$ 816,432	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,311,405	
Discount on Property Taxes	(8,848)	0	0	0	0	0	(57,319)	
Trustee's Collections - Prior Year	14,127	0	0	0	0	0	358,109	
Trustee's Collections - Bankruptcy	14	0	0	0	0	0	291	
Circuit/Clerk & Master Collections - Prior Years	9,017	0	0	0	0	0	192,108	
Interest and Penalty	2,657	0	0	0	0	0	52,738	
Payments in-Lieu-of Taxes - T.V.A.	34,476	0	0	0	0	0	252,638	
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	0	0	0	65,640	
Payments in-Lieu-of Taxes - Other	0	0	0	0	0	0	411,110	
<u>County Local Option Taxes</u>								
Local Option Sales Tax	0	0	0	0	0	0	136,435	
Hotel/Motel Tax	0	0	0	0	0	0	44,697	
Wheel Tax	267,036	0	0	0	0	0	927,887	
Litigation Tax - General	0	0	0	0	0	0	251,482	
Litigation Tax - Special Purpose	0	0	0	0	0	0	6,195	
Litigation Tax - Jail, Workhouse, or Courthouse	305,626	0	0	0	0	0	305,626	
Business Tax	0	0	0	0	0	0	168,369	
Other County Local Option Taxes	0	0	0	0	0	0	35,753	
<u>Statutory Local Taxes</u>								
Bank Excise Tax	0	0	0	0	0	0	6,026	
Wholesale Beer Tax	0	0	0	0	0	0	103,580	
Beer Privilege Tax	0	0	0	0	0	0	1,465	
Total Local Taxes	\$ 1,440,537	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,574,235	
<u>Licenses and Permits</u>								
<u>Licenses</u>								
Animal Registration	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	756	
Cable TV Franchise	0	0	0	0	0	0	1,246	
<u>Permits</u>								
Beer Permits	0	0	0	0	0	0	1,188	

(Continued)

Exhibit K-5

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

	Debt Service Fund	Capital Projects Funds						Total
		General Debt Service	General Capital Projects	Community Development/Industrial Park	HUD Grant Projects	Other Capital Projects		
<u>Licenses and Permits (Cont.)</u>								
<u>Permits (Cont.)</u>								
Building Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 20,508	
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 23,698	
<u>Fines, Forfeitures, and Penalties</u>								
<u>Circuit Court</u>								
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,992	
Officers Costs	0	0	0	0	0	0	1,083	
Drug Control Fines	0	0	0	0	0	0	4,077	
Jail Fees	0	0	0	0	0	0	9,207	
Data Entry Fee - Circuit Court	0	0	0	0	0	0	146	
Courtroom Security Fee	0	0	0	0	0	0	639	
<u>General Sessions Court</u>								
Fines	0	0	0	0	0	0	28,426	
Officers Costs	0	0	0	0	0	0	23,756	
Game and Fish Fines	0	0	0	0	0	0	501	
Drug Control Fines	0	0	0	0	0	0	238	
Jail Fees	0	0	0	0	0	0	29,262	
DUI Treatment Fines	0	0	0	0	0	0	4,048	
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	3,565	
Courtroom Security Fee	0	0	0	0	0	0	76,255	
Victims Assistance Assessments	0	0	0	0	0	0	17,160	
<u>Juvenile Court</u>								
Fines	0	0	0	0	0	0	518	
Officers Costs	0	0	0	0	0	0	714	
Data Entry Fee - Juvenile Court	0	0	0	0	0	0	1,306	
<u>Chancery Court</u>								
Officers Costs	0	0	0	0	0	0	1,083	
Data Entry Fee - Chancery Court	0	0	0	0	0	0	2,458	
Courtroom Security Fee	1,273	0	0	0	0	0	1,359	

(Continued)

Exhibit K-5

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

	Debt Service Fund	Capital Projects Funds					Total
		General Debt Service	General Capital Projects	Community Development/ Industrial Park	HUD Grant Projects	Other Capital Projects	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>							
<u>Judicial District Drug Program</u>							
Drug Task Force Forfeitures and Seizures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 41,644
Data Entry Fee - Other Courts	0	0	0	0	0	0	13,156
<u>Other Fines, Forfeitures, and Penalties</u>							
Other Fines, Forfeitures, and Penalties	0	0	0	0	0	0	1,500
Total Fines, Forfeitures, and Penalties	\$ 1,273	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 265,093
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Residential Waste Collection Charge	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 475,646
Patient Charges	0	0	0	0	0	0	944,306
Zoning Studies	0	0	0	0	0	0	120
Work Release Charges for Board	0	0	0	0	0	0	1,232
Health Department Collections	0	0	0	0	0	0	125,610
Other General Service Charges	0	0	0	0	0	0	2,832
<u>Fees</u>							
Recreation Fees	0	0	0	0	0	0	29,684
Copy Fees	0	0	0	0	0	0	708
Telephone Commissions	0	0	0	0	0	0	32,138
Vending Machine Collections	0	0	0	0	0	0	6,457
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0	162,190
Data Processing Fee - Register	0	0	0	0	0	0	5,818
Data Processing Fee - Sheriff	0	0	0	0	0	0	2,322
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	0	1,500
Data Processing Fee - County Clerk	0	0	0	0	0	0	1,324
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,791,887
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	\$ 121,275	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 121,275
Lease/Rentals	0	0	0	0	0	0	28,977
							46,132

(Continued)

Exhibit K-5

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

	Debt Service Fund	Capital Projects Funds					Total
		General Debt Service	General Capital Projects	Community Development/Industrial Park	HUD Grant Projects	Other Capital Projects	
<u>Other Local Revenues (Cont.)</u>							
<u>Recurring Items (Cont.)</u>							
Sale of Materials and Supplies	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 86,070
Commissary Sales	0	0	0	0	0	0	29,875
Sale of Gasoline	0	0	0	0	0	0	300,973
Miscellaneous Refunds	64,000	8,525	40,576	0	0	0	118,807
<u>Nonrecurring Items</u>							
Sale of Equipment	0	0	0	0	0	0	500
Damages Recovered from Individuals	0	0	0	0	0	0	1,772
<u>Other Local Revenues</u>	32,565	0	0	0	0	0	32,565
Total Other Local Revenues	\$ 217,840	\$ 8,525	\$ 40,576	\$ 0	\$ 28,977	\$ 0	\$ 737,969
<u>Fees Received from County Officials</u>							
<u>Excess Fees</u>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 183,500
Trustee	0	0	0	0	0	0	213,299
Fees in-Lieu-of Salary	0	0	0	0	0	0	24,225
County Clerk	0	0	0	0	0	0	449,164
Circuit Court Clerk	0	0	0	0	0	0	93,458
General Sessions Court Clerk	0	0	0	0	0	0	29,954
Clerk and Master	0	0	0	0	0	0	60,617
Juvenile Court Clerk	0	0	0	0	0	0	13,470
Register	0	0	0	0	0	0	0
Sheriff	0	0	0	0	0	0	0
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,067,687
<u>State of Tennessee</u>							
<u>General Government Grants</u>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,600
Juvenile Services Program	0	0	0	0	0	0	1,714
On-Behalf Contributions for OPEB	0	0	0	0	0	0	11,400
<u>Public Safety Grants</u>							
Law Enforcement Training Programs	0	0	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Debt Service Fund	Capital Projects Funds						Total
		General Debt Service	General Capital Projects	Community Development/Industrial Park	HUD Grant Projects	Other Capital Projects		
<u>State of Tennessee (Cont.)</u>								
<u>Public Safety Grants (Cont.)</u>								
Other Public Safety Grants	0	0	0	0	0	0	34,294	
<u>Health and Welfare Grants</u>								
Other Health and Welfare Grants	0	0	0	0	0	0	10,484	
<u>Public Works Grants</u>								
Bridge Program	0	0	0	0	0	0	218,430	
Litter Program	0	0	0	0	0	0	47,179	
<u>Other State Revenues</u>								
Income Tax	0	0	0	0	0	0	21,875	
Alcoholic Beverage Tax	0	0	0	0	0	0	64,530	
Mixed Drink Tax	0	0	0	0	0	0	4,083	
State Revenue Sharing - T.V.A.	63,540	0	0	0	0	0	411,664	
Contracted Prisoner Boarding	0	0	0	0	0	0	569,250	
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	1,713,373	
Petroleum Special Tax	0	0	0	0	0	0	13,556	
Registrar's Salary Supplement	0	0	0	0	0	0	15,164	
Other State Grants	0	13,922	50,000	0	0	5,699	69,621	
Other State Revenues	0	0	0	0	0	0	7,252	
Total State of Tennessee	\$ 63,540	\$ 13,922	\$ 50,000	\$ 0	\$ 0	\$ 5,699	\$ 3,223,469	
<u>Federal Government</u>								
<u>Federal Through State</u>								
USDA - Other	0	0	0	0	0	0	174,890	
Community Development	0	0	622,967	93,534	0	0	741,251	
Disaster Relief	0	0	0	0	0	0	267,508	
Other Federal through State	0	83,532	0	0	0	0	83,532	
<u>Direct Federal Revenue</u>								
Forest Service	0	0	0	0	0	0	34,784	
Tax Credit Bond Rebate	102,830	0	0	0	0	0	102,830	
Total Federal Government	\$ 102,830	\$ 83,532	\$ 622,967	\$ 93,534	\$ 0	\$ 0	\$ 1,404,795	

(Continued)

Exhibit K-5

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

	Debt Service Fund	Capital Projects Funds						Total
		General Debt Service	General Capital Projects	Community Development/ Industrial Park	HUD Grant Projects	Other Capital Projects		
<u>Other Governments and Citizens Groups</u>								
<u>Other Governments</u>								
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 416,130	
Contracted Services	0	0	0	0	0	0	82,454	
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 498,584	
Total	\$ 1,826,020	\$ 105,979	\$ 713,543	\$ 93,534	\$ 34,676	\$ 17,587,417		

Exhibit K-6

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

	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 3,310,069	\$ 0	\$ 0	\$ 0	\$ 3,310,069
Discount on Property Taxes	(35,694)	0	0	0	(35,694)
Trustee's Collections - Prior Year	253,030	0	0	0	253,030
Trustee's Collections - Bankruptcy	224	0	0	0	224
Circuit/Clerk & Master Collections - Prior Years	134,829	0	0	0	134,829
Interest and Penalty	37,361	0	0	0	37,361
Payments in-Lieu-of Taxes - T.V.A.	148,456	0	0	0	148,456
<u>County Local Option Taxes</u>					
Local Option Sales Tax	1,513,565	0	0	0	1,513,565
Wheel Tax	267,012	0	0	0	267,012
<u>Statutory Local Taxes</u>					
Interstate Telecommunications Tax	1,653	0	0	0	1,653
Other Statutory Local Taxes	45,980	0	0	0	45,980
Total Local Taxes	\$ 5,676,485	\$ 0	\$ 0	\$ 0	\$ 5,676,485
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 998	\$ 0	\$ 0	\$ 0	\$ 998
Total Licenses and Permits	\$ 998	\$ 0	\$ 0	\$ 0	\$ 998
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Lunch Payments - Children	\$ 0	\$ 0	\$ 66,779	\$ 0	\$ 66,779
Lunch Payments - Adults	0	0	37,167	0	37,167
Income from Breakfast	0	0	3,074	0	3,074
A la carte Sales	0	0	60,218	0	60,218
Receipts from Individual Schools	15,103	0	0	0	15,103
<u>Other Charges for Services</u>					
Other Charges for Services	0	0	202,133	0	202,133
Total Charges for Current Services	\$ 15,103	\$ 0	\$ 369,371	\$ 0	\$ 384,474
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 760	\$ 0	\$ 760
Lease/Rentals	2,366	0	0	0	2,366
Refund of Telecommunication and Internet Fees (E-Rate)	59,266	0	0	0	59,266
Miscellaneous Refunds	8,393	0	0	0	8,393
<u>Other Local Revenues</u>					
Other Local Revenues	71,186	0	0	0	71,186
Total Other Local Revenues	\$ 141,211	\$ 0	\$ 760	\$ 0	\$ 141,971
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-Behalf Contributions for OPEB	\$ 117,961	\$ 0	\$ 0	\$ 0	\$ 117,961
<u>State Education Funds</u>					
Basic Education Program	16,124,000	0	0	0	16,124,000
Early Childhood Education	606,249	0	0	0	606,249
School Food Service	0	0	21,232	0	21,232

(Continued)

Exhibit K-6

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

	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>State of Tennessee (Cont.)</u>					
<u>State Education Funds (Cont.)</u>					
Driver Education	\$ 1,804	\$ 0	\$ 0	\$ 0	\$ 1,804
Other State Education Funds	138,554	0	0	0	138,554
Statewide Student Management System (SSMS) - ARRA	8,330	0	0	0	8,330
Career Ladder Program	105,437	0	0	0	105,437
Career Ladder - Extended Contract	44,600	0	0	0	44,600
Other Vocational	4,000	0	0	0	4,000
<u>Other State Revenues</u>					
Mixed Drink Tax	4,084	0	0	0	4,084
State Revenue Sharing - T.V.A.	256,362	0	0	0	256,362
Other State Grants	11,862	0	0	0	11,862
Safe Schools - ARRA	18,200	0	0	0	18,200
Other State Revenues	1,544	0	0	0	1,544
Total State of Tennessee	\$ 17,442,987	\$ 0	\$ 21,232	\$ 0	\$ 17,464,219
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,172,418	\$ 0	\$ 1,172,418
USDA - Commodities	0	0	99,452	0	99,452
Breakfast	0	0	547,213	0	547,213
USDA - Other	0	0	10,936	0	10,936
Adult Education State Grant Program	134,867	0	0	0	134,867
Vocational Education - Basic Grants to States	0	60,179	0	0	60,179
Title I Grants to Local Education Agencies	0	1,005,229	0	0	1,005,229
Special Education - Grants to States	45,498	888,628	0	0	934,126
Special Education Preschool Grants	0	59,011	0	0	59,011
English Language Acquisition Grants	0	9,606	0	0	9,606
Rural Education	0	72,256	0	0	72,256
Eisenhower Professional Development State Grants	0	256,904	0	0	256,904
Race-to-the-Top - ARRA	0	303,421	0	0	303,421
Other Federal through State	0	768,524	0	0	768,524
<u>Direct Federal Revenue</u>					
ROTC Reimbursement	94,015	0	0	0	94,015
Total Federal Government	\$ 274,380	\$ 3,423,758	\$ 1,830,019	\$ 0	\$ 5,528,157
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 0	\$ 0	\$ 0	\$ 3,136,180	\$ 3,136,180
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 3,136,180	\$ 3,136,180
Total	\$ 23,551,164	\$ 3,423,758	\$ 2,221,382	\$ 3,136,180	\$ 32,332,484

Exhibit K-7

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

General Fund

General Government

County Commission

Other Salaries and Wages	\$	19,096	
Board and Committee Members Fees		24,950	
Social Security		3,714	
State Retirement		2,872	
Life Insurance		1,533	
Audit Services		5,636	
Dues and Memberships		4,768	
Other Contracted Services		65,886	
Food Supplies		16,900	
Other Charges		55,134	
Total County Commission			\$ 200,489

Beer Board

Secretary to Board	\$	200	
Board and Committee Members Fees		600	
Legal Notices, Recording, and Court Costs		224	
Library Books/Media		43	
Total Beer Board			1,067

County Mayor/Executive

County Official/Administrative Officer	\$	69,980	
Accountants/Bookkeepers		67,206	
Secretary(ies)		22,022	
Part-time Personnel		1,760	
Educational Incentive - Official/Admin Officer		2,520	
Social Security		13,160	
State Retirement		21,262	
Employee and Dependent Insurance		11,355	
Life Insurance		987	
Unemployment Compensation		284	
Other Fringe Benefits		1,890	
Communication		5,586	
Data Processing Services		5,802	
Dues and Memberships		1,748	
Maintenance Agreements		875	
Maintenance and Repair Services - Office Equipment		158	
Maintenance and Repair Services - Vehicles		406	
Postal Charges		3,153	
Travel		2,051	
Gasoline		3,037	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

County Mayor/Executive (Cont.)

Library Books/Media	\$	520	
Office Supplies		2,368	
Premiums on Corporate Surety Bonds		84	
Workers' Compensation Insurance		561	
Total County Mayor/Executive			\$ 238,775

County Attorney

County Official/Administrative Officer	\$	5,400	
Social Security		413	
State Retirement		720	
Operating Lease Payments		1,331	
Legal Services		32,977	
Duplicating Supplies		192	
Library Books/Media		5,163	
Total County Attorney			46,196

Election Commission

County Official/Administrative Officer	\$	53,272	
Part-time Personnel		9,249	
Election Commission		4,170	
Election Workers		10,317	
Social Security		4,728	
State Retirement		7,101	
Life Insurance		235	
Unemployment Compensation		182	
Communication		4,863	
Data Processing Services		9,379	
Dues and Memberships		150	
Legal Notices, Recording, and Court Costs		2,120	
Maintenance Agreements		3,891	
Postal Charges		4,219	
Printing, Stationery, and Forms		2,738	
Travel		2,632	
Office Supplies		2,789	
Workers' Compensation Insurance		130	
Other Charges		39	
Data Processing Equipment		1,919	
Total Election Commission			124,123

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds

County Official/Administrative Officer	\$	59,191	
Deputy(ies)		26,000	
Temporary Personnel		480	
Educational Incentive - Official/Admin Officer		2,520	
Social Security		6,165	
State Retirement		10,490	
Employee and Dependent Insurance		8,056	
Life Insurance		508	
Unemployment Compensation		98	
Communication		2,106	
Dues and Memberships		584	
Postal Charges		160	
Printing, Stationery, and Forms		950	
Rentals		1,265	
Maintenance and Repair Services - Records		1,500	
Office Supplies		18	
Premiums on Corporate Surety Bonds		34	
Workers' Compensation Insurance		212	
Data Processing Equipment		6,674	
Total Register of Deeds			\$ 127,011

Development

Supervisor/Director	\$	30,400
Secretary(ies)		1,200
Social Security		2,367
State Retirement		4,268
Employee and Dependent Insurance		4,392
Life Insurance		207
Unemployment Compensation		94
Other Fringe Benefits		420
Communication		1,316
Contracts with Government Agencies		11,300
Data Processing Services		875
Dues and Memberships		45
Legal Notices, Recording, and Court Costs		58
Maintenance and Repair Services - Vehicles		311
Postal Charges		72
Travel		1,340
Gasoline		3,325
Office Supplies		544

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Development (Cont.)

Vehicle and Equipment Insurance	\$	540	
Workers' Compensation Insurance		808	
Motor Vehicles		500	
Total Development			\$ 64,382

County Buildings

Supervisor/Director	\$	95,195	
Guards		47,907	
Custodial Personnel		61,943	
Other Salaries and Wages		18,374	
Social Security		17,984	
State Retirement		21,908	
Employee and Dependent Insurance		23,428	
Life Insurance		1,333	
Unemployment Compensation		1,006	
Other Fringe Benefits		6,090	
Communication		15,095	
Maintenance Agreements		44,417	
Maintenance and Repair Services - Vehicles		1,116	
Rentals		2,400	
Custodial Supplies		3,099	
Duplicating Supplies		1,528	
Gasoline		3,160	
Utilities		204,102	
Other Supplies and Materials		33,674	
Vehicle and Equipment Insurance		1,508	
Workers' Compensation Insurance		3,083	
Other Charges		2,331	
Building Improvements		22,806	
Total County Buildings			633,487

Finance

Accounting and Budgeting

Board and Committee Members Fees	\$	9,350	
Total Accounting and Budgeting			9,350

Property Assessor's Office

County Official/Administrative Officer	\$	59,191	
Deputy(ies)		120,790	
Educational Incentive - Official/Admin Officer		2,520	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Board and Committee Members Fees	\$	828	
Social Security		14,507	
State Retirement		25,723	
Employee and Dependent Insurance		14,263	
Life Insurance		1,271	
Unemployment Compensation		427	
Other Fringe Benefits		5,250	
Communication		3,291	
Contracts with Private Agencies		21,959	
Data Processing Services		18,134	
Dues and Memberships		1,405	
Maintenance and Repair Services - Vehicles		332	
Postal Charges		1,327	
Rentals		7,500	
Travel		1,384	
Duplicating Supplies		890	
Gasoline		4,767	
Office Supplies		1,788	
Utilities		5,084	
Vehicle and Equipment Insurance		1,393	
Workers' Compensation Insurance		1,104	
Office Equipment		3,604	
Total Property Assessor's Office			\$ 318,732

Reappraisal Program

Other Salaries and Wages	\$	19,628	
Social Security		786	
State Retirement		1,302	
Unemployment Compensation		44	
Data Processing Services		1,940	
Gasoline		555	
Office Supplies		1,078	
Workers' Compensation Insurance		236	
Total Reappraisal Program			25,569

County Trustee's Office

Educational Incentive - Official/Admin Officer	\$	2,520	
Social Security		12,198	
State Retirement		22,502	
Employee and Dependent Insurance		22,076	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Life Insurance	\$	1,042	
Unemployment Compensation		360	
Other Fringe Benefits		3,150	
Communication		4,643	
Data Processing Services		5,533	
Dues and Memberships		738	
Maintenance Agreements		3,708	
Maintenance and Repair Services - Office Equipment		266	
Postal Charges		5,870	
Printing, Stationery, and Forms		1,985	
Office Supplies		3,350	
Premiums on Corporate Surety Bonds		2,765	
Workers' Compensation Insurance		399	
Other Charges		980	
Total County Trustee's Office			\$ 94,085

County Clerk's Office

County Official/Administrative Officer	\$	59,191	
Deputy(ies)		121,682	
Part-time Personnel		1,580	
Social Security		13,437	
State Retirement		21,500	
Employee and Dependent Insurance		17,409	
Life Insurance		1,072	
Unemployment Compensation		466	
Other Fringe Benefits		3,150	
Communication		2,176	
Dues and Memberships		1,452	
Operating Lease Payments		1,365	
Maintenance Agreements		15,383	
Postal Charges		2,936	
Printing, Stationery, and Forms		696	
Travel		912	
Office Supplies		1,277	
Premiums on Corporate Surety Bonds		100	
Workers' Compensation Insurance		514	
Data Processing Equipment		498	
Total County Clerk's Office			266,796

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	59,191	
Deputy(ies)		235,081	
Jury and Witness Expense		7,760	
Social Security		22,136	
State Retirement		40,878	
Employee and Dependent Insurance		26,836	
Life Insurance		2,124	
Unemployment Compensation		823	
Other Fringe Benefits		12,390	
Communication		2,168	
Data Processing Services		10,076	
Dues and Memberships		858	
Maintenance and Repair Services - Office Equipment		1,015	
Postal Charges		2,092	
Printing, Stationery, and Forms		1,368	
Rentals		4,629	
Travel		581	
Data Processing Supplies		3,062	
Office Supplies		2,397	
Premiums on Corporate Surety Bonds		250	
Workers' Compensation Insurance		782	
Other Charges		450	
Office Equipment		13,732	
Total Circuit Court			\$ 450,679

General Sessions Judge

Judge(s)	\$	156,792
Secretary(ies)		27,214
Social Security		11,166
State Retirement		24,752
Employee and Dependent Insurance		2,469
Life Insurance		695
Unemployment Compensation		90
Other Fringe Benefits		1,680
Communication		1,796
Dues and Memberships		625
Travel		435
Library Books/Media		460
Office Supplies		387
Workers' Compensation Insurance		430

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Judge (Cont.)

Office Equipment	\$ 175	
Total General Sessions Judge		\$ 229,166

General Sessions Court Clerk

Postal Charges	\$ 1,006	
Printing, Stationery, and Forms	1,918	
Office Supplies	2,205	
Total General Sessions Court Clerk		5,129

Chancery Court

County Official/Administrative Officer	\$ 59,191	
Deputy(ies)	54,638	
Social Security	8,650	
State Retirement	15,285	
Employee and Dependent Insurance	8,515	
Life Insurance	753	
Unemployment Compensation	270	
Other Fringe Benefits	840	
Communication	1,787	
Dues and Memberships	592	
Postal Charges	518	
Printing, Stationery, and Forms	334	
Travel	42	
Other Contracted Services	300	
Office Supplies	1,538	
Premiums on Corporate Surety Bonds	50	
Workers' Compensation Insurance	278	
Other Charges	30	
Data Processing Equipment	4,250	
Total Chancery Court		157,861

Juvenile Court

Youth Service Officer(s)	\$ 51,288
Social Security	3,949
State Retirement	7,061
Employee and Dependent Insurance	3,470
Life Insurance	518
Unemployment Compensation	180
Other Fringe Benefits	1,680
Communication	2,451

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

Dues and Memberships	\$	455	
Legal Services		10,131	
Postal Charges		145	
Travel		857	
Office Supplies		1,008	
Workers' Compensation Insurance		125	
Other Charges		373	
Total Juvenile Court			\$ 83,691

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	65,110
Supervisor/Director		38,937
Deputy(ies)		360,140
Investigator(s)		40,822
Lieutenant(s)		188,132
Sergeant(s)		31,039
Secretary(ies)		47,442
Educational Incentive - Official/Admin Officer		2,520
Overtime Pay		39,538
In-Service Training		11,400
Social Security		60,205
State Retirement		107,969
Employee and Dependent Insurance		65,276
Life Insurance		4,297
Unemployment Compensation		2,117
Other Fringe Benefits		19,950
Communication		14,667
Dues and Memberships		2,110
Legal Notices, Recording, and Court Costs		141
Maintenance Agreements		4,466
Maintenance and Repair Services - Equipment		4,597
Maintenance and Repair Services - Office Equipment		4,400
Maintenance and Repair Services - Vehicles		26,310
Medical and Dental Services		369
Postal Charges		807
Printing, Stationery, and Forms		557
Travel		3,635
Tuition		2,500
Gasoline		110,019

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Instructional Supplies and Materials	\$	489	
Law Enforcement Supplies		11,263	
Library Books/Media		409	
Office Supplies		2,847	
Tires and Tubes		8,035	
Uniforms		5,868	
Other Supplies and Materials		1,522	
Premiums on Corporate Surety Bonds		563	
Vehicle and Equipment Insurance		12,799	
Workers' Compensation Insurance		19,022	
Other Charges		1,177	
Law Enforcement Equipment		11,767	
Other Equipment		2,076	
Total Sheriff's Department			\$ 1,337,309

Jail

Assistant(s)	\$	32,965
Supervisor/Director		36,000
Deputy(ies)		384,468
Secretary(ies)		27,440
Cafeteria Personnel		66,076
Overtime Pay		77,468
Social Security		47,488
State Retirement		62,707
Employee and Dependent Insurance		60,228
Life Insurance		5,086
Unemployment Compensation		2,667
Other Fringe Benefits		14,490
Communication		5,176
Maintenance Agreements		3,506
Maintenance and Repair Services - Equipment		5,107
Maintenance and Repair Services - Office Equipment		987
Maintenance and Repair Services - Vehicles		551
Medical and Dental Services		391,705
Postal Charges		133
Printing, Stationery, and Forms		1,432
Travel		3,270
Remittance of Revenue Collected		685
Custodial Supplies		16,738
Drugs and Medical Supplies		58,242

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Food Supplies	\$	167,142	
Gasoline		1,666	
Library Books/Media		134	
Office Supplies		2,340	
Prisoners Clothing		5,479	
Uniforms		7,406	
Utilities		15,284	
Other Supplies and Materials		9,416	
Vehicle and Equipment Insurance		1,504	
Workers' Compensation Insurance		15,404	
Building Improvements		886	
Food Service Equipment		1,669	
Office Equipment		977	
Total Jail			\$ 1,533,922

Workhouse

County Official/Administrative Officer	\$	12,000	
Assistant(s)		21,506	
Laborers		19,727	
Social Security		3,684	
State Retirement		6,886	
Employee and Dependent Insurance		7,301	
Life Insurance		353	
Unemployment Compensation		205	
Other Fringe Benefits		2,310	
Communication		1,776	
Maintenance and Repair Services - Buildings		2,822	
Maintenance and Repair Services - Equipment		18,489	
Veterinary Services		180	
Other Contracted Services		1,317	
Diesel Fuel		11,265	
Fertilizer, Lime, and Seed		14,471	
Gasoline		5,941	
Utilities		4,171	
Vehicle and Equipment Insurance		1,880	
Workers' Compensation Insurance		1,649	
Other Charges		856	
Other Equipment		7,108	
Total Workhouse			145,897

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Fire Prevention and Control

Other Per Diem and Fees	\$	21,872	
Social Security		974	
State Retirement		1,697	
Life Insurance		143	
Unemployment Compensation		90	
Contracts with Government Agencies		202,043	
Maintenance and Repair Services - Equipment		8,152	
Maintenance and Repair Services - Vehicles		6,605	
Diesel Fuel		7,710	
Gasoline		1,741	
Vehicle and Equipment Insurance		38,878	
Workers' Compensation Insurance		5,863	
Total Fire Prevention and Control	\$		295,768

Civil Defense

County Official/Administrative Officer	\$	32,678	
Part-time Personnel		8,934	
Social Security		3,318	
Employee and Dependent Insurance		616	
Life Insurance		169	
Unemployment Compensation		180	
Other Fringe Benefits		1,680	
Audit Services		2,000	
Communication		3,819	
Maintenance and Repair Services - Buildings		250	
Maintenance and Repair Services - Equipment		1,079	
Maintenance and Repair Services - Office Equipment		94	
Maintenance and Repair Services - Vehicles		1,422	
Postal Charges		14	
Travel		487	
Diesel Fuel		349	
Gasoline		2,011	
Office Supplies		522	
Utilities		1,120	
Vehicle and Equipment Insurance		1,361	
Workers' Compensation Insurance		891	
Total Civil Defense			62,994

Rescue Squad

Contributions	\$	10,000	
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(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Rescue Squad (Cont.)

Vehicle and Equipment Insurance	\$ 2,632	
Total Rescue Squad		\$ 12,632

County Coroner/Medical Examiner

Medical Personnel	\$ 4,800	
Total County Coroner/Medical Examiner		4,800

Other Public Safety

Contracts with Government Agencies	\$ 193,758	
Total Other Public Safety		193,758

Public Health and Welfare

Local Health Center

Custodial Personnel	\$ 16,800	
Communication	2,567	
Contracts with Government Agencies	17,154	
Maintenance and Repair Services - Buildings	2,000	
Postal Charges	314	
Custodial Supplies	652	
Drugs and Medical Supplies	2,053	
Office Supplies	956	
Utilities	8,685	
Total Local Health Center		51,181

Rabies and Animal Control

Contracts with Government Agencies	\$ 74,920	
Total Rabies and Animal Control		74,920

Ambulance/Emergency Medical Services

Assistant(s)	\$ 43,290
Supervisor/Director	54,560
Medical Personnel	2,000
Paraprofessionals	260,457
Secretary(ies)	26,969
Attendants	255,814
Part-time Personnel	26,415
Overtime Pay	38,808
Other Salaries and Wages	12,601
In-Service Training	3,750
Social Security	53,668

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

State Retirement	\$	85,574	
Employee and Dependent Insurance		53,521	
Life Insurance		4,464	
Unemployment Compensation		2,387	
Other Fringe Benefits		17,850	
Communication		6,528	
Data Processing Services		4,238	
Dues and Memberships		240	
Laundry Service		3,063	
Licenses		2,055	
Maintenance Agreements		5,012	
Maintenance and Repair Services - Buildings		13,887	
Maintenance and Repair Services - Vehicles		23,995	
Postal Charges		2,078	
Travel		1,651	
Tuition		1,635	
Custodial Supplies		2,235	
Diesel Fuel		38,668	
Drugs and Medical Supplies		34,188	
Gasoline		2,808	
Office Supplies		8,037	
Uniforms		4,440	
Utilities		9,468	
Other Supplies and Materials		2,063	
Liability Insurance		18,638	
Refunds		1,921	
Vehicle and Equipment Insurance		7,841	
Workers' Compensation Insurance		50,675	
Other Equipment		22,873	
Total Ambulance/Emergency Medical Services			\$ 1,210,365

Other Local Health Services

Contributions	\$	3,150	
Total Other Local Health Services			3,150

Appropriation to State

Paraprofessionals	\$	29,543	
Clerical Personnel		60,950	
Social Security		6,421	
State Retirement		8,370	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Appropriation to State (Cont.)

Employee and Dependent Insurance	\$	6,085	
Life Insurance		583	
Unemployment Compensation		504	
Other Fringe Benefits		1,890	
Travel		1,725	
Workers' Compensation Insurance		162	
Total Appropriation to State			\$ 116,233

Social, Cultural, and Recreational Services

Libraries

Librarians	\$	44,433	
Social Security		2,971	
State Retirement		4,691	
Employee and Dependent Insurance		4,695	
Life Insurance		352	
Unemployment Compensation		260	
Other Fringe Benefits		1,680	
Contributions		70,973	
Workers' Compensation Insurance		112	
Total Libraries			130,167

Parks and Fair Boards

County Official/Administrative Officer	\$	45,356	
Supervisor/Director		18,792	
Foremen		32,167	
Laborers		122,313	
Secretary(ies)		29,750	
Temporary Personnel		26,833	
Overtime Pay		1,526	
Social Security		20,430	
State Retirement		34,768	
Employee and Dependent Insurance		26,646	
Life Insurance		1,855	
Unemployment Compensation		1,137	
Other Fringe Benefits		11,130	
Communication		7,145	
Dues and Memberships		861	
Maintenance and Repair Services - Buildings		17,120	
Maintenance and Repair Services - Equipment		5,906	
Maintenance and Repair Services - Office Equipment		1,154	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Parks and Fair Boards (Cont.)

Maintenance and Repair Services - Vehicles	\$	4,269	
Pest Control		1,610	
Postal Charges		407	
Travel		2,074	
Custodial Supplies		8,353	
Fertilizer, Lime, and Seed		29,655	
Gasoline		16,067	
Office Supplies		5,078	
Utilities		73,092	
Other Supplies and Materials		18,799	
Refunds		11,630	
Vehicle and Equipment Insurance		5,020	
Workers' Compensation Insurance		7,250	
Other Charges		506	
Building Improvements		36,593	
Heating and Air Conditioning Equipment		6,615	
Maintenance Equipment		14,847	
Total Parks and Fair Boards			\$ 646,754

Other Social, Cultural, and Recreational

Temporary Personnel	\$	3,977	
Unemployment Compensation		58	
Contracts with Government Agencies		159,221	
Travel		433	
Office Supplies		341	
Other Supplies and Materials		12,897	
Other Charges		1,032	
Site Development		20,699	
Total Other Social, Cultural, and Recreational			198,658

Agriculture and Natural Resources

Agriculture Extension Service

Salary Supplements	\$	110,553	
Part-time Personnel		12,545	
Social Security		945	
Unemployment Compensation		124	
Communication		3,052	
Licenses		1,278	
Travel		6,268	
Custodial Supplies		897	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agriculture Extension Service (Cont.)

Other Supplies and Materials	\$	1,409	
Other Charges		<u>2,147</u>	
Total Agriculture Extension Service	\$		139,218

Soil Conservation

Secretary(ies)	\$	23,083	
Other Salaries and Wages		41,386	
Social Security		4,364	
State Retirement		8,930	
Employee and Dependent Insurance		9,214	
Life Insurance		438	
Unemployment Compensation		180	
Other Fringe Benefits		2,520	
Workers' Compensation Insurance		<u>1,148</u>	
Total Soil Conservation			91,263

Other Operations

Industrial Development

Other Contracted Services	\$	90,000	
Other Charges		<u>10,891</u>	
Total Industrial Development			100,891

Veterans' Services

Other Salaries and Wages	\$	9,146	
Social Security		702	
Unemployment Compensation		89	
Communication		1,789	
Postal Charges		27	
Rentals		600	
Travel		974	
Office Supplies		<u>81</u>	
Total Veterans' Services			13,408

Other Charges

Assistant(s)	\$	18,203	
Supervisor/Director		25,181	
Social Security		3,380	
State Retirement		4,762	
Employee and Dependent Insurance		4,041	
Life Insurance		273	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Other Operations (Cont.)

Other Charges (Cont.)

Unemployment Compensation	\$	234	
Other Fringe Benefits		4,200	
Communication		712	
Maintenance Agreements		1,221	
Office Supplies		222	
Workers' Compensation Insurance		985	
Furniture and Fixtures		<u>35,663</u>	
Total Other Charges			\$ 99,077

Contributions to Other Agencies

Contributions	\$	266,369	
Remittance of Revenue Collected		<u>17,160</u>	
Total Contributions to Other Agencies			283,529

Employee Benefits

On-Behalf Payments to OPEB	\$	<u>1,714</u>	
Total Employee Benefits			1,714

Miscellaneous

Building and Contents Insurance	\$	60,567	
Liability Insurance		60,994	
Trustee's Commission		126,661	
Other Charges		<u>4,800</u>	
Total Miscellaneous			253,022

Principal on Debt

General Government

Principal on Capital Leases	\$	<u>29,699</u>	
Total General Government			29,699

Interest on Debt

General Government

Interest on Capital Leases	\$	<u>3,044</u>	
Total General Government			<u>3,044</u>

Total General Fund \$ 10,109,961

(Continued)

Exhibit K-7

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

Solid Waste/Sanitation Fund

Public Health and Welfare

Waste Pickup

Supervisor/Director	\$	19,669	
Equipment Operators		97,304	
Secretary(ies)		28,265	
Overtime Pay		1,376	
Life Insurance		902	
Unemployment Compensation		485	
Other Fringe Benefits		10,920	
Communication		1,876	
Data Processing Services		26,877	
Legal Notices, Recording, and Court Costs		1,685	
Postal Charges		14,898	
Printing, Stationery, and Forms		51	
Crushed Stone		233	
Diesel Fuel		50,514	
Electricity		3,386	
Equipment and Machinery Parts		31,659	
Gasoline		14,003	
Instructional Supplies and Materials		10,186	
Lubricants		2,079	
Office Supplies		559	
Tires and Tubes		11,524	
Other Supplies and Materials		75	
Other Charges		1,395	
Maintenance Equipment		5,921	
Other Construction		745	
Total Waste Pickup			\$ 336,587

Other Operations

Other Charges

Trustee's Commission	\$	5,036	
Vehicle and Equipment Insurance		13,161	
Workers' Compensation Insurance		8,089	
Total Other Charges			26,286

Employee Benefits

Social Security	\$	11,033	
State Retirement		20,999	
Employee and Dependent Insurance		15,472	
Total Employee Benefits			47,504

Total Solid Waste/Sanitation Fund \$ 410,377

(Continued)

Exhibit K-7

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

Drug Control Fund

Public Safety

Drug Enforcement

Maintenance and Repair Services - Vehicles	\$	873	
Instructional Supplies and Materials		1,117	
Law Enforcement Supplies		2,244	
Trustee's Commission		408	
Other Charges		66	
Law Enforcement Equipment		8,912	
Motor Vehicles		37,000	
Total Drug Enforcement			\$ 50,620

Total Drug Control Fund \$ 50,620

Constitutional Officers - Fees Fund

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$	171,084	
Total County Trustee's Office			\$ 171,084

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	750	
Total Chancery Court			750

Total Constitutional Officers - Fees Fund 171,834

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	69,456	
Accountants/Bookkeepers		64,564	
Educational Incentive - Official/Admin Officer		2,520	
Longevity Pay		1,260	
Board and Committee Members Fees		13,200	
Communication		5,749	
Data Processing Services		6,853	
Dues and Memberships		3,338	
Legal Notices, Recording, and Court Costs		586	
Postal Charges		371	
Travel		1,793	
Drugs and Medical Supplies		860	
Electricity		9,591	

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Office Supplies	\$	1,406	
Other Charges		2,176	
Total Administration			\$ 183,723

Highway and Bridge Maintenance

Laborers	\$	409,836	
Other Contracted Services		1,015	
Asphalt - Liquid		307,767	
Crushed Stone		126,212	
Fertilizer, Lime, and Seed		82,920	
Other Road Supplies		5,875	
Pipe		39,094	
Road Signs		1,966	
Salt		20,911	
Wood Products		1,495	
Total Highway and Bridge Maintenance			997,091

Operation and Maintenance of Equipment

Laborers	\$	102,046	
Diesel Fuel		257,055	
Equipment and Machinery Parts		94,685	
Gasoline		213,665	
Lubricants		2,347	
Tires and Tubes		22,877	
Total Operation and Maintenance of Equipment			692,675

Other Charges

Liability Insurance	\$	4,554	
Premiums on Corporate Surety Bonds		350	
Trustee's Commission		28,440	
Vehicle and Equipment Insurance		38,741	
Workers' Compensation Insurance		35,830	
Total Other Charges			107,915

Employee Benefits

Social Security	\$	47,951	
State Retirement		85,602	
Employee and Dependent Insurance		90,516	
Unemployment Compensation		474	
Other Fringe Benefits		2,472	
Total Employee Benefits			227,015

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Capital Outlay

Engineering Services	\$	34,474	
Bridge Construction		225,378	
Highway Equipment		312,402	
Other Capital Outlay		<u>2,550</u>	
Total Capital Outlay			<u>\$ 574,804</u>

Total Highway/Public Works Fund \$ 2,783,223

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	<u>708,348</u>	
Total General Government			\$ 708,348

Interest on Debt

General Government

Interest on Bonds	\$	<u>775,118</u>	
Total General Government			775,118

Education

Interest on Other Loans	\$	<u>2,345</u>	
Total Education			2,345

Other Debt Service

General Government

Trustee's Commission	\$	23,817	
Other Debt Issuance Charges		<u>2,870</u>	
Total General Government			26,687

Education

Other Debt Service	\$	<u>1,208</u>	
Total Education			<u>1,208</u>

Total General Debt Service Fund 1,513,706

General Capital Projects Fund

Capital Projects

Administration of Justice Projects

Social Security	\$	204	
Workers' Compensation Insurance		33,764	

(Continued)

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

General Capital Projects Fund (Cont.)

Capital Projects (Cont.)

Administration of Justice Projects (Cont.)

Other Charges	\$ 5,783	
Building Construction	3,988	
Building Improvements	<u>17,958</u>	
Total Administration of Justice Projects		\$ 61,697

Education Capital Projects

Contributions	\$ <u>3,136,180</u>	
Total Education Capital Projects		<u>3,136,180</u>

Total General Capital Projects Fund \$ 3,197,877

Community Development/Industrial Park Fund

Capital Projects

Public Safety Projects

Consultants	\$ 3,000	
Motor Vehicles	<u>524,687</u>	
Total Public Safety Projects		\$ 527,687

Public Health and Welfare Projects

Other Construction	\$ <u>99,928</u>	
Total Public Health and Welfare Projects		99,928

Other General Government Projects

Consultants	\$ 11,100	
Engineering Services	21,828	
Other Contracted Services	<u>3,000</u>	
Total Other General Government Projects		<u>35,928</u>

Total Community Development/Industrial Park Fund 663,543

HUD Grant Projects Fund

Capital Projects

Other General Government Projects

Consultants	\$ 8,306	
Building Construction	<u>82,225</u>	
Total Other General Government Projects		<u>\$ 90,531</u>

Total HUD Grant Projects Fund 90,531

(Continued)

Exhibit K-7

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

<u>Other Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Other General Government Projects</u>			
Engineering Services	\$	<u>8,641</u>	
Total Other General Government Projects			\$ <u>8,641</u>
 Total Other Capital Projects Fund			 \$ <u>8,641</u>
 Total Governmental Funds - Primary Government			 \$ <u>19,000,313</u>

Exhibit K-8

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 7,096,937	
Career Ladder Program	57,241	
Career Ladder Extended Contracts	60,862	
Educational Assistants	594,288	
Other Salaries and Wages	3,048	
Certified Substitute Teachers	14,725	
Non-certified Substitute Teachers	82,139	
Social Security	459,447	
State Retirement	726,170	
Medical Insurance	865,886	
Dental Insurance	47,534	
Unemployment Compensation	13,148	
Employer Medicare	107,926	
Other Contracted Services	56,946	
Instructional Supplies and Materials	215,315	
Textbooks	259,682	
Other Supplies and Materials	8,296	
Other Charges	4,599	
Regular Instruction Equipment	53,657	
Total Regular Instruction Program		\$ 10,727,846

Alternative Instruction Program

Teachers	\$ 255,638	
Career Ladder Program	1,042	
Other Salaries and Wages	32,427	
Certified Substitute Teachers	1,316	
Non-certified Substitute Teachers	4,478	
Social Security	15,465	
State Retirement	24,399	
Medical Insurance	33,669	
Dental Insurance	1,799	
Unemployment Compensation	552	
Employer Medicare	4,008	
Other Contracted Services	633	
Instructional Supplies and Materials	854	
Other Supplies and Materials	36	
Other Charges	55	
Total Alternative Instruction Program		376,371

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program

Teachers	\$	1,000,091	
Career Ladder Program		2,000	
Homebound Teachers		24,764	
Educational Assistants		75,137	
Other Salaries and Wages		14,320	
Certified Substitute Teachers		414	
Non-certified Substitute Teachers		13,273	
Social Security		66,426	
State Retirement		102,958	
Medical Insurance		116,102	
Dental Insurance		6,474	
Unemployment Compensation		1,885	
Employer Medicare		15,549	
Maintenance and Repair Services - Equipment		507	
Other Contracted Services		8,761	
Instructional Supplies and Materials		10,678	
Other Supplies and Materials		78	
Special Education Equipment		15,587	
Total Special Education Program	\$		1,475,004

Vocational Education Program

Teachers	\$	434,306	
Certified Substitute Teachers		2,452	
Non-certified Substitute Teachers		6,454	
Social Security		26,309	
State Retirement		39,329	
Medical Insurance		37,632	
Dental Insurance		1,849	
Unemployment Compensation		775	
Employer Medicare		6,185	
Maintenance and Repair Services - Equipment		4,768	
Instructional Supplies and Materials		10,813	
T&I Construction Materials		5,731	
Vocational Instruction Equipment		123	
Total Vocational Education Program			576,726

Adult Education Program

Teachers	\$	41,361
Social Security		306

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Adult Education Program (Cont.)

Unemployment Compensation	\$	56	
Employer Medicare		600	
Instructional Supplies and Materials		9,689	
Total Adult Education Program			\$ 52,012

Support Services

Attendance

Supervisor/Director	\$	20,010	
Dental Insurance		25	
Unemployment Compensation		99	
Employer Medicare		290	
Travel		106	
Other Contracted Services		8,330	
Other Supplies and Materials		127	
Other Charges		1,549	
Total Attendance			30,536

Health Services

Medical Personnel	\$	104,584	
Social Security		5,759	
State Retirement		10,391	
Medical Insurance		19,182	
Dental Insurance		604	
Unemployment Compensation		174	
Employer Medicare		1,347	
Travel		3,877	
Other Contracted Services		4,643	
Drugs and Medical Supplies		886	
Other Supplies and Materials		21,211	
In Service/Staff Development		7,240	
Other Charges		460	
Health Equipment		105	
Total Health Services			180,463

Other Student Support

Career Ladder Program	\$	3,000	
Guidance Personnel		326,635	
Attendants		135,554	
Other Salaries and Wages		35,529	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Social Security	\$	29,228	
State Retirement		48,887	
Medical Insurance		51,691	
Dental Insurance		2,191	
Unemployment Compensation		945	
Employer Medicare		6,836	
Contracts with Government Agencies		61,664	
Contracts with Other School Systems		13,689	
Evaluation and Testing		86,802	
Travel		4,417	
Other Contracted Services		10,449	
Other Supplies and Materials		108	
In Service/Staff Development		1,619	
Other Charges		15,119	
Other Equipment		15,815	
Total Other Student Support			\$ 850,178

Regular Instruction Program

Supervisor/Director	\$	243,939	
Career Ladder Program		11,001	
Career Ladder Extended Contracts		200	
Librarians		260,723	
Instructional Computer Personnel		108,617	
Other Salaries and Wages		39,375	
Social Security		38,982	
State Retirement		61,764	
Medical Insurance		64,733	
Dental Insurance		3,321	
Unemployment Compensation		1,018	
Employer Medicare		9,117	
Travel		7,708	
Other Contracted Services		11,620	
Library Books/Media		28,292	
Periodicals		620	
Other Supplies and Materials		477	
In Service/Staff Development		23,687	
Other Equipment		1,495	
Total Regular Instruction Program			916,689

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Alternative Instruction Program

Supervisor/Director	\$	2,474	
Career Ladder Program		9	
Social Security		153	
State Retirement		225	
Medical Insurance		66	
Dental Insurance		10	
Unemployment Compensation		26	
Employer Medicare		36	
Other Supplies and Materials		546	
In Service/Staff Development		400	
Total Alternative Instruction Program			\$ 3,945

Special Education Program

Supervisor/Director	\$	100,131	
Career Ladder Program		3,992	
Psychological Personnel		56,560	
In-Service Training		1,818	
Social Security		9,591	
State Retirement		14,724	
Medical Insurance		16,101	
Dental Insurance		895	
Unemployment Compensation		242	
Employer Medicare		2,243	
Travel		10,176	
Other Supplies and Materials		589	
In Service/Staff Development		3,214	
Total Special Education Program			220,276

Vocational Education Program

Supervisor/Director	\$	53,789	
Secretary(ies)		39,510	
Social Security		5,529	
State Retirement		10,135	
Medical Insurance		3,715	
Dental Insurance		302	
Unemployment Compensation		84	
Employer Medicare		1,293	
Travel		2,770	
Other Contracted Services		1,412	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Vocational Education Program (Cont.)

Other Supplies and Materials	\$	4,547	
In Service/Staff Development		4,850	
Total Vocational Education Program			\$ 127,936

Adult Programs

Supervisor/Director	\$	53,385	
Career Ladder Program		2,000	
Career Ladder Extended Contracts		200	
Other Salaries and Wages		24,529	
Social Security		4,791	
State Retirement		6,694	
Medical Insurance		7,543	
Dental Insurance		243	
Unemployment Compensation		125	
Employer Medicare		1,120	
Travel		29	
Other Supplies and Materials		514	
In Service/Staff Development		1,467	
Other Charges		893	
Total Adult Programs			103,533

Other Programs

On-Behalf Payments to OPEB	\$	117,961	
Total Other Programs			117,961

Board of Education

Secretary to Board	\$	3,055	
Board and Committee Members Fees		4,165	
Social Security		436	
State Retirement		407	
Medical Insurance		365	
Unemployment Compensation		5	
Employer Medicare		102	
Audit Services		6,000	
Dues and Memberships		8,259	
Legal Services		8,466	
Travel		11,734	
Other Contracted Services		36,858	
Liability Insurance		28,281	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Premiums on Corporate Surety Bonds	\$	80	
Trustee's Commission		142,052	
Workers' Compensation Insurance		152,223	
In Service/Staff Development		964	
Refund to Applicant for Criminal Investigation		2,112	
Other Charges		8,527	
Total Board of Education			\$ 414,091

Director of Schools

County Official/Administrative Officer	\$	97,834	
Career Ladder Program		1,000	
Clerical Personnel		87,082	
Social Security		11,007	
State Retirement		20,553	
Medical Insurance		19,434	
Dental Insurance		604	
Unemployment Compensation		305	
Employer Medicare		2,574	
Communication		10,622	
Dues and Memberships		2,643	
Postal Charges		5,288	
Travel		17,919	
Other Contracted Services		4,254	
Office Supplies		11,993	
Other Supplies and Materials		7,992	
In Service/Staff Development		975	
Other Charges		2,952	
Administration Equipment		2,893	
Total Director of Schools			307,924

Office of the Principal

Principals	\$	392,012	
Career Ladder Program		10,001	
Accountants/Bookkeepers		64,331	
Career Ladder Extended Contracts		14,609	
Assistant Principals		449,847	
Secretary(ies)		172,568	
Other Salaries and Wages		240	
Social Security		63,950	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

State Retirement	\$	110,016	
Medical Insurance		115,694	
Dental Insurance		4,172	
Unemployment Compensation		1,884	
Employer Medicare		14,956	
Communication		54,412	
Dues and Memberships		3,625	
Travel		1,846	
Other Contracted Services		14,534	
Other Supplies and Materials		425	
Other Charges		4,644	
Total Office of the Principal			\$ 1,493,766

Fiscal Services

Supervisor/Director	\$	79,490	
Accountants/Bookkeepers		76,448	
Clerical Personnel		66,883	
Social Security		12,730	
State Retirement		29,559	
Medical Insurance		19,252	
Dental Insurance		302	
Unemployment Compensation		379	
Employer Medicare		2,977	
Data Processing Services		819	
Travel		885	
Other Contracted Services		7,444	
Data Processing Supplies		4,725	
Other Supplies and Materials		1,190	
In Service/Staff Development		980	
Administration Equipment		1,786	
Total Fiscal Services			305,849

Operation of Plant

Other Salaries and Wages	\$	900	
Social Security		56	
Unemployment Compensation		3	
Employer Medicare		13	
Other Contracted Services		625,998	
Electricity		601,342	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Natural Gas	\$	102,808	
Water and Sewer		76,466	
Boiler Insurance		6,464	
Building and Contents Insurance		117,768	
Other Charges		2,035	
Total Operation of Plant			\$ 1,533,853

Maintenance of Plant

Supervisor/Director	\$	39,988	
Maintenance Personnel		127,118	
Social Security		9,693	
State Retirement		19,215	
Medical Insurance		15,925	
Unemployment Compensation		297	
Employer Medicare		2,267	
Laundry Service		2,178	
Maintenance and Repair Services - Buildings		206,343	
Maintenance and Repair Services - Equipment		1,745	
Other Contracted Services		64,196	
Other Supplies and Materials		125,289	
Other Charges		4,377	
Maintenance Equipment		28,185	
Total Maintenance of Plant			646,816

Transportation

Supervisor/Director	\$	41,262	
Mechanic(s)		142,825	
Bus Drivers		610,733	
Social Security		48,602	
State Retirement		100,580	
Medical Insurance		9,779	
Dental Insurance		175	
Unemployment Compensation		1,442	
Employer Medicare		11,364	
Communication		23,310	
Contracts with Parents		92	
Laundry Service		2,531	
Maintenance and Repair Services - Vehicles		89,641	
Medical and Dental Services		9,483	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Travel	\$	73	
Other Contracted Services		11,696	
Diesel Fuel		301,624	
Gasoline		66,646	
Lubricants		8,833	
Tires and Tubes		37,392	
Vehicle Parts		81,542	
Other Supplies and Materials		35,595	
Vehicle and Equipment Insurance		36,361	
In Service/Staff Development		3,669	
Other Charges		19,385	
Administration Equipment		1,251	
Transportation Equipment		<u>270,861</u>	
Total Transportation	\$		1,966,747

Central and Other

Supervisor/Director	\$	66,796	
Career Ladder Program		1,000	
Other Salaries and Wages		59,474	
Social Security		7,391	
State Retirement		11,518	
Medical Insurance		18,477	
Dental Insurance		881	
Unemployment Compensation		210	
Employer Medicare		1,729	
Data Processing Services		9,350	
Travel		2,046	
Other Contracted Services		600	
Office Supplies		932	
Other Supplies and Materials		1,506	
In Service/Staff Development		<u>1,401</u>	
Total Central and Other			183,311

Operation of Non-Instructional Services

Food Service

Food Supplies	\$	3,603	
Food Service Equipment		<u>29,776</u>	
Total Food Service			33,379

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education

Teachers	\$	310,792	
Educational Assistants		110,553	
Other Salaries and Wages		610	
Certified Substitute Teachers		748	
Non-certified Substitute Teachers		1,599	
Social Security		24,563	
State Retirement		42,920	
Medical Insurance		42,886	
Dental Insurance		1,843	
Unemployment Compensation		684	
Employer Medicare		5,755	
Instructional Supplies and Materials		38,097	
Other Supplies and Materials		4,980	
In Service/Staff Development		3,419	
Other Charges		8,128	
Other Equipment		19,793	
Total Early Childhood Education			\$ 617,370

Capital Outlay

Regular Capital Outlay

Architects	\$	39,063	
Total Regular Capital Outlay			39,063

Total General Purpose School Fund \$ 23,301,645

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	918,829
Educational Assistants		185,495
Certified Substitute Teachers		325
Non-certified Substitute Teachers		2,489
Social Security		62,668
State Retirement		104,564
Medical Insurance		123,283
Dental Insurance		5,559
Unemployment Compensation		1,912
Employer Medicare		15,026
Other Contracted Services		26,941

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Regular Instruction Program (Cont.)

Instructional Supplies and Materials	\$	159,054	
Other Supplies and Materials		6,324	
In Service/Staff Development		1,037	
Regular Instruction Equipment		117,166	
Total Regular Instruction Program			\$ 1,730,672

Special Education Program

Teachers	\$	43,075	
Educational Assistants		478,533	
Social Security		31,623	
State Retirement		61,999	
Medical Insurance		7,108	
Dental Insurance		302	
Unemployment Compensation		851	
Employer Medicare		7,396	
Other Contracted Services		38,493	
Instructional Supplies and Materials		48,190	
Other Supplies and Materials		809	
Other Charges		429	
Special Education Equipment		43,621	
Total Special Education Program			762,429

Vocational Education Program

Instructional Supplies and Materials	\$	6,859	
Vocational Instruction Equipment		26,201	
Total Vocational Education Program			33,060

Support Services

Other Student Support

Guidance Personnel	\$	6,960	
Other Salaries and Wages		36,263	
Social Security		1,924	
State Retirement		2,157	
Unemployment Compensation		101	
Employer Medicare		627	
Travel		16,098	
Other Contracted Services		10,080	
Other Supplies and Materials		688	
In Service/Staff Development		1,000	
Total Other Student Support			75,898

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program

Supervisor/Director	\$	36,287	
Other Salaries and Wages		142,990	
In-Service Training		21,978	
Social Security		8,878	
State Retirement		11,331	
Medical Insurance		12,643	
Dental Insurance		403	
Unemployment Compensation		337	
Employer Medicare		2,805	
Travel		121	
Other Supplies and Materials		5,136	
In Service/Staff Development		128,381	
Other Equipment		2,899	
Total Regular Instruction Program			\$ 374,189

Special Education Program

Supervisor/Director	\$	29,381	
Assessment Personnel		104,314	
In-Service Training		14,112	
Social Security		9,025	
State Retirement		13,468	
Medical Insurance		5,081	
Dental Insurance		603	
Unemployment Compensation		223	
Employer Medicare		2,111	
Travel		811	
Other Supplies and Materials		815	
In Service/Staff Development		16,546	
Other Charges		300	
Total Special Education Program			196,790

Transportation

Mechanic(s)	\$	12,000	
Bus Drivers		22,163	
Attendants		830	
Social Security		2,186	
State Retirement		4,686	
Unemployment Compensation		59	
Employer Medicare		514	

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Contracts with Parents	\$	3,267	
Diesel Fuel		13,100	
Total Transportation			\$ 58,805

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	45,115	
Other Salaries and Wages		184,768	
Social Security		14,041	
State Retirement		20,804	
Medical Insurance		6,946	
Unemployment Compensation		379	
Employer Medicare		3,284	
Travel		792	
Instructional Supplies and Materials		6,259	
Other Charges		2,562	
Total Community Services			284,950

Total School Federal Projects Fund \$ 3,516,793

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	58,248	
Accountants/Bookkeepers		36,803	
Clerical Personnel		29,072	
Cafeteria Personnel		636,246	
Other Salaries and Wages		27,742	
Social Security		46,699	
State Retirement		98,864	
Medical Insurance		26,227	
Unemployment Compensation		1,406	
Employer Medicare		10,922	
Other Fringe Benefits		23,665	
Communication		3,497	
Maintenance and Repair Services - Equipment		16,543	
Transportation - Other than Students		6,537	
Travel		5,873	
Other Contracted Services		5,594	

(Continued)

Exhibit K-8

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Food Preparation Supplies	\$	94,245	
Food Supplies		861,238	
Office Supplies		5,798	
Uniforms		1,244	
USDA - Commodities		99,452	
Other Supplies and Materials		17,215	
In Service/Staff Development		2,256	
Other Charges		1,500	
Food Service Equipment		6,108	
Total Food Service			\$ 2,122,994

Total Central Cafeteria Fund \$ 2,122,994

Education Capital Projects Fund

Support Services

Board of Education

Liability Insurance	\$	2,828	
Total Board of Education			\$ 2,828

Capital Projects

Education Capital Projects

Architects	\$	208,446	
Building Improvements		2,922,160	
Total Education Capital Projects			3,130,606

Total Education Capital Projects Fund 3,133,434

Total Governmental Funds - Haywood County School Department \$ 32,074,866

Exhibit K-9

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

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 1,367,459
Total Cash Receipts	<u>\$ 1,367,459</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 1,353,784
Trustee's Commission	13,675
Total Cash Disbursements	<u>\$ 1,367,459</u>
 Excess of Cash Receipts Over (Under)	
Cash Disbursements	\$ 0
Cash Balance, July 1, 2011	<u>0</u>
 Cash Balance, June 30, 2012	<u><u>\$ 0</u></u>

SINGLE AUDIT SECTION



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

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

February 19, 2013

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

To the County Mayor and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Haywood County, Tennessee, as of and for the year ended June 30, 2012, which collectively comprise Haywood County's basic financial statements and have issued our report thereon dated February 19, 2013. Our report on the aggregate discretely presented component units was qualified due to not including the financial statements of the Haywood County Emergency Communications District, which were not available from other auditors as of the date of this report. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Haywood County Utility District as described in our report on Haywood County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

The management of Haywood County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Haywood 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 Haywood County's internal control

over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Haywood County's internal control over financial reporting.

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

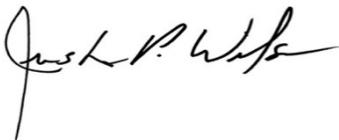
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies in internal control over financial reporting: 12.01, 12.03, 12.04, 12.05, 12.06, 12.09, 12.10, 12.11, 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Haywood County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items 12.02, 12.07, and 12.08.

This report is intended solely for the information and use of management, the county mayor, chief administrative highway officer, director of schools, County Commission, Board of Education, others within Haywood County, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury

JPW/sb



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

Independent Auditor's Report

February 19, 2013

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

To the County Mayor and Board of County Commissioners:

Compliance

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

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

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

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

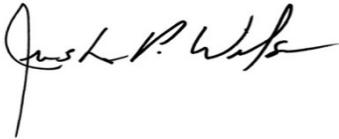
Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Haywood County as of and for the year ended June 30, 2012, and have issued our report thereon dated February 19, 2013. Our report on the aggregate discretely presented component units was qualified due to not including the financial statements of the Haywood 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 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 taken as a whole.

This report is intended solely for the information and use of management, the county mayor, chief administrative highway officer, director of schools, County Commission, Board of Education, others within Haywood 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 at the end.

Justin P. Wilson
Comptroller of the Treasury

JPW/sb

Haywood 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	\$ 547,213
National School Lunch Program	10.555	N/A	1,172,418 (3)
Summer Food Service Program for Children	10.559	N/A	10,936
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	99,452 (3)
Passed-through State Department of Human Services:			
Child and Adult Care Food Program	10.558	(2)	174,890
Passed-through Tennessee Housing Development Agency:			
Rural Business Enterprise Grants	10.769	(2)	24,750
Total U.S. Department of Agriculture			<u>\$ 2,029,659</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program	14.228	GG-10-34101-00	\$ 622,967
Passed-through Tennessee Housing Development Agency:			
Home Investment Partnerships Program	14.239	(2)	93,534
Total U.S. Department of Housing and Urban Development			<u>\$ 716,501</u>
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	(2)	\$ 9,600
Total U.S. Department of Justice			<u>\$ 9,600</u>
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	(2)	\$ 134,867
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	992,905
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	775,366
Special Education - Preschool Grants	84.173	N/A	57,499
Special Education - Grants to States, Recovery Act	84.391	N/A	164,099
Special Education - Preschool Grants, Recovery Act	84.392	N/A	15,231
Career and Technical Education - Basic Grants to States	84.048	(2)	60,179
Twenty-first Century Community Learning Centers	84.287	(2)	339,500
Rural Education	84.358	(2)	72,256
English Language Acquisition State Grants	84.365	(2)	9,606
Improving Teacher Quality State Grants	84.367	(2)	256,904
Education Technology State Grants, Recovery Act	84.386	(2)	1,117
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	(2)	392,947
State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	84.397	(2)	26,530
Education Jobs Fund	84.410	(2)	427,907
Total U.S. Department of Education			<u>\$ 3,726,913</u>

(Continued)

Haywood 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 Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(2)	\$ 267,591
Hazard Mitigation Grant	97.039	(2)	<u>83,532</u>
Total U.S. Department of Homeland Security			<u>\$ 351,123</u>
Total Expenditures of Federal Awards			<u>\$ 6,833,796</u>
<u>State Grants</u>			
		<u>Contract Number</u>	
Optional Waste Tire Grant - State Department of Environment and Conservation	N/A	(2)	\$ 12,345
Public Safety Grant - State Department of Transportation	N/A	(2)	34,294
Delta Rural Health - Lebonheur Methodist Hospital	N/A	(2)	10,484
Litter Grant - State Department of Transportation	N/A	(2)	47,179
May 2010 Flood Stream Debris Removal and Repair - State Department of Environment and Conservation	N/A	(2)	50,000
Haywood County Trail Grant - State Department of Environment and Conservation	N/A	GG-12655400	5,699
Hazard Mitigation Grant - State Department of Military	N/A	(2)	13,922
Early Childhood Education - State Department of Education	N/A	(2)	606,249
School Climate - State Department of Education	N/A	(2)	10,000
Family Resource Center - State Department of Education	N/A	(2)	29,612
ConnecTenn - State Department of Education	N/A	(2)	11,732
Recycling Equipment Grant - State Department of Environment and Conservation	N/A	(2)	<u>9,953</u>
Total State Grants			<u>\$ 841,469</u>

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

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Information not available.
- (3) Total for CFDA No. 10.555 is \$1,271,870.

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

OFFICE OF COUNTY MAYOR

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
11.03	167	The Solid Waste Disposal Fund had a deficit in unrestricted net assets
11.04	167	The Solid Waste Disposal Fund billing/accounts receivable software application did not have adequate application controls

OFFICE OF CHIEF ADMINISTRATIVE HIGHWAY OFFICER

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
11.08	169	The Highway Department did not maintain a system to account for materials used on some types of road projects

OFFICE OF REGISTER

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
11.10	170	Duties were not segregated adequately
11.11	170	Multiple employees operated from the same cash drawer

HAYWOOD 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, the business-type activities, each major fund, and the aggregate remaining fund information is unqualified.
2. The audit of the financial statements of Haywood County disclosed significant deficiencies in internal control. None 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 Haywood 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, National School Lunch Program, and Summer Food Service Program for Children (CFDA Nos. 10.553, 10.555, and 10.559); Community Development Block Grants/State's Program (CFDA No. 14.228); Twenty-first Century Community Learning Centers (CFDA No. 84.287); State Fiscal Stabilization Fund (SFSF) – Race-to-the-Top Incentive Grants, Recovery Act (CFDA No. 84.395); and Education Jobs Fund (CFDA No. 84.410) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Haywood 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; however, management did not provide responses for inclusion in this report.

OFFICE OF COUNTY MAYOR

FINDING 12.01 **THE SOLID WASTE DISPOSAL FUND HAD A DEFICIT IN UNRESTRICTED NET ASSETS**

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

The Solid Waste Disposal Fund had a deficit in unrestricted net assets of \$1,673,827 at June 30, 2012. This deficit resulted from the recognition of a liability totaling \$1,774,503 in the financial statements for costs associated with closing the county's landfill and monitoring the landfill for 30 years after its closure. Generally accepted accounting principles and state statutes require that such costs be reflected in the financial statements. This deficiency exists because management failed to correct the finding noted in prior-year audit reports and failed to provide adequate financing to fund the liability.

RECOMMENDATION

County officials should develop and implement a plan that would fund the deficit in unrestricted net assets.

FINDING 12.02 **TENNESSEE CONSOLIDATED RETIREMENT SYSTEM PAYMENTS WERE NOT REMITTED TIMELY RESULTING IN THE ASSESSMENT OF INTEREST AND PENALTIES**

(Noncompliance Under *Government Auditing Standards*)

Retirement contributions for a February 2012 payroll were not remitted to the Tennessee Consolidated Retirement System (TCRS) in a timely manner as required by state statute resulting in the TCRS assessing the county interest and penalty of \$2,621. The county did not pay this interest and penalty within 30 days as required by state statute resulting in additional interest and penalty of \$2,758. Therefore, the county was required to pay total interest and penalty of \$5,379. This deficiency was the result of a lack of management oversight.

RECOMMENDATION

Retirement contributions should be remitted to the Tennessee Consolidated Retirement System in a timely manner as required by state statute.

FINDING 12.03

THE BILLING/ACCOUNTS RECEIVABLE SOFTWARE USED BY THE SOLID WASTE OFFICE DID NOT HAVE ADEQUATE CONTROLS

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

The following internal control deficiencies in the billing/accounts receivable software used in the Solid Waste Office were identified:

- A. Users had the ability to alter receipts before batches were processed, leaving no audit trail of the original transaction.
- B. Gaps in the receipt number sequence were possible because users could delete credit entries and discard receipt numbers before batches were processed. An audit trail of the deletions was not maintained.
- C. The application did not produce a report listing receipts in sequential order. Batch reports were presented in receipt number order, but after processing batches, the reports cannot be recalled.
- D. Although each employee had been assigned a unique username and password for accessing the office's accounting software, the software did not record the user who processed each transaction. Since the vendor did not design the system with these controls, the employee responsible for this activity would not be easily identified if inappropriate activity were to occur. Sound business practices dictate that each transaction be identified to the individual creating the transaction.

Sound business practices dictate that proper application controls be implemented. Because the vendor did not design the system with proper controls, inappropriate system activity could occur. Items A, B, and C are also a result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

Management should contact its software vendor concerning the addition of controls to the software that would provide an audit trail for any changes to receipts. The capability to perform any deletion involving receipts should be removed from the system. Instead, a void option should be used. A report listing all receipt transactions in sequential order for a date range should be readily available. The system should identify the user that performed each transaction. These controls would help to ensure the reliability and integrity of the information maintained by the system.

FINDING 12.04 USERNAMES AND PASSWORDS WERE SHARED BY LANDFILL OFFICE 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. This deficiency was the result of a lack of management oversight.

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 be confidential and should not be shared among employees.

FINDING 12.05 USERNAMES AND PASSWORDS WERE SHARED BY AMBULANCE SERVICE EMPLOYEES
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Each employee had not been assigned a unique username and password for accessing the office’s accounting software. If inappropriate activity were to occur, the employee responsible for this activity would not be easily identified because employees shared a username and password. Sound business practices dictate that each transaction be identified to the individual creating the transaction. This deficiency was the result of a lack of management oversight. These practices were discontinued in July 2012. 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 be confidential and should not be shared among employees.

OFFICE OF CHIEF ADMINISTRATIVE HIGHWAY OFFICER

FINDING 12.06 **THE HIGHWAY DEPARTMENT DID NOT MAINTAIN A SYSTEM TO ACCOUNT FOR MATERIALS USED ON SOME TYPES OF ROAD PROJECTS**

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

The Highway Department had a system to determine the use of road materials, such as bridge lumber and rock, for state-aid road projects. However, the department did not have a system to account for materials used on other types of road projects. Sound business practices dictate that the county account for the use of road materials. This deficiency exists because management failed to correct the finding noted in the prior-year audit report. The failure to maintain a system to document the use of road materials results in a loss of control over assets and increases the risk of inventory loss.

RECOMMENDATION

The Highway Department should develop and implement a system to account for materials used on all types of road projects.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 12.07 **AMOUNTS WITHHELD FROM CONTRACTOR PAYMENTS WERE NOT DEPOSITED INTO AN ESCROW ACCOUNT**

(Noncompliance Under *Government Auditing Standards*)

The School Department did not deposit amounts withheld from contractor payments into an escrow account. Section 66-34-104, *Tennessee Code Annotated*, requires that funds withheld from contractor payments be deposited into an escrow account for contracts of \$500,000 or more. This deficiency resulted from a lack of management oversight and could result in the loss of interest earnings for the contractor.

RECOMMENDATION

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

OFFICE OF TRUSTEE

FINDING 12.08 **THE TRUSTEE COLLECTED CERTAIN DELINQUENT TAXES WITHOUT STATUTORY AUTHORITY**
(Noncompliance Under *Government Auditing Standards*)

The trustee collected partial payments from certain individuals on properties, which had been previously filed as delinquent in Chancery Court. These partial payments were held in the Trustee's Office safe until sufficient funds were collected from each taxpayer to satisfy one year of delinquent taxes. The trustee would then take the funds to the Clerk and Master's Office to be receipted. The partial payments received by the trustee were not receipted by his office or deposited into his official bank account. There is no statutory authority that provides for the trustee to collect delinquent taxes on properties that have been filed in Chancery Court or allows partial payments to be collected on these properties. On October 23, 2012, this deficiency was brought to the trustee's attention, and he immediately receipted and deposited \$2,843.56 that was in the office safe for partial payments on delinquent taxes that had been filed in Chancery Court. These collections were then refunded to the taxpayer or applied to the taxpayer's current taxes owed in the Trustee's Office per their request.

RECOMMENDATION

The trustee should not collect payments on delinquent taxes, which have been filed in Chancery Court.

OFFICE OF REGISTER

FINDING 12.09 **DUTIES WERE NOT SEGREGATED ADEQUATELY**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Duties were not segregated adequately between the official and an employee. The official and the employee responsible for maintaining accounting records were also involved in receipting, depositing, and/or disbursing funds. 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

The register should segregate duties to the extent possible using available resources.

FINDING 12.10 THE REGISTER ALLOWED INDIVIDUALS UNSUPERVISED ACCESS TO THE OFFICE AFTER BUSINESS HOURS
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Our examination disclosed that the register did not adequately control access to the office. Individuals who were not office employees had unsupervised access to the office after business hours. Sound business practices dictate that unsupervised access to the office after business hours weakens internal controls over assets. This deficiency is the result of management’s decision to allow lawyers and title researchers to have keys to the office to research documents.

RECOMMENDATION

Individuals who are not office employees should not be allowed unsupervised access to the office after business hours.

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 Office of Register. Good internal controls dictate that each employee have their own cash drawer, start the day with a standard fixed amount of cash, and remove all but 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 resulting in a loss of control over assets. Also, this deficiency is the result of management’s failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

The register should assign each employee their own cash drawer.

FINDING 12.12 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. This deficiency was the result of a lack of management oversight.

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 be confidential and should not be shared among employees.

BEST PRACTICES

The Division of Local Government Audit strongly believes that the items noted below are best practices 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 Haywood County.

ITEM 1. **HAYWOOD COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING**

Haywood 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. 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.

ITEM 2. **HAYWOOD COUNTY SHOULD ESTABLISH AN AUDIT COMMITTEE**

Haywood County does not have an Audit Committee. An Audit Committee can assist the County Commission by providing independent and objective reviews of the financial reporting process, internal controls, the audit function, and being responsible for monitoring management's plans to address various risks. County officials should establish an Audit Committee as a best practice.

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

There were no findings and questioned costs for federal awards.

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

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