



**ANNUAL FINANCIAL REPORT  
CAMPBELL COUNTY, TENNESSEE**



**FOR THE YEAR ENDED JUNE 30, 2013**



**ANNUAL FINANCIAL REPORT**  
**CAMPBELL COUNTY, TENNESSEE**  
**FOR THE YEAR ENDED JUNE 30, 2013**

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

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

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*DOUG SANDIDGE, CISA, CFE*  
*State Auditors*

This financial report is available at [www.comptroller.tn.gov](http://www.comptroller.tn.gov)

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## CAMPBELL COUNTY, TENNESSEE

### TABLE OF CONTENTS

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	Exhibit	Page(s)
Audit Highlights		6-7
<u>INTRODUCTORY SECTION</u>		8
Campbell County Officials		9
<u>FINANCIAL SECTION</u>		10
Independent Auditor's Report		11-14
BASIC FINANCIAL STATEMENTS:		15
Government-wide Financial Statements:		
Statement of Net Position	A	16-17
Statement of Activities	B	18-19
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	20-21
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	C-2	22
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	23-24
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	25
Statements of Revenues, Expenditures, and Changes in Fund Balances - Actual (Budgetary Basis) and Budget:		
General Fund	C-5	26-29
Sanitation/Solid Waste Fund	C-6	30
Highway/Public Works Fund	C-7	31
Fiduciary Funds:		
Statement of Fiduciary Assets and Liabilities	D	32
Index and Notes to the Financial Statements		33-67
REQUIRED SUPPLEMENTARY INFORMATION:		68
Schedule of Funding Progress – Pension Plan – Primary Government and Discretely Presented Campbell County School Department	E-1	69
Schedule of Funding Progress – Other Postemployment Benefits Plans – Primary Government and Discretely Presented Campbell County School Department	E-2	70
Notes to the Required Supplementary Information		71

	Exhibit	Page(s)
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		72
Nonmajor Governmental Funds:		73
Combining Balance Sheet	F-1	74-75
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	F-2	76
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
Ambulance Service Fund	F-3	77
Industrial/Economic Development Fund	F-4	78
Drug Control Fund	F-5	79
General Capital Projects Fund	F-6	80
Major Governmental Fund:		81
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget:		
General Debt Service Fund	G	82
Fiduciary Funds:		83
Combining Statement of Fiduciary Assets and Liabilities	H-1	84
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	H-2	85
Component Unit:		
Discretely Presented Campbell County School Department:		86
Statement of Activities	I-1	87
Balance Sheet – Governmental Funds	I-2	88
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	I-3	89
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	I-4	90
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	I-5	91
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Purpose School Fund	I-6	92-94
School Federal Projects Fund	I-7	95
Central Cafeteria Fund	I-8	96

	Exhibit	Page(s)
Miscellaneous Schedules:		97
Schedule of Changes in Long-term Notes, Bonds, and Other Loans	J-1	98
Schedule of Long-term Debt Requirements by Year	J-2	99-100
Schedule of Transfers – Primary Government and Discretely Presented Campbell County School Department	J-3	101
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Campbell County School Department	J-4	102
Schedule of Detailed Revenues – All Governmental Fund Types	J-5	103-112
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Campbell County School Department	J-6	113-114
Schedule of Detailed Expenditures – All Governmental Fund Types	J-7	115-142
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Campbell County School Department	J-8	143-153
Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balance – City Agency Fund	J-9	154
 <u>SINGLE AUDIT SECTION</u>		 155
 Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>		 156-158
Auditor's Report on Compliance for Each Major Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133		159-161
Schedule of Expenditures of Federal Awards and State Grants		162-163
Schedule of Audit Findings Not Corrected		164
Schedule of Findings and Questioned Costs		165-169
Auditee Reporting Responsibilities		170

***Audit Highlights***  
Annual Financial Report  
Campbell County, Tennessee  
For the Year Ended June 30, 2013

***Scope***

We have audited the basic financial statements of Campbell County as of and for the year ended June 30, 2013.

***Results***

Our report on the financial statements of Campbell County is unmodified.

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

***Findings and Best Practice***

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

**OFFICES OF FINANCE DIRECTOR AND ROAD SUPERINTENDENT**

- ◆ Deficiencies were noted in the construction of a storage building for the Road Department.

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**OFFICES OF FINANCE DIRECTOR AND COUNTY MAYOR**

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

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**OFFICES OF COUNTY CLERK, CLERK AND MASTER, AND REGISTER OF DEEDS**

- ◆ Duties were not segregated adequately.

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**BEST PRACTICE**

Campbell County does not have an Audit Committee. The Division of Local Government Audit strongly believes that an Audit Committee is a best practice that should be adopted

by the governing body to assist the County Commission by providing independent and objective reviews of the financial reporting process, internal controls, the audit function, and being responsible for monitoring management's plans to address various risks.

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# INTRODUCTORY SECTION

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Campbell County Officials  
June 30, 2013

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**Officials**

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

**Board of County Commissioners**

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

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

**Board of Education**

Josh Parker, Chairman  
Eugene Lawson  
Johnny Byrge  
J.L. Collins  
Scott Hill

Mike Orick  
Danny Wilson  
Johnny Creekmore  
Homer Rutherford  
Rector Miller

**Financial Management Committee**

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

Mike Orick  
Bobby White  
J.L. Davis

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## FINANCIAL SECTION

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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

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

To the County Mayor and Board of County Commissioners:

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Campbell County, Tennessee, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Campbell County, Tennessee, as of June 30, 2013, and the respective changes in financial position thereof and the respective budgetary comparison for the General, Solid Waste/Sanitation, and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As described in Note V.B., Campbell County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 60 *Accounting and Financial Reporting for Service Concession Arrangements*; Statement No. 61, *The Financial Reporting Entity: Omnibus (an amendment of GASB Statements No. 14 and No. 34)*; Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*; and Statement No. 63, *Reporting Deferred Outflows, Deferred Inflows and Net Position*, which became effective for the year ended June 30, 2013. Campbell County early implemented Statement No. 65, *Items Previously Reported as Assets and Liabilities* and Statement No. 66, *Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62*, which have an effective date of June 30, 2014.

We draw attention to Note I.D.9. to the financial statements, which describes a restatement to the beginning net position of the governmental activities totaling \$926,693. This restatement was necessary due to the implementation of GASB Statement No. 65.

## ***Other Matters***

### *Required Supplementary Information*

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 schedule of funding progress – pension plan and other postemployment benefits plan on pages 69-71 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Campbell County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Campbell County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Campbell County School Department (a discretely presented component unit), and 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures

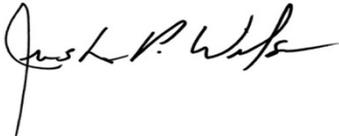
in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Campbell County School Department (a discretely presented component unit), and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic 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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2013, on our consideration of Campbell County's internal control over financial reporting and on 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Campbell County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

October 25, 2013

JPW/yu

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# BASIC FINANCIAL STATEMENTS

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Exhibit A

Campbell County, Tennessee  
Statement of Net Position  
June 30, 2013

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Campbell County School Department</u>
<u>ASSETS</u>		
Cash	\$ 2,858	\$ 4,410
Equity in Pooled Cash and Investments	12,495,812	7,310,553
Inventories	18,635	0
Accounts Receivable	1,039,230	4,303
Allowance for Uncollectible	(118,463)	0
Due from Other Governments	2,396,881	1,065,682
Due from Primary Government	0	135,776
Due from Component Units	19,782	0
Property Taxes Receivable	10,710,489	4,400,101
Allowance for Uncollectible Property Taxes	(975,865)	(400,907)
Prepaid Items	30,840	0
Capital Assets:		
Assets Not Depreciated:		
Land	2,121,410	1,139,425
Construction in Progress	7,870,348	0
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	10,480,093	53,157,659
Other Capital Assets	1,958,321	1,245,493
Infrastructure	43,938,670	0
Total Assets	<u>\$ 91,989,041</u>	<u>\$ 68,062,495</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred Charge on Refunding	\$ 53,839	\$ 0
Total Deferred Outflows of Resources	<u>\$ 53,839</u>	<u>\$ 0</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 130,650	\$ 54,129
Accrued Payroll	32,896	46,986
Contracts Payable	440,097	0
Retainage Payable	343,248	428
Accrued Interest Payable	248,260	0
Payroll Deductions Payable	191,019	449,932
Due to Primary Government	0	19,782
Due to Component Units	135,776	0
Due to State of Tennessee	679	0
Other Current Liabilities	13,945	0
Noncurrent Liabilities:		
Due Within One Year	2,713,749	0
Due in More Than One Year (net of deferred amount on refunding and unamortized premium on debt)	52,664,560	4,499,446
Total Liabilities	<u>\$ 56,914,879</u>	<u>\$ 5,070,703</u>

(Continued)

Exhibit A

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

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Campbell County School Department</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 9,341,115	\$ 3,837,532
Total Deferred Inflows of Resources	<u>\$ 9,341,115</u>	<u>\$ 3,837,532</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 54,088,011	\$ 0
Investment in Capital Assets	0	55,542,577
Restricted for:		
Administration of Justice	116,590	0
Public Safety	83,881	0
Public Health and Welfare	63,457	0
Other Operations	129,666	0
Education	0	525,238
Unrestricted	<u>(28,694,719)</u>	<u>3,086,445</u>
Total Net Position	<u>\$ 25,786,886</u>	<u>\$ 59,154,260</u>

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

Exhibit B

Campbell County, Tennessee  
Statement of Activities  
For the Year Ended June 30, 2013

Functions/Programs	Net (Expense) Revenue and Changes in Net Position					
	Program Revenues			Primary Government		Component Unit
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Campbell County School Department	
Primary Government:						
Governmental Activities:						
General Government	\$ 1,850,614	\$ 992,030	\$ 0	\$ (828,940)	\$ 0	
Finance	2,429,413	899,630	0	(1,529,783)	0	
Administration of Justice	1,251,115	1,016,827	15,736	(218,552)	0	
Public Safety	6,295,058	1,026,918	134,668	(5,023,165)	0	
Public Health and Welfare	5,975,578	2,246,999	1,411,892	(1,724,321)	0	
Social, Cultural, and Recreational Services	313,964	356	12,390	(301,218)	0	
Agriculture and Natural Resources	51,501	0	0	(51,501)	0	
Other Operations	809,084	0	54,749	(754,335)	0	
Highways	5,203,280	228,783	1,876,472	(3,098,025)	0	
Education	4,671,953	186,583	227,005	(4,258,365)	0	
Interest on Long-term Debt	2,292,854	0	0	(2,292,854)	0	
Debt Service	89,595	0	0	(89,595)	0	
Total Primary Government	\$ 31,234,009	\$ 6,598,126	\$ 2,918,669	\$ (20,170,654)	\$ 0	
Component Unit:						
Campbell County School Department	\$ 48,527,515	\$ 588,687	\$ 7,424,965	\$ 4,614,601	\$ (35,899,262)	
Total Component Unit	\$ 48,527,515	\$ 588,687	\$ 7,424,965	\$ 4,614,601	\$ (35,899,262)	

(Continued)

Exhibit B

Campbell County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position	
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Component Unit		
				Primary Government Total Governmental Activities	Campbell County School Department	
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes				\$ 5,536,176	\$ 3,993,777	
Property Taxes Levied for Solid Waste				2,107,591	0	
Property Taxes Levied for Ambulance Service				82,304	0	
Property Taxes Levied for Economic Development				77,924	0	
Property Taxes Levied for Highways				603,670	0	
Property Taxes Levied for Debt Service				856,892	0	
Property Taxes Levied for Capital Projects				467,355	0	
Local Option Sales Taxes				1,020,557	3,209,318	
Other Local Taxes:						
Hotel/Motel Tax				233,335	0	
Wheel Tax				0	1,454,088	
Litigation Taxes				338,418	0	
Business Tax				303,380	0	
Mineral Severance Tax				76,749	0	
Wholesale Beer Tax				97,278	0	
Coal Severance Tax				126,730	126,730	
Other Local Taxes				69,296	2,210	
Grants and Contributions Not Restricted to Specific Programs				4,214,487	29,611,830	
Unrestricted Investment Income				92,705	973	
Miscellaneous				152,393	175,720	
Gain on Disposal of Capital Assets				0	117,136	
Total General Revenues				\$ 16,457,240	\$ 38,691,782	
Change in Net Position				\$ (3,713,414)	\$ 2,792,520	
Net Position July 1, 2012				30,426,993	56,361,740	
Prior-period Adjustment				(926,693)	0	
Net Position, June 30, 2013				\$ 25,786,886	\$ 59,154,260	

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

Exhibit C-1

Campbell County, Tennessee  
Balance Sheet  
Governmental Funds  
June 30, 2013

	Major Funds					Nonmajor Funds		Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Capital Projects	Other	Governmental Funds	
Cash	\$ 16	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,842	\$ 2,858
Equity in Pooled Cash and Investments	3,270,280	1,076,621	754,453	1,897,535	4,150,562	1,346,361	1,346,361	12,495,812
Inventories	0	0	18,635	0	0	0	0	18,635
Accounts Receivable	102,901	0	5,059	32,036	0	899,234	899,234	1,039,230
Allowance for Uncollectibles	0	0	0	0	0	(118,463)	(118,463)	(118,463)
Due from Other Governments	839,380	1,878	392,281	241,163	746,511	175,668	175,668	2,396,881
Due from Other Funds	3,012	0	0	13,472	0	100	100	16,584
Due from Component Units	19,782	0	0	0	0	0	0	19,782
Property Taxes Receivable	6,095,749	2,318,102	665,381	944,412	0	686,845	686,845	10,710,489
Allowance for Uncollectible Property Taxes	(555,403)	(211,210)	(60,625)	(86,048)	0	(62,579)	(62,579)	(975,865)
Prepaid Items	0	0	0	0	30,840	0	30,840	30,840
<b>Total Assets</b>	<b>\$ 9,775,717</b>	<b>\$ 3,185,391</b>	<b>\$ 1,775,184</b>	<b>\$ 3,042,570</b>	<b>\$ 4,927,913</b>	<b>\$ 2,930,008</b>	<b>\$ 2,930,008</b>	<b>\$ 25,636,783</b>

ASSETS

Cash	\$ 16	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,842	\$ 2,858
Equity in Pooled Cash and Investments	3,270,280	1,076,621	754,453	1,897,535	4,150,562	1,346,361	1,346,361	12,495,812
Inventories	0	0	18,635	0	0	0	0	18,635
Accounts Receivable	102,901	0	5,059	32,036	0	899,234	899,234	1,039,230
Allowance for Uncollectibles	0	0	0	0	0	(118,463)	(118,463)	(118,463)
Due from Other Governments	839,380	1,878	392,281	241,163	746,511	175,668	175,668	2,396,881
Due from Other Funds	3,012	0	0	13,472	0	100	100	16,584
Due from Component Units	19,782	0	0	0	0	0	0	19,782
Property Taxes Receivable	6,095,749	2,318,102	665,381	944,412	0	686,845	686,845	10,710,489
Allowance for Uncollectible Property Taxes	(555,403)	(211,210)	(60,625)	(86,048)	0	(62,579)	(62,579)	(975,865)
Prepaid Items	0	0	0	0	30,840	0	30,840	30,840

LIABILITIES

Accounts Payable	\$ 72,123	\$ 32,710	\$ 22,099	\$ 0	\$ 0	\$ 0	\$ 3,718	\$ 130,650
Accrued Payroll	1,737	9,002	14,921	0	0	0	7,236	32,896
Payroll Deductions Payable	150,701	9,698	15,314	0	0	0	15,306	191,019
Contracts Payable	0	0	0	0	440,097	0	0	440,097
Retainage Payable	17,900	0	0	0	318,124	7,224	0	343,248
Due to Other Funds	13,572	0	0	0	0	3,012	0	16,584
Due to Component Units	1,100	0	0	134,676	0	0	0	135,776
Due to State of Tennessee	679	0	0	0	0	0	0	679
Other Current Liabilities	0	0	0	0	0	0	13,945	13,945
<b>Total Liabilities</b>	<b>\$ 257,812</b>	<b>\$ 51,410</b>	<b>\$ 52,334</b>	<b>\$ 134,676</b>	<b>\$ 758,221</b>	<b>\$ 50,441</b>	<b>\$ 50,441</b>	<b>\$ 1,304,894</b>

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes	\$ 5,316,385	\$ 2,021,724	\$ 580,310	\$ 823,666	\$ 0	\$ 599,030	\$ 9,341,115
Deferred Delinquent Property Taxes	182,840	69,530	19,957	28,327	0	20,603	321,257
Other Deferred/Unavailable Revenue	112,144	0	171,170	136,709	472,386	765,576	1,657,985
<b>Total Deferred Inflows of Resources</b>	<b>\$ 5,611,369</b>	<b>\$ 2,091,254</b>	<b>\$ 771,437</b>	<b>\$ 988,702</b>	<b>\$ 472,386</b>	<b>\$ 1,385,209</b>	<b>\$ 11,320,357</b>

(Continued)

Exhibit C-1

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

	Major Funds						Nonmajor Funds		Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Capital Projects	Other	Other		
							Governmental Funds	Governmental Funds	
<b>Nonspendable:</b>									
Inventory	\$ 0	\$ 0	\$ 18,635	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 18,635
Prepaid Items	0	0	0	0	30,840	0	0	0	30,840
<b>Restricted:</b>									
Restricted for Administration of Justice	116,590	0	0	0	0	0	0	0	116,590
Restricted for Public Safety	20,531	0	0	0	0	0	63,350	0	83,881
Restricted for Public Health and Welfare	4,069	0	0	0	0	0	59,388	0	63,457
Restricted for Other Operations	25,437	0	0	0	0	0	104,229	0	129,666
Restricted for Capital Projects	0	0	0	0	2,973,471	0	0	0	2,973,471
<b>Committed:</b>									
Committed for General Government	17,756	0	0	0	0	0	0	0	17,756
Committed for Public Health and Welfare	1,255	1,042,727	0	0	0	0	1,019,736	0	2,063,718
Committed for Highways/Public Works	74,534	0	932,778	0	0	0	0	0	1,007,312
Committed for Education	425,144	0	0	0	0	0	0	0	425,144
Committed for Debt Service	0	0	0	1,919,192	0	0	0	0	1,919,192
Committed for Capital Projects	0	0	0	0	692,995	0	154,528	0	847,523
Committed for Other Purposes	511,424	0	0	0	0	0	93,127	0	604,551
<b>Assigned:</b>									
Assigned for General Government	161,434	0	0	0	0	0	0	0	161,434
Unassigned	2,548,362	0	0	0	0	0	0	0	2,548,362
<b>Total Fund Balances</b>	<b>\$ 3,906,536</b>	<b>\$ 1,042,727</b>	<b>\$ 951,413</b>	<b>\$ 1,919,192</b>	<b>\$ 3,697,306</b>	<b>\$ 1,494,358</b>	<b>\$ 1,494,358</b>	<b>\$ 13,011,532</b>	
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 9,775,717</b>	<b>\$ 3,185,391</b>	<b>\$ 1,775,184</b>	<b>\$ 3,042,570</b>	<b>\$ 4,927,913</b>	<b>\$ 2,930,008</b>	<b>\$ 2,930,008</b>	<b>\$ 25,636,783</b>	

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

Exhibit C-2

Campbell County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Position  
June 30, 2013

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 13,011,532
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 2,121,410	
Add: construction in progress	7,870,348	
Add: infrastructure net of accumulated depreciation	43,938,670	
Add: buildings and improvements net of accumulated depreciation	10,480,093	
Add: other capital assets net of accumulated depreciation	<u>1,958,321</u>	66,368,842
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: notes payable	\$ (687,499)	
Less: other loans payable	(9,325,262)	
Less: bonds payable	(43,650,000)	
Add: deferred amount on refunding	53,839	
Less: compensated absences payable	(454,257)	
Less: other postemployment benefits liability	(775,000)	
Less: accrued interest on bonds, notes, and other loans	(248,260)	
Less: other deferred revenue - premium on debt	<u>(486,291)</u>	(55,572,730)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>1,979,242</u>
Net position of governmental activities (Exhibit A)		<u>\$ 25,786,886</u>

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

Exhibit C-3

Campbell County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2013

	Major Funds					Nonmajor Funds		Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Capital Projects	Other		
						Governmental Funds	Governmental Funds	
<b>Revenues</b>								
Local Taxes	\$ 6,768,331	\$ 2,147,103	\$ 834,216	\$ 2,194,150	\$ 0	\$ 794,743	\$ 12,738,543	
Licenses and Permits	183,347	0	50	0	0	0	183,397	
Fines, Forfeitures, and Penalties	243,122	0	0	0	0	129,003	372,125	
Charges for Current Services	331,422	104,584	0	0	0	2,020,091	2,456,097	
Other Local Revenues	135,393	112,740	567,212	141,205	18,486	99,893	1,074,929	
Fees Received from County Officials	1,712,907	0	0	0	0	0	1,712,907	
State of Tennessee	3,410,807	14,374	1,824,279	0	40,771	0	5,290,231	
Federal Government	102,334	0	0	289,043	857,448	33,333	1,282,158	
Other Governments and Citizens Groups	356,352	0	0	1,628,905	0	24,649	2,009,906	
<b>Total Revenues</b>	<b>\$ 13,244,015</b>	<b>\$ 2,378,801</b>	<b>\$ 3,225,757</b>	<b>\$ 4,253,303</b>	<b>\$ 916,705</b>	<b>\$ 3,101,712</b>	<b>\$ 27,120,293</b>	
<b>Expenditures</b>								
Current:								
General Government	\$ 1,512,176	0	0	0	0	269,069	1,781,245	
Finance	2,452,313	0	0	0	0	114	2,452,427	
Administration of Justice	1,215,996	0	0	0	0	11,350	1,227,346	
Public Safety	6,158,320	0	0	0	0	100,421	6,258,741	
Public Health and Welfare	965,917	2,124,158	0	0	0	1,781,802	4,871,877	
Social, Cultural, and Recreational Services	194,674	0	0	0	0	0	194,674	
Agriculture and Natural Resources	51,501	0	0	0	0	0	51,501	
Other Operations	489,326	14,094	0	0	0	133,542	636,962	
Highways	11,986	0	3,090,384	0	0	0	3,102,370	
Support Services	2,857	0	0	0	0	0	2,857	
Debt Service:								
Principal on Debt	0	0	0	1,920,375	0	0	1,920,375	
Interest on Debt	0	0	0	2,344,358	0	0	2,344,358	
Other Debt Service	0	0	0	37,410	47,849	0	85,259	
Capital Projects	0	0	0	0	9,018,509	368,185	9,386,694	
<b>Total Expenditures</b>	<b>\$ 13,055,066</b>	<b>\$ 2,138,252</b>	<b>\$ 3,090,384</b>	<b>\$ 4,302,143</b>	<b>\$ 9,066,358</b>	<b>\$ 2,664,483</b>	<b>\$ 34,316,686</b>	
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 188,949</b>	<b>\$ 240,549</b>	<b>\$ 135,373</b>	<b>\$ (48,840)</b>	<b>\$ (8,149,653)</b>	<b>\$ 437,229</b>	<b>\$ (7,196,393)</b>	

(Continued)

Exhibit C-3

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

	Major Funds						Nonmajor Funds		Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Capital Projects	Other Governmental Funds	Other Governmental Funds		
							General	Other Governmental Funds	
<b>Other Financing Sources (Uses)</b>									
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,670,000	\$ 0	\$ 0	\$ 0	\$ 1,670,000
Premiums on Debt Issued	0	0	0	0	3,073	0	0	0	3,073
Insurance Recovery	928	0	75,120	0	0	0	0	0	76,048
Transfers In	159,654	0	186,591	0	11,531	0	0	0	357,776
Transfers Out	0	(59,879)	(20,718)	0	0	0	(277,179)	0	(357,776)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 160,582</b>	<b>\$ (59,879)</b>	<b>\$ 240,993</b>	<b>\$ 0</b>	<b>\$ 1,684,604</b>	<b>\$ (277,179)</b>	<b>\$ (277,179)</b>	<b>\$ 1,749,121</b>	
<b>Net Change in Fund Balances</b>	<b>\$ 349,531</b>	<b>\$ 180,670</b>	<b>\$ 376,366</b>	<b>\$ (48,840)</b>	<b>\$ (6,465,049)</b>	<b>\$ 160,050</b>	<b>\$ 160,050</b>	<b>\$ (5,447,272)</b>	
<b>Fund Balance, July 1, 2012</b>	<b>3,557,005</b>	<b>862,057</b>	<b>575,047</b>	<b>1,968,032</b>	<b>10,162,355</b>	<b>1,334,308</b>	<b>1,334,308</b>	<b>18,458,804</b>	
<b>Fund Balance, June 30, 2013</b>	<b>\$ 3,906,536</b>	<b>\$ 1,042,727</b>	<b>\$ 951,413</b>	<b>\$ 1,919,192</b>	<b>\$ 3,697,306</b>	<b>\$ 1,494,358</b>	<b>\$ 1,494,358</b>	<b>\$ 13,011,532</b>	

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

Exhibit C-4

Campbell County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds to the  
Statement of Activities  
For the Year Ended June 30, 2013

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)		\$ (5,447,272)
<p>(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:</p>		
Add: capital assets purchased in the current period	\$ 4,168,594	
Less: current-year depreciation expense	<u>(2,879,743)</u>	1,288,851
<p>(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.</p>		
Less: net book value of assets disposed		(4,963)
<p>(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Add: deferred delinquent property taxes and other deferred June 30, 2013	\$ 1,979,242	
Less: deferred delinquent property taxes and other deferred June 30, 2012	<u>(1,650,026)</u>	329,216
<p>(4) The issuance of long-term debt (e.g., bonds, notes, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these difference in the treatment of long-term debt and related items:</p>		
Less: bond proceeds	\$ (1,670,000)	
Add: change in premium on debt issuances	52,653	
Add: principal payments on bonds	415,000	
Add: principal payments on notes	166,667	
Add: principal payments on other loans	1,338,708	
Less: change in deferred amount of refunding debt	<u>(4,336)</u>	298,692
<p>(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.</p>		
Change in accrued interest payable	\$ (4,222)	
Change in compensated absences payable	4,284	
Change in other postemployment benefits liability	<u>(178,000)</u>	<u>(177,938)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ (3,713,414)</u>

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

Exhibit C-5

Campbell County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
General Fund  
For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 6,768,331	\$ 0	\$ 0	\$ 6,768,331	\$ 6,727,969	\$ 6,697,893	\$ 70,438
Licenses and Permits	183,347	0	0	183,347	152,810	147,957	35,390
Fines, Forfeitures, and Penalties	243,122	0	0	243,122	249,808	245,590	(2,468)
Charges for Current Services	331,422	0	0	331,422	132,972	343,505	(12,083)
Other Local Revenues	135,393	0	0	135,393	44,437	91,019	44,374
Fees Received from County Officials	1,712,907	0	0	1,712,907	1,737,435	1,737,435	(24,528)
State of Tennessee	3,410,807	0	0	3,410,807	3,468,042	3,411,123	(316)
Federal Government	102,334	0	0	102,334	7,954	71,554	30,780
Other Governments and Citizens Groups	356,352	0	0	356,352	364,876	356,301	51
Total Revenues	\$ 13,244,015	\$ 0	\$ 0	\$ 13,244,015	\$ 12,886,303	\$ 13,102,377	\$ 141,638

Expenditures

<u>General Government</u>							
County Commission	\$ 239,474	(261)	163	239,376	\$ 255,001	\$ 251,496	\$ 12,120
Board of Equalization	4,075	0	0	4,075	4,134	4,134	59
County Mayor/Executive	277,728	(17,538)	1,091	261,281	275,108	273,826	12,545
County Attorney	51,123	0	0	51,123	50,201	51,500	377
Election Commission	327,582	(11,989)	9,560	325,153	337,344	325,267	114
Register of Deeds	251,898	(6,318)	5,226	250,806	268,767	265,164	14,358
County Buildings	242,234	(25,458)	2,701	219,477	237,420	224,097	4,620
Other Facilities	105,277	(83,389)	7,016	28,904	32,063	30,689	1,785
Preservation of Records	12,785	0	0	12,785	13,627	13,627	842
<u>Finance</u>							
Accounting and Budgeting	881,800	(32,325)	26,846	876,321	892,445	888,171	11,850
Central Services	338,259	0	14,311	352,570	0	367,260	14,690
Property Assessor's Office	383,930	(6,184)	444	378,190	402,671	398,927	20,737
Reappraisal Program	31,906	0	4,164	36,070	33,457	40,157	4,087
County Trustee's Office	298,247	(3,415)	2,112	296,944	302,554	299,456	2,512
County Clerk's Office	509,826	(491)	179	509,514	518,080	512,499	2,985

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original		
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance (Cont.)</u>							
Other Finance	\$ 8,345	\$ (9,647)	\$ 1,302	\$ 0	\$ 345,113	\$ 0	\$ 0
<u>Administration of Justice</u>							
Circuit Court	548,181	(6,311)	5,538	547,408	567,620	557,997	10,589
General Sessions Court	201,178	(602)	5	200,581	204,023	204,023	3,442
Drug Court	101,865	(11,670)	5,755	95,950	107,892	116,292	20,342
Chancery Court	304,218	(5,912)	5,854	304,160	311,966	308,222	4,062
District Attorney General	33,500	0	0	33,500	35,272	34,371	871
Office of Public Defender	26,454	0	0	26,454	26,454	26,454	0
Other Administration of Justice	600	0	0	600	600	600	0
<u>Public Safety</u>							
Sheriff's Department	2,099,690	(9,708)	3,205	2,093,187	2,200,281	2,104,207	11,020
Special Patrols	281,476	(1,041)	2,566	283,001	281,521	287,260	4,259
Traffic Control	1,231	0	0	1,231	1,300	1,300	69
Administration of the Sexual Offender Registry	6,654	0	0	6,654	4,600	10,766	4,112
Jail	2,585,881	(18,976)	11,684	2,578,589	2,610,979	2,605,544	26,955
Juvenile Services	33,599	0	0	33,599	33,354	36,340	2,741
Commissary	0	0	0	0	100	100	100
Fire Prevention and Control	149,058	0	0	149,058	166,288	158,069	9,011
Civil Defense	120,514	(55,453)	2,054	67,115	95,925	108,904	41,789
Rescue Squad	60,029	(3,000)	0	57,029	57,965	57,036	7
Other Emergency Management	188,456	0	0	188,456	188,456	188,456	0
County Coroner/Medical Examiner	82,559	(1,908)	9,000	89,651	83,355	95,954	6,303
Other Public Safety	549,173	(268,469)	4,632	285,336	272,713	325,322	39,986
<u>Public Health and Welfare</u>							
Local Health Center	74,182	(1,484)	533	73,231	90,983	85,897	12,666
Rabies and Animal Control	146,081	(1,428)	1,743	146,396	150,016	157,797	11,401
Dental Health Program	4,551	(509)	3,036	7,078	7,740	7,740	662
Alcohol and Drug Programs	8,215	0	0	8,215	9,055	9,055	840

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Public Health and Welfare (Cont.)</u>							
Crippled Children Services	\$ 2,764	\$ 0	\$ 0	\$ 2,764	\$ 2,764	\$ 0	
Other Local Health Services	568,985	0	0	568,985	625,151	61,707	
Appropriation to State	24,500	0	0	24,500	24,500	0	
General Welfare Assistance	14,241	(400)	0	13,841	9,400	1,064	
Sanitation Education/Information	122,398	(888)	1,252	122,762	127,312	2,933	
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	45,538	0	0	45,538	51,059	1,371	
Libraries	38,000	0	0	38,000	38,000	0	
Other Social, Cultural, and Recreational	111,136	(1,496)	4,171	113,811	99,304	991	
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	51,501	(166)	763	52,098	52,788	690	
<u>Other Operations</u>							
Airport	75,229	(476)	0	74,753	74,923	1,785	
Veterans' Services	134,549	(1,420)	1,000	134,129	138,941	3,010	
Contributions to Other Agencies	85,640	(308)	691	86,023	86,050	27	
Employee Benefits	149,448	(8,105)	13,155	154,498	150,454	3,298	
ARRA Grant # 3	1,054	0	0	1,054	0	677	
Miscellaneous	43,406	(10,410)	9,682	42,678	48,998	6,320	
<u>Highways</u>							
Employee Benefits	11,986	0	0	11,986	0	0	
Support Services	2,857	0	0	2,857	0	0	
Board of Education							
Total Expenditures	\$ 13,055,066	\$ (607,155)	\$ 161,434	\$ 12,609,345	\$ 13,006,087	\$ 13,008,126	\$ 398,781
Excess (Deficiency) of Revenues Over Expenditures	\$ 188,949	\$ 607,155	\$ (161,434)	\$ 634,670	\$ (119,784)	\$ 94,251	\$ 540,419

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 928	\$ 0	\$ 0	\$ 928	\$ 0	\$ 929	\$ (1)
Transfers In	159,654	0	0	159,654	94,794	159,654	0
Total Other Financing Sources	\$ 160,582	\$ 0	\$ 0	\$ 160,582	\$ 94,794	\$ 160,583	\$ (1)
Net Change in Fund Balance	\$ 349,531	\$ 607,155	\$ (161,434)	\$ 795,252	\$ (24,990)	\$ 254,834	\$ 540,418
Fund Balance, July 1, 2012	3,557,005	(607,155)	0	2,949,850	2,255,754	2,255,754	694,096
Fund Balance, June 30, 2013	\$ 3,906,536	\$ 0	\$ (161,434)	\$ 3,745,102	\$ 2,230,764	\$ 2,510,588	\$ 1,234,514

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

Exhibit C-6

Campbell County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Solid Waste/Sanitation Fund  
For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 2,147,103	\$ 0	\$ 0	\$ 2,147,103	\$ 2,131,280	\$ 2,119,558	\$ 27,545
Charges for Current Services	104,584	0	0	104,584	94,280	127,280	(22,696)
Other Local Revenues	112,740	0	0	112,740	160,289	102,289	10,451
State of Tennessee	14,374	0	0	14,374	20,100	50,000	(35,626)
Total Revenues	\$ 2,378,801	\$ 0	\$ 0	\$ 2,378,801	\$ 2,405,949	\$ 2,399,127	\$ (20,326)
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Sanitation Management	\$ 503,190	(11,511)	17,135	508,814	363,265	532,495	23,681
Convenience Centers	1,112,109	(6,874)	74,811	1,180,046	1,410,751	1,260,066	80,020
Transfer Stations	143,409	(15,486)	173	128,096	42,505	128,773	677
Recycling Center	220,145	(4,287)	315	216,173	313,667	222,857	6,684
Other Waste Disposal	145,305	(7,704)	292	137,893	248,655	198,901	61,008
<u>Other Operations</u>							
Employee Benefits	14,094	0	0	14,094	13,854	16,656	2,562
Total Expenditures	\$ 2,138,252	\$ (45,862)	\$ 92,726	\$ 2,185,116	\$ 2,392,697	\$ 2,359,748	\$ 174,632
Excess (Deficiency) of Revenues Over Expenditures	\$ 240,549	\$ 45,862	\$ (92,726)	\$ 193,685	\$ 13,252	\$ 39,379	\$ 154,306
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (59,879)	\$ 0	\$ 0	\$ (59,879)	\$ (33,752)	\$ (59,879)	\$ 0
Total Other Financing Sources	\$ (59,879)	\$ 0	\$ 0	\$ (59,879)	\$ (33,752)	\$ (59,879)	\$ 0
Net Change in Fund Balance Fund Balance, July 1, 2012	\$ 180,670	\$ 45,862	\$ (92,726)	\$ 133,806	\$ (20,500)	\$ (20,500)	\$ 154,306
Fund Balance, July 1, 2012	862,057	(45,862)	0	816,195	821,163	821,163	(4,968)
Fund Balance, June 30, 2013	\$ 1,042,727	\$ 0	\$ (92,726)	\$ 950,001	\$ 800,663	\$ 800,663	\$ 149,338

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

Exhibit C-7

Campbell County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Highway/Public Works Fund  
For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 834,216	\$ 0	\$ 0	\$ 834,216	\$ 895,788	\$ 796,621	\$ 37,595
Licenses and Permits	50	0	0	50	250	250	(200)
Other Local Revenues	567,212	0	0	567,212	615,234	619,726	(52,514)
State of Tennessee	1,824,279	0	0	1,824,279	2,268,429	2,268,429	(444,150)
Total Revenues	\$ 3,225,757	\$ 0	\$ 0	\$ 3,225,757	\$ 3,779,701	\$ 3,685,026	\$ (459,269)
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 185,596	(768)	1,189	186,017	199,027	186,807	790
Highway and Bridge Maintenance	1,330,320	(104,777)	83,496	1,309,039	1,332,215	1,310,658	1,619
Operation and Maintenance of Equipment	1,061,344	(14,004)	18,391	1,065,731	1,150,435	1,163,671	97,940
Quarry Operations	277,157	(9,585)	1,323	268,895	279,750	283,903	15,008
Other Charges	131,429	(647)	2,633	133,415	134,625	138,515	5,100
Employee Benefits	83,373	(517)	153	83,009	79,800	87,480	4,471
Capital Outlay	21,165	0	8,000	29,165	570,440	634,152	604,987
Total Expenditures	\$ 3,090,384	\$ (130,298)	\$ 115,185	\$ 3,075,271	\$ 3,746,292	\$ 3,805,186	\$ 729,915
Excess (Deficiency) of Revenues Over Expenditures	\$ 135,373	\$ 130,298	\$ (115,185)	\$ 150,486	\$ 33,409	\$ (120,160)	\$ 270,646
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 75,120	\$ 0	\$ 0	\$ 75,120	\$ 0	\$ 75,120	\$ 0
Transfers In	186,591	0	0	186,591	86,591	186,591	0
Transfers Out	(20,718)	0	0	(20,718)	0	(20,718)	0
Total Other Financing Sources	\$ 240,993	\$ 0	\$ 0	\$ 240,993	\$ 86,591	\$ 240,993	\$ 0
Net Change in Fund Balance	\$ 376,366	\$ 130,298	\$ (115,185)	\$ 391,479	\$ 120,000	\$ 120,833	\$ 270,646
Fund Balance, July 1, 2012	575,047	(130,298)	0	444,749	518,393	518,393	(73,644)
Fund Balance, June 30, 2013	\$ 951,413	\$ 0	\$ (115,185)	\$ 836,228	\$ 638,393	\$ 639,226	\$ 197,002

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

Exhibit D

Campbell County, Tennessee  
Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2013

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 2,387,989
Due from Other Governments	<u>833,679</u>
Total Assets	<u><u>\$ 3,221,668</u></u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 833,679
Due to Litigants, Heirs, and Others	<u>2,387,989</u>
Total Liabilities	<u><u>\$ 3,221,668</u></u>

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

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**CAMPBELL COUNTY, TENNESSEE**  
**Index of Notes to Financial Statements**

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Note	Page(s)
<b>I. Summary of Significant Accounting Policies</b>	
A. Reporting Entity	34
B. Government-wide and Fund Financial Statements	35
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	36
D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance	38
1. Deposits and Investments	38
2. Receivables and Payables	39
3. Inventories and Prepaid Items	40
4. Capital Assets	40
5. Deferred Outflows/Inflows of Resources	41
6. Compensated Absences	41
7. Long-term Obligations	42
8. Net Position and Fund Balance	42
9. Prior-period Adjustment	44
<b>II. Reconciliation of Government-wide and Fund Financial Statements</b>	
A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position	44
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	44
<b>III. Stewardship, Compliance, and Accountability</b>	
Budgetary Information	45
<b>IV. Detailed Notes on All Funds</b>	
A. Deposits and Investments	46
B. Capital Assets	47
C. Construction Commitments	50
D. Interfund Receivables, Payables, and Transfers	50
E. Long-term Obligations	51
F. Other Commitments	55
G. On-Behalf Payments - Discretely Presented Campbell County School Department	55
H. Short-term Debt	55
<b>V. Other Information</b>	
A. Risk Management	56
B. Accounting Changes	57
C. Contingent Liabilities	58
D. Joint Ventures	58
E. Jointly Governed Organization	59
F. Retirement Commitments	59
G. Other Postemployment Benefits (OPEB)	62
H. Office of Central Accounting and Budgeting	67
I. Purchasing Law	67

**CAMPBELL COUNTY, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2013**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**A. Reporting Entity**

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

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

The Campbell County School Department operates the public school system in the county, and the voters of Campbell County elect its board. The School Department is fiscally dependent on the county because it may not issue debt, and its budget and property tax levy are subject to the County Commission's approval. The School Department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

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

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

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

Administrative Office:

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

**B. Government-wide and Fund Financial Statements**

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

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

Campbell County issues all debt for the discretely presented Campbell County School Department. Net debt issues totaling \$1,625,224, were contributed by the county to the School Department during the year ended June 30, 2013.

Separate financial statements are provided for governmental funds and fiduciary funds. The fiduciary funds are excluded from the government-wide

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

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

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

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

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

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

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to

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

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

Campbell County reports the following major governmental funds:

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

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

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

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

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

Additionally, Campbell County reports the following fund type:

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

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

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

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

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

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

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

**1. Deposits and Investments**

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

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

the pool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. 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 or that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as due to/from other funds.

All ambulance and property taxes receivables are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 4.98 percent of total taxes levied.

Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arises. This date is January 1 and is referred to as the lien date. However, revenues from property taxes are recognized in the period for which the taxes are levied, which is the ensuing fiscal year. Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable, less an estimated allowance for uncollectible taxes, is reported as a deferred inflow of resources 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 as a deferred inflow of resources to reflect amounts not available as of June 30. Property taxes collected within 30 days of year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

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

Most payables are disaggregated on the face of the financial statements. Other current liabilities in the Drug Control Fund totaling \$13,945 represent confiscated funds awaiting court orders.

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

**3. Inventories and Prepaid Items**

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

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

**4. Capital Assets**

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

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

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

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

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

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

**5. Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and/or the governmental funds balance sheet. These revenues are from the following sources: current and delinquent property taxes and various other revenue accruals, which do not meet the availability criteria for governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**6. Compensated Absences**

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

matured, for example, as a result of employee resignations and retirements.

## **7. Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Debt premiums and discounts are deferred and amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner 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.

## **8. Net Position and Fund Balance**

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

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position 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 position – All other net position that does not meet the definition of restricted or net investment in capital assets.

As of June 30, 2013, Campbell County had \$38,601,761 in outstanding debt for capital purposes for the discretely presented Campbell County School Department. This debt is a liability of Campbell County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Campbell County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The County Commission has

authorized the county's Budget/Finance Committee to make assignments for the general government. The Board of Education makes assignments for the School Department. Assigned fund balance in the General Fund represents amounts assigned for encumbrances (\$161,434). Assigned fund balance in the School Department's General Purpose School Fund represents amounts assigned for encumbrances (\$222,014) and amounts appropriated for use in the 2013-2014 budget (\$1,034,581).

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

**9. Prior-period Adjustment**

A prior-period adjustment of \$926,693 is reflected for governmental activities in the government-wide financial statements. This adjustment was recognized due to the implementation of Governmental Accounting Standards Board Statement No. 65, which is further discussed in Note V.B., Accounting Changes.

**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 Position**

**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 Position.

**Discretely Presented Campbell County School Department**

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

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

### **Primary Government**

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

### **Discretely Presented Campbell County School Department**

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

## **III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

### **Budgetary Information**

In prior years, the budgetary statements for the General Fund and major special revenue funds were presented as required supplementary information in the financial statements of its external financial report. Effective for the year ended June 30, 2013, these budgetary statements are presented as part of the basic financial statements. This change in presentation was done to be consistent in the presentation of the information for both municipal and county governments in Tennessee.

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

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

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

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

At June 30, 2013, Campbell County reported the following significant encumbrances:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
Primary Government:		
Major Fund:		
Solid Waste/Sanitation	Equipment	\$ 65,070
Highway/Public Works	Asphalt	62,568
Nonmajor Fund:		
Ambulance Service	Vehicles	336,000

#### IV. DETAILED NOTES ON ALL FUNDS

##### A. Deposits and Investments

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

##### Deposits

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

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

**Investments**

**Legal Provisions.** Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county’s own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer’s Investment Pool and in repurchase agreements. Repurchase agreements must be approved by the state Comptroller’s Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase. The county had no pooled and nonpooled investments as of June 30, 2013.

**B. Capital Assets**

Capital assets activity for the year ended June 30, 2013, was as follows:

**Primary Government**

**Governmental Activities**

	Balance 7-1-12	Increases	Decreases	Balance 6-30-13
Capital Assets Not Depreciated:				
Land	\$ 1,980,026	\$ 141,384	\$ 0	\$ 2,121,410
Construction in Progress	4,477,058	3,458,666	(65,376)	7,870,348
Total Capital Assets, Not Depreciated	<u>\$ 6,457,084</u>	<u>\$ 3,600,050</u>	<u>\$ (65,376)</u>	<u>\$ 9,991,758</u>

**Governmental Activities (Cont.)**

	Balance 7-1-12	Increases	Decreases	Balance 6-30-13
Capital Assets Depreciated:				
Buildings and Improvements	\$ 13,953,913	\$ 196,063	\$ 0	\$ 14,149,976
Roads and Bridges	79,888,487	0	0	79,888,487
Other Capital Assets	7,105,526	437,857	(175,686)	7,367,697
<b>Total Capital Assets, Depreciated</b>	<b>\$ 100,947,926</b>	<b>\$ 633,920</b>	<b>\$ (175,686)</b>	<b>\$ 101,406,160</b>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 3,220,875	\$ 449,008	\$ 0	\$ 3,669,883
Roads and Bridges	33,952,605	1,997,212	0	35,949,817
Other Capital Assets	5,146,576	433,523	(170,723)	5,409,376
<b>Total Accumulated Depreciation</b>	<b>\$ 42,320,056</b>	<b>\$ 2,879,743</b>	<b>\$ (170,723)</b>	<b>\$ 45,029,076</b>
<b>Total Capital Assets Depreciated, Net</b>	<b>\$ 58,627,870</b>	<b>\$ (2,245,823)</b>	<b>\$ (4,963)</b>	<b>\$ 56,377,084</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 65,084,954</b>	<b>\$ 1,354,227</b>	<b>\$ (70,339)</b>	<b>\$ 66,368,842</b>

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

**Governmental Activities:**

General Government	\$ 162,514
Finance	19,181
Administration of Justice	796
Public Safety	220,213
Public Health and Welfare	200,455
Other Operations	149,599
Highways/Public Works	<u>2,126,985</u>
<b>Total Depreciation Expense - Governmental Activities</b>	<b>\$ <u>2,879,743</u></b>

**Discretely Presented Campbell County School Department**

**Governmental Activities:**

	Balance 7-1-12	Increases	Decreases	Balance 6-30-13
Capital Assets Not Depreciated:				
Land	\$ 1,161,610	\$ 0	\$ (22,185)	\$ 1,139,425
Construction in Progress	5,193,169	0	(5,193,169)	0
<b>Total Capital Assets Not Depreciated</b>	<b>\$ 6,354,779</b>	<b>\$ 0</b>	<b>\$ (5,215,354)</b>	<b>\$ 1,139,425</b>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 71,764,884	\$ 10,198,566	\$ (295,378)	\$ 81,668,072
Other Capital Assets	3,742,155	127,543	(95,909)	3,773,789
<b>Total Capital Assets Depreciated</b>	<b>\$ 75,507,039</b>	<b>\$ 10,326,109</b>	<b>\$ (391,287)</b>	<b>\$ 85,441,861</b>
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 26,771,281	\$ 2,043,430	\$ (304,298)	\$ 28,510,413
Other Capital Assets	2,381,351	242,855	(95,910)	2,528,296
<b>Total Accumulated Depreciation</b>	<b>\$ 29,152,632</b>	<b>\$ 2,286,285</b>	<b>\$ (400,208)</b>	<b>\$ 31,038,709</b>
<b>Total Capital Assets Depreciated, Net</b>	<b>\$ 46,354,407</b>	<b>\$ 8,039,824</b>	<b>\$ 8,921</b>	<b>\$ 54,403,152</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 52,709,186</b>	<b>\$ 8,039,824</b>	<b>\$ (5,206,433)</b>	<b>\$ 55,542,577</b>

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

**Governmental Activities:**

Instruction	\$ 28,235
Support Services	2,166,407
Operation of Non-Instructional Services	<u>91,643</u>
<b>Total Depreciation Expense - Governmental Activities</b>	<b><u>\$ 2,286,285</u></b>

**C. Construction Commitments**

At June 30, 2013, the Other Capital Projects Fund had uncompleted construction contracts of approximately \$3,942,725 for the construction of the new justice center (\$3,608,931) and various small projects (\$333,794). Funding has been received for these future expenditures.

**D. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2013, was as follows:

**Due to/from Other Funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 3,012
General Debt Service	General	13,472
Nonmajor governmental	"	100
Discretely Presented School Department:		
General Purpose School	School Federal Projects	1,007

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

**Due to/from Primary Government and Component Units:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Component Unit:	
	Discretely Presented School Department	\$ 19,782
Component Unit:		
Discretely Presented School Department	Primary Government:	
"	General	1,100
	General Debt Service	134,676

**Interfund Transfers:**

Interfund transfers for the year ended June 30, 2013, consisted of the following amounts:

**Primary Government**

Transfers Out	Transfers In		
	General Fund	Highway/ Public Works	Other Capital Projects
Solid Waste/Sanitation Fund	\$ 59,879	\$ 0	\$ 0
Highway/Public Works Fund	20,718	0	0
Nonmajor governmental funds	79,057	186,591	11,531
<b>Total</b>	<b>\$ 159,654</b>	<b>\$ 186,591</b>	<b>\$ 11,531</b>

**Discretely Presented Campbell County School Department**

Transfers Out	Transfers In	
	General Purpose School Fund	Central Cafeteria Fund
General Purpose School Fund	\$ 0	\$ 95,862
School Federal Projects Fund	29,946	0
<b>Total</b>	<b>\$ 29,946</b>	<b>\$ 95,862</b>

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

**E. Long-term Obligations**

**Primary Government**

**General Obligation Bonds, Notes, and Other Loans**

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

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General

obligation bonds, capital outlay notes, and other loans outstanding were issued for original terms of up to 21 years for bonds, up to 12 years for notes, and up to 15 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds, notes, and other loans included in long-term debt as of June 30, 2013, will be retired from the General Debt Service Fund.

General obligation bonds, capital outlay notes, and other loans outstanding as of June 30, 2013, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-13
General Obligation Bonds	1 to 5.8 %	6-1-32	\$ 26,480,000	\$ 26,200,000
General Obligation Bonds - Refunding	3 to 4	6-1-26	18,825,000	17,450,000
Capital Outlay Notes	3.85 to 4.23	11-15-20	1,250,000	687,499
Other Loans - Fixed Rate	0 to 5	5-1-22	13,937,088	9,325,262

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2013, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2014	\$ 720,000	\$ 1,881,626	\$ 2,601,626
2015	760,000	1,859,415	2,619,415
2016	780,000	1,838,485	2,618,485
2017	815,000	1,817,081	2,632,081
2018	910,000	1,795,352	2,705,352
2019-2023	12,885,000	7,989,024	20,874,024
2024-2028	16,865,000	5,084,092	21,949,092
2029-2032	9,915,000	1,066,090	10,981,090
Total	\$ 43,650,000	\$ 23,331,165	\$ 66,981,165

Year Ending June 30	Notes		
	Principal	Interest	Total
2014	\$ 166,667	\$ 26,016	\$ 192,683
2015	166,667	19,441	186,108
2016	166,667	12,872	179,539
2017	41,667	7,491	49,158
2018	41,667	5,728	47,395
2019-2021	104,164	6,609	110,773
Total	\$ 687,499	\$ 78,157	\$ 765,656

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2014	\$ 1,413,708	\$ 398,438	\$ 1,812,146
2015	1,463,708	334,688	1,798,396
2016	1,538,708	268,438	1,807,146
2017	1,613,708	198,438	1,812,146
2018	1,688,708	124,688	1,813,396
2019-2022	1,606,722	51,063	1,657,785
Total	\$ 9,325,262	\$ 1,375,753	\$ 10,701,015

There is \$1,919,192 available in the General Debt Service Fund to service long-term debt. Debt per capita, including bonds, notes, and other loans totaled \$1,318, based on the 2010 federal census.

#### Changes in Long-term Obligations

Long-term obligation activity for the year ended June 30, 2013, was as follows:

##### Governmental Activities:

	Bonds	Notes
Balance, July 1, 2012	\$ 42,395,000	\$ 854,166
Additions	1,670,000	0
Reductions	(415,000)	(166,667)
Balance, June 30, 2013	\$ 43,650,000	\$ 687,499
Balance Due Within One Year	\$ 720,000	\$ 166,667

	Other Loans	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2012	\$ 10,663,970	\$ 458,541	\$ 597,000
Additions	0	364,258	244,000
Reductions	(1,338,708)	(368,542)	(66,000)
Balance, June 30, 2013	<u>\$ 9,325,262</u>	<u>\$ 454,257</u>	<u>\$ 775,000</u>
Balance Due Within One Year	<u>\$ 1,413,708</u>	<u>\$ 413,374</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2013	\$ 54,892,018
Less: Balance Due Within One Year	(2,713,749)
Add: Unamortized Premium on Debt	<u>486,291</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 52,664,560</u>

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

**Discretely Presented Campbell County School Department**

Changes in Long-term Obligations

Long-term obligation activity for the discretely presented Campbell County School Department for the year ended June 30, 2013, was as follows:

Governmental Activities:

	Other Postemployment Benefits
Balance, July 1, 2012	\$ 3,911,340
Additions	1,123,748
Reductions	<u>(535,642)</u>
Balance, June 30, 2013	<u>\$ 4,499,446</u>
Balance Due Within One Year	<u>\$ 0</u>

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

**F. Other Commitments**

During the year, the School Department paid \$1,628,905 to the primary government’s General Debt Service Fund to be applied toward the retirement of school related debt. By resolution, the Campbell County Board of Education has committed future contributions of \$1,250,000 per fiscal year to the primary government’s General Debt Service Fund through the year ending June 30, 2030, to provide funds for the retirement of current and future debt issued for school purposes. Also by resolution, the Campbell County Board of Education has committed an amount equal to the annual debt service requirements of the outstanding Energy Efficient Incentive School Loan. The annual requirements are \$138,708 per fiscal year through the year ending June 30, 2022.

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Campbell County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state’s Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2013, were \$244,983 and \$79,079, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

**H. Short-term Debt**

Campbell County issued tax anticipation notes in advance of collections and deposited the proceeds in the General Fund. These notes were necessary because funds were not available to meet obligations coming due before tax collections. Short-term debt activity for the year ended June 30, 2013, was as follows:

	Balance 7-1-12	Issued	Paid	Balance 6-30-13
Tax and Revenue Anticipation Notes \$	0	\$ 750,000	\$ (750,000)	\$ 0

## V. OTHER INFORMATION

### A. Risk Management

#### Primary Government

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

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

#### Discretely Presented Campbell County School Department

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

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

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

## B. Accounting Changes

Prior to July 1, 2012, debt issuance costs were deferred and amortized over the life of the debt; however, with the implementation of GASB Statement No. 65, debt issuance costs become period costs. An adjustment to beginning net position totaling \$926,693 has been recognized for accumulated debt issuance costs on the government-wide financial statements.

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*; Statement No. 61, *The Financial Reporting Entity: Omnibus (an amendment of GASB Statements No. 14 and No. 34)*; Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*; and Statement No. 63, *Reporting Deferred Outflows, Deferred Inflows and Net Position* became effective for the year ended June 30, 2013. Campbell County early implemented Statement No. 65, *Items Previously Reported as Assets and Liabilities* and Statement No. 66, *Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62*, which have an effective date of June 30, 2014.

GASB Statement No. 60 provides accounting and financial reporting guidance related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. The standard establishes criteria for determining whether a SCA exists, how to account for SCAs, and requires certain disclosures associated with a SCA.

GASB Statement No. 61 amends Statements No. 14 and No. 34 and modifies certain requirements for inclusion of component units in the financial reporting entity to ensure that the reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. Statement No. 61 also clarifies the criteria for blending component units and presenting business-type component units.

GASB Statement No. 62 incorporates into GASB's literature the provisions in Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the American Institute of Certified Public Accountants' Committee on Accounting Procedure issued on or before November 30, 1989, that do not conflict with or contradict GASB pronouncements. The option to use subsequent FASB guidance has been removed.

GASB Statement No. 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources that were introduced and defined by Concepts Statement No. 4, *Elements of Financial Statements*. Previous financial reporting standards did not include guidance for reporting those financial statement elements, which are distinct from assets and

liabilities. In addition, the previous Statement of Net Assets was renamed to a Statement of Financial Position.

GASB Statement No. 65 establishes accounting and financial reporting standards that reclassifies, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

GASB Statement No. 66 resolves conflicting guidance by removing the provision that limits fund based reporting of an entity's risk financing activities to the General Fund and the internal service fund type. Under Statement No. 66 decisions about fund type classifications are based on the nature of the activity to be reported as required by Statements No. 54 and No. 34. This statement also modifies guidance on operating lease payments, purchased loans, and servicing fees related to mortgage loans.

**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. Joint Ventures**

The Campbell County Library Board is a joint venture in which the county participates with the cities of LaFollette, Jacksboro, Caryville, and Jellico to operate the library system within the county. Representatives from the four cities and the county comprise the Campbell County Library Board and have equal representation on the board. Campbell County contributed \$38,000 to the operation of the Library Board during the year ended June 30, 2013. Financial statements for the Library Board can be obtained from its administrative office at the following address:

Administrative Office:

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

The Eighth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Eighth Judicial District; Scott, Campbell, Fentress, Claiborne, and Union counties; and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney

general and is governed by the board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Campbell County made no contributions to the DTF for the year ended June 30, 2013, and does not have any equity interest in this joint venture. Complete financial statements for the DTF can be obtained from its administrative office at the following address:

Administrative Office:

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

**E. Jointly Governed Organization**

The Northeast Tennessee Railroad Authority was incorporated in June 2005 as a public authority created by the Tennessee State Legislature. The purpose of the rail authority is to preserve and enhance the railroad system serving Anderson, Campbell, and Scott counties in Tennessee, so as to secure economic benefits for these counties. The rail authority is governed by a board of directors, which includes the mayor for each of the three counties served by the rail authority. Campbell County did not contribute to the operations of the Northeast Tennessee Railroad Authority for the year ended June 30, 2013. Complete financial statements for the rail authority can be obtained from its administrative office at P.O. Box 180, Huntsville, TN 37756.

**F. Retirement Commitments**

**Plan Description**

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

statutes are amended by the Tennessee General Assembly. Political subdivisions such as Campbell County participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

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

### **Funding Policy**

Campbell County requires its employees to contribute five percent of their earnable compensation to the plan. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2013, was 5.95 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Campbell County is established and may be amended by the TCRS Board of Trustees.

### **Annual Pension Cost**

For the year ended June 30, 2013, Campbell County's annual pension cost of \$745,129 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2011, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected three percent annual rate of inflation, (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected post retirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. Campbell 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, 2011, was two 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
6-30-13	\$745,129	100%	\$0
6-30-12	827,559	100	0
6-30-11	803,766	100	0

**Funded Status and Funding Progress**

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

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

**SCHOOL DEPARTMENT**

**Plan Description**

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

the Tennessee General Assembly. A cost of living adjustment (COLA) is provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the SETHEEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at [www.tn.gov/treasury/tcrs/Schools](http://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, 2013, was 8.88 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 ending June 30, 2013, 2012, and 2011, were \$1,706,017, \$1,730,811, and \$1,759,163, respectively, equal to the required contributions for each year.

## **G. Other Postemployment Benefits (OPEB)**

### **Primary Government**

#### **Plan Description**

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

The county has committed \$573,696 in the General Fund to be used for funding a portion of the county's OPEB liability. These funds do not qualify as OPEB plan assets and therefore are not reported as such in the financial statements of this report.

#### **Funding Policy**

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is purchased commercially and financed on a pay-as-you-go basis. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The county develops its own contribution policy in terms of

subsidizing active employees or retired employees' premiums. Eligible employees must be age 55 with ten years of service or any age with 25 years of service until attainment of age 65 when they become eligible for Medicare. Campbell County pays from 60 to 75 percent of the costs of benefits depending upon years of service. The retiree's spouse is eligible for coverage until the spouse reaches age 65. During the year ended June 30, 2013, the county contributed \$66,000 for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

ARC	\$ 245,000
Interest on the NOPEBO	28,000
Adjustment to the ARC	(29,000)
Annual OPEB cost	<u>\$ 244,000</u>
Amount of contribution	(66,000)
Increase/decrease in NOPEBO	<u>\$ 178,000</u>
Net OPEB obligation, 7-1-12	<u>597,000</u>
Net OPEB obligation, 6-30-13	<u><u>\$ 775,000</u></u>

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-11	Campbell County	\$ 293,000	6.8 %	\$ 555,759
6-30-12	"	183,000	77.4	597,000
6-30-13	"	244,000	27	775,000

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2012, was as follows:

Actuarial valuation date	7-1-12
Actuarial accrued liability (AAL)	\$ 982,000
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 982,000
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 7,428,000
UAAL as a % of covered payroll	13%

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

plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

#### Actuarial Methods and Assumptions

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

In the July 1, 2012, actuarial valuation, the entry age normal method was used. The actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of five percent. The unfunded actuarial accrued liability is being amortized on an open basis over a 30-year period beginning with June 30, 2009.

### **Discretely Presented Campbell County School Department**

#### Plan Description

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

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

The county has committed \$425,144 in the General Fund to be used for funding a portion of the School Department's OPEB liability. These funds do not qualify as OPEB plan assets and therefore are not reported as such in the financial statements of this report.

## Funding Policy

### Local Education Group Insurance Plan

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in the plan develop their own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state provides a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. The required contribution rate for teachers ranges from zero to 35 percent based on the years of service and type of coverage. During the year ended June 30, 2013, the discretely presented Campbell County School Department contributed \$520,642 for postemployment benefits related to this plan.

### Campbell County Commercial Plan

Funding requirements for the county's commercial postemployment plan are described in the primary government section of this note. During the year ended June 30, 2013, the Campbell County School Department contributed \$15,000 for postemployment benefits related to this plan.

### Annual OPEB Cost and Net OPEB Obligation

	County Commercial Plan	Local Education Group Plan	Total
ARC	\$ 106,000	\$ 1,027,000	\$ 1,133,000
Interest on the NOPEBO	10,000	150,494	160,494
Adjustment to the ARC	(10,000)	(159,746)	(169,746)
Annual OPEB cost	\$ 106,000	\$ 1,017,748	\$ 1,123,748
Amount of contribution	(15,000)	(520,642)	(535,642)
Increase/decrease in NOPEBO	\$ 91,000	\$ 497,106	\$ 588,106
Net OPEB obligation, 7-1-12	149,000	3,762,340	3,911,340
Net OPEB obligation, 6-30-13	\$ 240,000	\$ 4,259,446	\$ 4,499,446

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-11	Local Education Group	\$ 1,039,429	50	% \$ 3,225,585
6-30-12	"	1,007,067	46.7	3,762,340
6-30-13	"	1,017,748	51.2	4,259,446
6-30-11	County Commercial	268,000	70.4	286,932
6-30-12	"	207,000	166.6	149,000
6-30-13	"	106,000	14.2	240,000

Funded Status and Funding Progress

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

	Campbell County Plan	Local Education Group Plan
Actuarial valuation date	7-1-12	7-1-11
Actuarial accrued liability (AAL)	\$ 896,000	\$ 9,874,000
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 896,000	\$ 9,874,000
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 4,904,480	\$ 16,167,184
UAAL as a % of covered payroll	18%	61%

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

Actuarial Methods and Assumptions

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

### Local Education Group Insurance Plan

In the July 1, 2011, actuarial valuation, the projected unit credit actuarial cost method was used and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate was 8.75 percent for fiscal year 2013. The trend rate will decrease to 8.25 percent in fiscal year 2014 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 July 1, 2007.

### Campbell County Commercial Plan

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

## **H. Office of Central Accounting, Budgeting, and Purchasing**

### Office of Director of Finance

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

## **I. Purchasing Law**

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

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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Exhibit E-1

Campbell County, Tennessee  
Schedule of Funding Progress – Pension Plan  
Primary Government and Discretely Presented Campbell County School Department  
June 30, 2013

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-11	\$ 31,990	\$ 32,442	\$ 452	98.61	% \$ 12,159	3.72 %
7-1-09	26,563	26,563	0	100	11,420	0
7-1-07	24,788	24,788	0	100	11,284	0

Exhibit E-2

Campbell County, Tennessee  
Schedule of Funding Progress—Other Postemployment Benefits Plans  
Primary Government and Discretely Presented Campbell County School Department  
June 30, 2013

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
<u>PRIMARY GOVERNMENT</u>							
Campbell County	7-1-08	\$ 0	\$ 1,941	\$ 1,941	0 %	\$ 7,067	27 %
"	7-1-10	0	1,935	1,935	0	6,252	31
"	7-1-12	0	982	982	0	7,428	13
<u>DISCRETELY PRESENTED CAMPBELL COUNTY SCHOOL DEPARTMENT</u>							
Teachers:							
Local Education Group	7-1-09	0	10,259	10,259	0	18,003	57
"	7-1-10	0	10,287	10,287	0	17,955	57
"	7-1-11	0	9,874	9,874	0	16,167	61
Non-Teachers:							
Campbell County	7-1-08	0	3,228	3,228	0	5,006	64
"	7-1-10	0	3,468	3,468	0	4,667	74
"	7-1-12	0	2,414	896	0	4,904	18

**CAMPBELL COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2013**

**BUDGETARY INFORMATION**

In prior years, the budgetary statements for the General Fund and major special revenue funds were presented as required supplementary information in the financial statements of its external financial report. Effective for the year ended June 30, 2013, these budgetary statements are presented as part of the basic financial statements. This change in presentation was done to be consistent in the presentation of the information for both municipal and county governments in Tennessee.

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

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# Nonmajor Governmental Funds

## Special Revenue Funds

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

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

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

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

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

## Capital Projects Fund

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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.

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

Exhibit F-1

Cambell County, Tennessee  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2013

	Special Revenue Funds				Capital Projects Fund		Total Nonmajor Governmental Funds
	Ambulance Service	Industrial / Economic Development	Drug Control	Constitutional Officers - Fees	Total	General Capital Projects	
\$	200	0	0	2,642	2,842	0	2,842
	862,854	188,407	77,435	0	1,128,696	217,665	1,346,361
	898,864	0	0	370	899,234	0	899,234
	(118,463)	0	0	0	(118,463)	0	(118,463)
	0	175,668	0	0	175,668	0	175,668
	0	100	0	0	100	0	100
	85,856	85,856	0	0	171,712	515,133	686,845
	(7,822)	(7,822)	0	0	(15,644)	(46,935)	(62,579)
\$	1,721,489	442,209	77,435	3,012	2,244,145	685,863	2,930,008

ASSETS

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

Total Assets

LIABILITIES

Accounts Payable  
 Accrued Payroll  
 Payroll Deductions Payable  
 Retainage Payable  
 Due to Other Funds  
 Other Current Liabilities  
 Total Liabilities

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes  
 Deferred Delinquent Property Taxes  
 Other Deferred/Unavailable Revenue  
 Total Deferred Inflows of Resources

FUND BALANCES

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

(Continued)

Exhibit F-1

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

	Special Revenue Funds				Capital Projects Fund		Total Nonmajor Governmental Funds
	Ambulance Service	Industrial / Economic Development	Drug Control	Constitutional Officers - Fees	General Capital Projects		
\$	0	93,127	0	0	0	0	93,127
\$	1,019,736	197,356	63,350	0	0	213,916	1,494,358
\$	1,721,489	442,209	77,435	3,012	0	685,863	2,930,008

FUND BALANCES (Cont.)

Committed (Cont.):  
 Committed for Other Purposes  
 Total Fund Balances  
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances

Exhibit F-2

Campbell County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2013

	Special Revenue Funds					Capital Projects Fund		Total Nonmajor Governmental Funds
	Ambulance Service	Industrial / Economic Development	Drug Control	Constitutional Officers - Fees	Total	Capital Projects Fund		
						General Capital Projects	Total	
<b>Revenues</b>								
Local Taxes	\$ 87,517	\$ 159,958	\$ 0	\$ 0	\$ 247,475	\$ 547,268	\$ 794,743	
Fines, Forfeitures, and Penalties	0	0	129,003	0	129,003	0	129,003	
Charges for Current Services	2,007,852	775	0	11,464	2,020,091	0	2,020,091	
Other Local Revenues	42,590	47,403	9,900	0	99,893	0	99,893	
Federal Government	0	33,333	0	0	33,333	0	33,333	
Other Governments and Citizens Groups	0	23,149	1,500	0	24,649	0	24,649	
<b>Total Revenues</b>	<b>\$ 2,137,959</b>	<b>\$ 264,618</b>	<b>\$ 140,403</b>	<b>\$ 11,464</b>	<b>\$ 2,554,444</b>	<b>\$ 547,268</b>	<b>\$ 3,101,712</b>	
<b>Expenditures</b>								
Current:								
General Government	\$ 0	\$ 269,069	\$ 0	\$ 0	\$ 269,069	\$ 0	\$ 269,069	
Finance	0	0	0	114	114	0	114	
Administration of Justice	0	0	0	11,350	11,350	0	11,350	
Public Safety	0	0	100,421	0	100,421	0	100,421	
Public Health and Welfare	1,781,802	0	0	0	1,781,802	0	1,781,802	
Other Operations	6,704	126,838	0	0	133,542	0	133,542	
Capital Projects	0	0	0	0	0	368,185	368,185	
<b>Total Expenditures</b>	<b>\$ 1,788,506</b>	<b>\$ 395,907</b>	<b>\$ 100,421</b>	<b>\$ 11,464</b>	<b>\$ 2,296,298</b>	<b>\$ 368,185</b>	<b>\$ 2,664,483</b>	
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 349,453</b>	<b>\$ (131,289)</b>	<b>\$ 39,982</b>	<b>\$ 0</b>	<b>\$ 258,146</b>	<b>\$ 179,083</b>	<b>\$ 437,229</b>	
<b>Other Financing Sources (Uses)</b>								
Transfers Out	\$ (79,057)	\$ 0	\$ 0	\$ 0	\$ (79,057)	\$ (198,122)	\$ (277,179)	
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (79,057)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (79,057)</b>	<b>\$ (198,122)</b>	<b>\$ (277,179)</b>	
<b>Net Change in Fund Balances</b>	<b>\$ 270,396</b>	<b>\$ (131,289)</b>	<b>\$ 39,982</b>	<b>\$ 0</b>	<b>\$ 179,089</b>	<b>\$ (19,039)</b>	<b>\$ 160,050</b>	
<b>Fund Balance, July 1, 2012</b>	<b>749,340</b>	<b>328,645</b>	<b>23,368</b>	<b>0</b>	<b>1,101,353</b>	<b>232,955</b>	<b>1,334,308</b>	
<b>Fund Balance, June 30, 2013</b>	<b>\$ 1,019,736</b>	<b>\$ 197,356</b>	<b>\$ 63,350</b>	<b>\$ 0</b>	<b>\$ 1,280,442</b>	<b>\$ 213,916</b>	<b>\$ 1,494,358</b>	

Exhibit F-3

Campbell County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Ambulance Service Fund  
For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 87,517	\$ 0	\$ 0	\$ 87,517	\$ 83,104	\$ 83,104	\$ 4,413
Charges for Current Services	2,007,852	0	0	2,007,852	1,828,035	2,013,311	(5,459)
Other Local Revenues	42,590	0	0	42,590	0	42,500	90
Total Revenues	\$ 2,137,959	\$ 0	\$ 0	\$ 2,137,959	\$ 1,911,139	\$ 2,138,915	\$ (956)
<u>Expenditures</u>							
Public Health and Welfare							
Ambulance/Emergency Medical Services	\$ 1,781,802	\$ (6,460)	\$ 347,014	\$ 2,122,356	\$ 1,835,319	\$ 2,152,605	\$ 30,249
Other Operations	6,704	0	0	6,704	14,778	11,578	4,874
Employee Benefits							
Total Expenditures	\$ 1,788,506	\$ (6,460)	\$ 347,014	\$ 2,129,060	\$ 1,850,097	\$ 2,164,183	\$ 35,123
Excess (Deficiency) of Revenues Over Expenditures	\$ 349,453	\$ 6,460	\$ (347,014)	\$ 8,899	\$ 61,042	\$ (25,268)	\$ 34,167
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (79,057)	\$ 0	\$ 0	\$ (79,057)	\$ (61,042)	\$ (79,057)	\$ 0
Total Other Financing Sources	\$ (79,057)	\$ 0	\$ 0	\$ (79,057)	\$ (61,042)	\$ (79,057)	\$ 0
Net Change in Fund Balance Fund Balance, July 1, 2012	\$ 270,396	\$ 6,460	\$ (347,014)	\$ (70,158)	\$ 0	\$ (104,325)	\$ 34,167
	749,340	(6,460)	0	742,880	679,985	679,985	62,895
Fund Balance, June 30, 2013	\$ 1,019,736	\$ 0	\$ (347,014)	\$ 672,722	\$ 679,985	\$ 575,660	\$ 97,062

Exhibit F-4

Campbell County, Tennessee  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Actual (Budgetary Basis) and Budget  
 Industrial/Economic Development Fund  
 For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<b>Revenues</b>							
Local Taxes	\$ 159,958	\$ 0	\$ 0	\$ 159,958	\$ 160,305	\$ 158,916	\$ 1,042
Charges for Current Services	775	0	0	775	250	250	525
Other Local Revenues	47,403	0	0	47,403	47,253	47,253	150
Federal Government	33,333	0	0	33,333	14,982	14,982	18,351
Other Governments and Citizens Groups	23,149	0	0	23,149	23,120	23,120	29
<b>Total Revenues</b>	<b>\$ 264,618</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 264,618</b>	<b>\$ 245,910</b>	<b>\$ 244,521</b>	<b>\$ 20,097</b>
<b>Expenditures</b>							
General Government							
Development	\$ 226,104	\$ (195,012)	\$ 24,470	\$ 55,562	\$ 149,826	\$ 154,826	\$ 99,264
Planning	21,021	(1,500)	1,000	20,521	40,535	29,261	8,740
Other Facilities	21,944	(2,510)	1,688	21,122	22,975	25,860	4,738
Other Operations							
Tourism	45,000	0	0	45,000	45,000	45,000	0
Industrial Development	81,838	(2,700)	0	79,138	144,618	151,618	72,480
<b>Total Expenditures</b>	<b>\$ 395,907</b>	<b>\$ (201,722)</b>	<b>\$ 27,158</b>	<b>\$ 221,343</b>	<b>\$ 402,954</b>	<b>\$ 406,565</b>	<b>\$ 185,222</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ (131,289)	\$ 201,722	\$ (27,158)	\$ 43,275	\$ (157,044)	\$ (162,044)	\$ 205,319
Net Change in Fund Balance Fund Balance, July 1, 2012	\$ (131,289)	\$ 201,722	\$ (27,158)	\$ 43,275	\$ (157,044)	\$ (162,044)	\$ 205,319
	328,645	(201,722)	0	126,923	289,468	289,468	(162,545)
Fund Balance, June 30, 2013	\$ 197,356	\$ 0	\$ (27,158)	\$ 170,198	\$ 132,424	\$ 127,424	\$ 42,774

Exhibit F-5

Campbell County, Tennessee  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Actual (Budgetary Basis) and Budget  
 Drug Control Fund  
 For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Fines, Forfeitures, and Penalties	\$ 129,003 \$	0 \$	0 \$	129,003 \$	106,105 \$	121,715 \$	7,288
Other Local Revenues	9,900	0	0	9,900	2,500	9,900	0
Other Governments and Citizens Groups	1,500	0	0	1,500	0	1,500	0
Total Revenues	\$ 140,403 \$	0 \$	0 \$	140,403 \$	108,605 \$	133,115 \$	7,288
<u>Expenditures</u>							
Public Safety							
Drug Enforcement	\$ 100,421 \$	(1,017) \$	19,457 \$	118,861 \$	114,970 \$	139,480 \$	20,619
Total Expenditures	\$ 100,421 \$	(1,017) \$	19,457 \$	118,861 \$	114,970 \$	139,480 \$	20,619
Excess (Deficiency) of Revenues Over Expenditures	\$ 39,982 \$	1,017 \$	(19,457) \$	21,542 \$	(6,365) \$	(6,365) \$	27,907
Net Change in Fund Balance Fund Balance, July 1, 2012	\$ 39,982 \$	1,017 \$	(19,457) \$	21,542 \$	(6,365) \$	(6,365) \$	27,907
	23,368	(1,017)	0	22,351	24,149	24,149	(1,798)
Fund Balance, June 30, 2013	\$ 63,350 \$	0 \$	(19,457) \$	43,893 \$	17,784 \$	17,784 \$	26,109

Exhibit F-6

Campbell County, Tennessee  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Actual (Budgetary Basis) and Budget  
 General Capital Projects Fund  
 For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<b>Revenues</b>							
Local Taxes	\$ 547,268 \$	0 \$	0 \$	547,268 \$	542,652 \$	542,567 \$	4,701
State of Tennessee	0	0	0	0	673,128	673,128	(673,128)
<b>Total Revenues</b>	<b>\$ 547,268 \$</b>	<b>0 \$</b>	<b>0 \$</b>	<b>547,268 \$</b>	<b>1,215,780 \$</b>	<b>1,215,695 \$</b>	<b>(668,427)</b>
<b>Expenditures</b>							
<b>Capital Projects</b>							
General Administration Projects	\$ 120,152 \$	(18,633) \$	26,011 \$	127,530 \$	153,000 \$	134,515 \$	6,985
Public Safety Projects	90,000	0	0	90,000	90,000	90,000	0
Public Health and Welfare Projects	27,089	(5,000)	18,686	40,775	50,000	55,775	15,000
Social, Cultural, and Recreation Projects	84,024	(19,424)	32,243	96,843	159,400	179,400	82,557
Other General Government Projects	21,070	0	33,692	54,762	546,128	520,353	465,591
Highway and Street Capital Projects	25,850	(3,850)	0	22,000	200,000	222,000	200,000
<b>Total Expenditures</b>	<b>\$ 368,185 \$</b>	<b>(46,907) \$</b>	<b>110,632 \$</b>	<b>431,910 \$</b>	<b>1,198,528 \$</b>	<b>1,202,043 \$</b>	<b>770,133</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 179,083 \$</b>	<b>46,907 \$</b>	<b>(110,632) \$</b>	<b>115,358 \$</b>	<b>17,252 \$</b>	<b>13,652 \$</b>	<b>101,706</b>
<b>Other Financing Sources (Uses)</b>							
Transfers Out	\$ (198,122) \$	0 \$	0 \$	(198,122) \$	(198,122) \$	(198,122) \$	0
<b>Total Other Financing Sources</b>	<b>\$ (198,122) \$</b>	<b>0 \$</b>	<b>0 \$</b>	<b>(198,122) \$</b>	<b>(198,122) \$</b>	<b>(198,122) \$</b>	<b>0</b>
<b>Net Change in Fund Balance Fund Balance, July 1, 2012</b>	<b>\$ (19,039) \$</b>	<b>46,907 \$</b>	<b>(110,632) \$</b>	<b>(82,764) \$</b>	<b>(180,870) \$</b>	<b>(184,470) \$</b>	<b>101,706</b>
	232,955	(46,907)	0	186,048	184,470	184,470	1,578
<b>Fund Balance, June 30, 2013</b>	<b>\$ 213,916 \$</b>	<b>0 \$</b>	<b>(110,632) \$</b>	<b>103,284 \$</b>	<b>3,600 \$</b>	<b>0 \$</b>	<b>103,284</b>

# **Major Governmental Fund**

## **General Debt Service Fund**

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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.

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Exhibit G

Campbell County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
General Debt Service Fund  
For the Year Ended June 30, 2013

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,194,150	\$ 2,121,276	\$ 2,146,276	\$ 47,874
Other Local Revenues	141,205	149,987	124,987	16,218
Federal Government	289,043	302,189	302,189	(13,146)
Other Governments and Citizens Groups	1,628,905	1,347,153	1,628,905	0
Total Revenues	<u>\$ 4,253,303</u>	<u>\$ 3,920,605</u>	<u>\$ 4,202,357</u>	<u>\$ 50,946</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 351,205	\$ 351,205	\$ 351,205	\$ 0
Education	1,569,170	1,305,462	1,569,170	0
<u>Interest on Debt</u>				
General Government	809,897	809,897	809,897	0
Education	1,534,461	1,516,417	1,534,461	0
<u>Other Debt Service</u>				
General Government	37,410	44,000	44,000	6,590
Total Expenditures	<u>\$ 4,302,143</u>	<u>\$ 4,026,981</u>	<u>\$ 4,308,733</u>	<u>\$ 6,590</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (48,840)</u>	<u>\$ (106,376)</u>	<u>\$ (106,376)</u>	<u>\$ 57,536</u>
Net Change in Fund Balance	\$ (48,840)	\$ (106,376)	\$ (106,376)	\$ 57,536
Fund Balance, July 1, 2012	<u>1,968,032</u>	<u>1,892,395</u>	<u>1,892,395</u>	<u>75,637</u>
Fund Balance, June 30, 2013	<u>\$ 1,919,192</u>	<u>\$ 1,786,019</u>	<u>\$ 1,786,019</u>	<u>\$ 133,173</u>

# Fiduciary Funds

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

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

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

Exhibit H-1

Campbell County, Tennessee  
Combining Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2013

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 2,387,989	\$ 2,387,989
Due from Other Governments	833,679	0	833,679
Total Assets	<u>\$ 833,679</u>	<u>\$ 2,387,989</u>	<u>\$ 3,221,668</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 833,679	\$ 0	\$ 833,679
Due to Litigants, Heirs, and Others	0	2,387,989	2,387,989
Total Liabilities	<u>\$ 833,679</u>	<u>\$ 2,387,989</u>	<u>\$ 3,221,668</u>

Exhibit H-2

Campbell County, Tennessee  
Combining Statement of Changes in Assets and  
Liabilities - All Agency Funds  
For the Year Ended June 30, 2013

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 3,127,266	\$ 3,127,266	\$ 0
Due from Other Governments	574,572	833,679	574,572	833,679
Total Assets	\$ 574,572	\$ 3,960,945	\$ 3,701,838	\$ 833,679
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 574,572	\$ 3,960,945	\$ 3,701,838	\$ 833,679
Total Liabilities	\$ 574,572	\$ 3,960,945	\$ 3,701,838	\$ 833,679
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 2,417,634	\$ 8,905,281	\$ 8,934,926	\$ 2,387,989
Total Assets	\$ 2,417,634	\$ 8,905,281	\$ 8,934,926	\$ 2,387,989
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 2,417,634	\$ 8,905,281	\$ 8,934,926	\$ 2,387,989
Total Liabilities	\$ 2,417,634	\$ 8,905,281	\$ 8,934,926	\$ 2,387,989
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 2,417,634	\$ 8,905,281	\$ 8,934,926	\$ 2,387,989
Equity in Pooled Cash and Investments	0	3,127,266	3,127,266	0
Due from Other Governments	574,572	833,679	574,572	833,679
Total Assets	\$ 2,992,206	\$ 12,866,226	\$ 12,636,764	\$ 3,221,668
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 574,572	\$ 3,960,945	\$ 3,701,838	\$ 833,679
Due to Litigants, Heirs, and Others	2,417,634	8,905,281	8,934,926	2,387,989
Total Liabilities	\$ 2,992,206	\$ 12,866,226	\$ 12,636,764	\$ 3,221,668

# Campbell County School Department

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

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

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

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

Exhibit I-1

Campbell County, Tennessee  
Statement of Activities  
Discretely Presented Campbell County School Department  
For the Year Ended June 30, 2013

Functions/Programs	Program Revenues			Charges for Services	Capital Grants and Contributions		Net (Expense) Revenue and Changes in Net Position
	Expenses	Operating Grants and Contributions			Grants and Contributions	Total Governmental Activities	
Governmental Activities:							
Instruction	\$ 24,098,808	\$ 90	\$ 2,435,452	\$ 0	\$ 4,614,601	\$ (21,663,266)	
Support Services	17,801,617	9,300	1,275,005			(11,902,711)	
Operation of Non-Instructional Services	4,998,185	579,297	3,714,508	0		(704,380)	
Other Debt Service	1,628,905	0	0	0		(1,628,905)	
<b>Total Governmental Activities</b>	<b>\$ 48,527,515</b>	<b>\$ 588,687</b>	<b>\$ 7,424,965</b>	<b>\$ 4,614,601</b>	<b>\$</b>	<b>\$ (35,899,262)</b>	
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes						\$ 3,993,777	
Local Option Sales Taxes						3,209,318	
Wheel Taxes						1,454,088	
Coal Severance Taxes						126,730	
Other Local Taxes						2,210	
Grants and Contributions Not Restricted to Specific Programs						29,611,830	
Unrestricted Investment Income						973	
Miscellaneous						175,720	
Gain on Disposal of Capital Assets						117,136	
<b>Total General Revenues</b>						<b>\$ 38,691,782</b>	
Change in Net Position						\$ 2,792,520	
Net Position, July 1, 2012						56,361,740	
<b>Net Position, June 30, 2013</b>						<b>\$ 59,154,260</b>	

Exhibit I-2

Campbell County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Campbell County School Department  
June 30, 2013

	Major Funds			Total Governmental Funds
	General Purpose School	School Federal Projects	Central Cafeteria	
<u>ASSETS</u>				
Cash	\$ 66	\$ 0	\$ 4,344	\$ 4,410
Equity in Pooled Cash and Investments	6,195,141	395,441	719,971	7,310,553
Accounts Receivable	172	4,131	0	4,303
Due from Other Governments	779,438	217,441	68,803	1,065,682
Due from Other Funds	1,007	0	0	1,007
Due from Primary Government	135,371	405	0	135,776
Property Taxes Receivable	4,400,101	0	0	4,400,101
Allowance for Uncollectible Property Taxes	(400,907)	0	0	(400,907)
Total Assets	<u>\$ 11,110,389</u>	<u>\$ 617,418</u>	<u>\$ 793,118</u>	<u>\$ 12,520,925</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 51,828	\$ 0	\$ 2,301	\$ 54,129
Accrued Payroll	46,986	0	0	46,986
Payroll Deductions Payable	350,826	68,280	30,826	449,932
Retainage Payable	428	0	0	428
Due to Other Funds	0	1,007	0	1,007
Due to Primary Government	19,782	0	0	19,782
Total Liabilities	<u>\$ 469,850</u>	<u>\$ 69,287</u>	<u>\$ 33,127</u>	<u>\$ 572,264</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 3,837,532	\$ 0	\$ 0	\$ 3,837,532
Deferred Delinquent Property Taxes	131,980	0	0	131,980
Other Deferred/Unavailable Revenue	306,628	0	0	306,628
Total Deferred Inflows of Resources	<u>\$ 4,276,140</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,276,140</u>
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Education	\$ 4,895	\$ 48,131	\$ 472,212	\$ 525,238
Committed:				
Committed for Education	234,752	500,000	287,779	1,022,531
Committed for Capital Projects	553,882	0	0	553,882
Assigned:				
Assigned for Education	1,256,595	0	0	1,256,595
Unassigned	4,314,275	0	0	4,314,275
Total Fund Balances	<u>\$ 6,364,399</u>	<u>\$ 548,131</u>	<u>\$ 759,991</u>	<u>\$ 7,672,521</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 11,110,389</u>	<u>\$ 617,418</u>	<u>\$ 793,118</u>	<u>\$ 12,520,925</u>

Exhibit I-3

Campbell County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds to  
the Statement of Net Position  
Discretely Presented Campbell County School Department  
June 30, 2013

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$ 7,672,521
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,139,425	
Add: buildings and improvements net of accumulated depreciation	53,157,659	
Add: other capital assets net of accumulated depreciation	<u>1,245,493</u>	55,542,577
(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		(4,499,446)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		
		<u>438,608</u>
Net position of governmental activities (Exhibit A)		<u>\$ 59,154,260</u>

Exhibit I-4

Campbell County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Governmental Funds  
Discretely Presented Campbell County School Department  
For the Year Ended June 30, 2013

	Major Funds			Total Governmental Funds
	General Purpose School	School Federal Projects	Central Cafeteria	
<u>Revenues</u>				
Local Taxes	\$ 8,822,344	\$ 0	\$ 0	\$ 8,822,344
Licenses and Permits	1,591	0	0	1,591
Charges for Current Services	9,390	0	579,297	588,687
Other Local Revenues	295,919	0	8,287	304,206
State of Tennessee	28,524,467	0	31,532	28,555,999
Federal Government	434,347	5,351,051	2,750,454	8,535,852
Other Governments and Citizens Groups	1,625,224	0	0	1,625,224
Total Revenues	<u>\$ 39,713,282</u>	<u>\$ 5,351,051</u>	<u>\$ 3,369,570</u>	<u>\$ 48,433,903</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 19,983,312	\$ 3,499,155	\$ 0	\$ 23,482,467
Support Services	13,695,256	1,789,003	0	15,484,259
Operation of Non-Instructional Services	1,292,384	0	3,660,465	4,952,849
Capital Outlay	2,248,207	0	0	2,248,207
Debt Service:				
Other Debt Service	1,628,905	0	0	1,628,905
Total Expenditures	<u>\$ 38,848,064</u>	<u>\$ 5,288,158</u>	<u>\$ 3,660,465</u>	<u>\$ 47,796,687</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 865,218</u>	<u>\$ 62,893</u>	<u>\$ (290,895)</u>	<u>\$ 637,216</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 61,638	\$ 0	\$ 0	\$ 61,638
Transfers In	29,946	0	95,862	125,808
Transfers Out	(95,862)	(29,946)	0	(125,808)
Total Other Financing Sources (Uses)	<u>\$ (4,278)</u>	<u>\$ (29,946)</u>	<u>\$ 95,862</u>	<u>\$ 61,638</u>
Net Change in Fund Balances	\$ 860,940	\$ 32,947	\$ (195,033)	\$ 698,854
Fund Balance, July 1, 2012	5,503,459	515,184	955,024	6,973,667
Fund Balance, June 30, 2013	<u>\$ 6,364,399</u>	<u>\$ 548,131</u>	<u>\$ 759,991</u>	<u>\$ 7,672,521</u>

Exhibit I-5

Campbell County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds to the  
Statement of Activities  
Discretely Presented Campbell County School Department  
For the Year Ended June 30, 2013

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

Net change in fund balances - total governmental funds (Exhibit I-4)		\$	698,854
(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	\$	2,143,563	
Less: current-year depreciation expense		<u>(2,286,285)</u>	(142,722)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.			
Add: assets donated and capitalized	\$	2,989,377	
Less: net book value of assets disposed		<u>(13,264)</u>	2,976,113
(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, 2013	\$	438,608	
Less: deferred delinquent property taxes and other deferred June 30, 2012		<u>(590,227)</u>	(151,619)
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in other postemployment benefits liability			<u>(588,106)</u>
Change in net position of governmental activities (Exhibit B)		\$	<u><u>2,792,520</u></u>

Exhibit I-6

Campbell County, Tennessee  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Actual (Budgetary Basis) and Budget  
 Discretely Presented Campbell County School Department  
 General Purpose School Fund  
 For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<b>Revenues</b>							
Local Taxes	\$ 8,822,344	\$ 0	\$ 0	\$ 8,822,344	\$ 8,753,500	\$ 8,753,500	\$ 68,844
Licenses and Permits	1,591	0	0	1,591	2,500	2,500	(909)
Charges for Current Services	9,390	0	0	9,390	15,220	12,700	(3,310)
Other Local Revenues	295,919	0	0	295,919	159,477	305,216	(9,297)
State of Tennessee	28,524,467	0	0	28,524,467	28,248,759	28,562,901	(38,434)
Federal Government	434,347	0	0	434,347	212,055	322,206	112,141
Other Governments and Citizens Groups	1,625,224	0	0	1,625,224	0	1,625,224	0
<b>Total Revenues</b>	<b>\$ 39,713,282</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 39,713,282</b>	<b>\$ 37,391,511</b>	<b>\$ 39,584,247</b>	<b>\$ 129,035</b>
<b>Expenditures</b>							
<b>Instruction</b>							
Regular Instruction Program	\$ 16,086,514	\$ (2,049)	\$ 1,633	\$ 16,086,098	\$ 16,426,047	\$ 16,314,132	\$ 228,034
Alternative Instruction Program	258,850	0	0	258,850	186,755	282,010	23,160
Special Education Program	2,096,790	(200)	0	2,096,590	2,074,036	2,105,567	8,977
Vocational Education Program	1,436,236	(201)	0	1,436,035	1,469,503	1,459,842	23,807
Adult Education Program	104,922	0	0	104,922	77,789	105,332	410
<b>Support Services</b>							
Attendance	33,890	0	0	33,890	32,535	49,245	15,355
Health Services	385,427	0	0	385,427	349,140	388,244	2,817
Other Student Support	1,355,966	(45)	560	1,356,481	1,267,048	1,397,718	41,237
Regular Instruction Program	1,501,003	(7,093)	13,054	1,506,964	1,615,969	1,586,864	79,900
Alternative Instruction Program	164,700	0	0	164,700	169,683	165,032	332
Special Education Program	405,649	0	1,534	407,183	452,667	425,875	18,692
Vocational Education Program	161,000	0	0	161,000	163,874	167,708	6,708
Adult Programs	64,709	0	0	64,709	73,042	72,412	7,703
Other Programs	324,062	0	0	324,062	0	324,062	0
Board of Education	1,210,256	(47)	2,083	1,212,292	1,335,912	1,288,457	76,165
Director of Schools	248,912	(746)	1,246	249,412	276,233	276,488	27,076

(Continued)

Exhibit I-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Office of the Principal	\$ 2,521,325	\$ (2,146)	\$ 0	\$ 2,519,179	\$ 2,571,705	\$ 2,603,499	\$ 84,320
Fiscal Services	120,067	0	0	120,067	120,067	120,067	0
Human Services/Personnel	54,725	0	0	54,725	54,737	54,737	12
Operation of Plant	3,074,544	(1,627)	828	3,073,745	3,878,900	3,641,743	567,998
Maintenance of Plant	564,569	(28,108)	21,323	557,784	565,339	573,088	15,304
Transportation	1,477,496	(412)	2,504	1,479,588	1,459,667	1,500,025	20,437
Central and Other	26,956	0	0	26,956	26,993	26,993	37
<u>Operation of Non-Instructional Services</u>							
Community Services	299,854	(328)	0	299,526	294,022	310,925	11,399
Early Childhood Education	992,530	0	0	992,530	994,753	1,002,865	10,335
Capital Outlay							
Regular Capital Outlay	2,248,207	(370,098)	177,249	2,055,358	574,337	2,593,448	538,090
Education	0	0	0	0	263,708	0	0
Interest on Debt	0	0	0	0	18,047	0	0
Other Debt Service	0	0	0	0	0	0	0
Education	1,628,905	0	0	1,628,905	1,399,816	1,628,908	3
Total Expenditures	\$ 38,848,064	\$ (413,100)	\$ 222,014	\$ 38,656,978	\$ 38,192,324	\$ 40,465,286	\$ 1,808,308
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	\$ 865,218	\$ 413,100	\$ (222,014)	\$ 1,056,304	\$ (800,813)	\$ 1,937,343	
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 61,638	\$ 0	\$ 0	\$ 61,638	\$ 0	\$ 61,524	\$ 114
Transfers In	29,946	0	0	29,946	34,919	31,830	(1,884)
Transfers Out	(95,862)	0	0	(95,862)	(35,862)	(96,650)	788
Total Other Financing Sources	\$ (4,278)	\$ 0	\$ 0	\$ (4,278)	\$ (943)	\$ (3,296)	\$ (982)

(Continued)

Exhibit I-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Net Change in Fund Balance Fund Balance, July 1, 2012	\$ 860,940 \$ 5,503,459	413,100 \$ (413,100)	(222,014) \$ 0	1,052,026 \$ 5,090,359	(801,756) \$ 4,734,211	(884,335) \$ 4,734,211	1,936,361 356,148
Fund Balance, June 30, 2013	\$ 6,364,399 \$	0 \$	(222,014) \$	6,142,385 \$	3,932,455 \$	3,849,876 \$	2,292,509

Exhibit I-7

Campbell County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Campbell County School Department  
School Federal Projects Fund  
For the Year Ended June 30, 2013

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 5,351,051	\$ 5,321,441	\$ 5,954,695	\$ (603,644)
Total Revenues	\$ 5,351,051	\$ 5,321,441	\$ 5,954,695	\$ (603,644)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 2,434,921	\$ 2,134,940	\$ 2,680,110	\$ 245,189
Special Education Program	984,404	1,064,262	1,078,842	94,438
Vocational Education Program	79,830	79,779	79,832	2
<u>Support Services</u>				
Health Services	15,540	15,556	15,556	16
Other Student Support	134,582	133,802	144,453	9,871
Regular Instruction Program	1,252,116	1,319,448	1,435,112	182,996
Special Education Program	216,250	303,405	293,925	77,675
Vocational Education Program	50,258	51,808	51,916	1,658
Transportation	120,257	110,067	144,067	23,810
<u>Operation of Non-Instructional Services</u>				
Early Childhood Education	0	73,455	0	0
Total Expenditures	\$ 5,288,158	\$ 5,286,522	\$ 5,923,813	\$ 635,655
Excess (Deficiency) of Revenues Over Expenditures	\$ 62,893	\$ 34,919	\$ 30,882	\$ 32,011
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 181,992	\$ 0	\$ 0
Transfers Out	(29,946)	(216,911)	(30,882)	936
Total Other Financing Sources	\$ (29,946)	\$ (34,919)	\$ (30,882)	\$ 936
Net Change in Fund Balance	\$ 32,947	\$ 0	\$ 0	\$ 32,947
Fund Balance, July 1, 2012	515,184	0	0	515,184
Fund Balance, June 30, 2013	\$ 548,131	\$ 0	\$ 0	\$ 548,131

Exhibit I-8

Campbell County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Campbell County School Department  
Central Cafeteria Fund  
For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 579,297	\$ 0	\$ 0	\$ 579,297	\$ 742,842	\$ 587,162	\$ (7,865)
Other Local Revenues	8,287	0	0	8,287	1,250	8,564	(277)
State of Tennessee	31,532	0	0	31,532	32,297	31,532	0
Federal Government	2,750,454	0	0	2,750,454	2,578,963	2,785,573	(35,119)
Total Revenues	\$ 3,369,570	\$ 0	\$ 0	\$ 3,369,570	\$ 3,355,352	\$ 3,412,831	\$ (43,261)
<u>Expenditures</u>							
Operation of Non-Instructional Services	\$ 3,660,465	\$ (260,628)	\$ 20,475	\$ 3,420,312	\$ 3,391,214	\$ 3,508,693	\$ 88,381
Food Service	\$ 3,660,465	\$ (260,628)	\$ 20,475	\$ 3,420,312	\$ 3,391,214	\$ 3,508,693	\$ 88,381
Total Expenditures	\$ (290,895)	\$ 260,628	\$ (20,475)	\$ (50,742)	\$ (35,862)	\$ (95,862)	\$ 45,120
Excess (Deficiency) of Revenues Over Expenditures	\$ 95,862	\$ 0	\$ 0	\$ 95,862	\$ 35,862	\$ 95,862	\$ 0
Other Financing Sources (Uses) Transfers In	\$ 95,862	\$ 0	\$ 0	\$ 95,862	\$ 35,862	\$ 95,862	\$ 0
Total Other Financing Sources	\$ (195,033)	\$ 260,628	\$ (20,475)	\$ 45,120	\$ 0	\$ 0	\$ 45,120
Net Change in Fund Balance Fund Balance, July 1, 2012	\$ 955,024	\$ (260,628)	\$ 0	\$ 694,396	\$ 689,932	\$ 689,932	\$ 4,464
Fund Balance, June 30, 2013	\$ 759,991	\$ 0	\$ (20,475)	\$ 739,516	\$ 689,932	\$ 689,932	\$ 49,584

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## MISCELLANEOUS SCHEDULES

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Exhibit J-1

Campbell County, Tennessee  
Schedule of Changes in Long-term Notes, Bonds, and Other Loans  
For the Year Ended June 30, 2013

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-12	Issued During Period	Matured During Period	Outstanding 6-30-13
<b>NOTES PAYABLE</b>								
<u>Payable through General Debt Service Fund</u>								
School Improvements	\$ 500,000	4.23 %	12-18-08	11-15-20	\$ 354,166	\$ 0	\$ 41,667	\$ 312,499
School Improvements	750,000	3.85	6-28-10	6-15-16	500,000	0	125,000	375,000
Total Notes Payable					\$ 854,166	\$ 0	\$ 166,667	\$ 687,499
<b>BONDS PAYABLE</b>								
<u>Payable through General Debt Service Fund</u>								
Refunding	8,200,000	3.85 to 4	5-29-08	6-1-26	\$ 8,150,000	\$ 0	\$ 25,000	\$ 8,125,000
General Obligation Bonds, Series 2008A	3,025,000	3.5 to 5	4-23-08	6-1-27	2,875,000	0	50,000	2,825,000
Refunding	10,625,000	3 to 4	4-15-09	6-1-22	9,625,000	0	300,000	9,325,000
General Obligation Bonds, Series 2010A BABs	5,500,000	2.35 to 5.25	11-1-10	6-1-30	5,475,000	0	25,000	5,450,000
General Obligation Bonds, Series 2010B BABs	10,125,000	5.8	12-20-10	6-1-31	10,115,000	0	10,000	10,105,000
General Obligation Bonds, Series 2011	2,000,000	3 to 4	6-28-11	6-1-32	1,995,000	0	5,000	1,990,000
General Obligation Bonds, Series 2012	4,160,000	2 to 2.88	5-1-12	5-1-27	4,160,000	0	0	4,160,000
General Obligation Bonds, Series 2013	1,670,000	1 to 3.25	4-25-13	6-25-28	0	1,670,000	0	1,670,000
Total Bonds Payable					\$ 42,395,000	\$ 1,670,000	\$ 415,000	\$ 43,650,000
<b>OTHER LOANS PAYABLE</b>								
<u>Payable through General Debt Service Fund</u>								
Public Improvement and Refunding, Series B-6-A	12,550,000	4 to 5	7-27-04	6-1-19	\$ 9,300,000	\$ 0	\$ 1,200,000	\$ 8,100,000
Energy Efficient Incentive School Loan	1,387,088	0	5-1-12	5-1-22	1,363,970	0	138,708	1,225,262
Total Other Loans Payable					\$ 10,663,970	\$ 0	\$ 1,338,708	\$ 9,325,262

Exhibit J-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2014	\$ 166,667	\$ 26,016	\$ 192,683
2015	166,667	19,441	186,108
2016	166,667	12,872	179,539
2017	41,667	7,491	49,158
2018	41,667	5,728	47,395
2019	41,667	3,965	45,632
2020	41,667	2,203	43,870
2021	20,830	441	21,271
Total	\$ 687,499	\$ 78,157	\$ 765,656

Year Ending June 30	Bonds		
	Principal	Interest	Total
2014	\$ 720,000	\$ 1,881,626	\$ 2,601,626
2015	760,000	1,859,415	2,619,415
2016	780,000	1,838,485	2,618,485
2017	815,000	1,817,081	2,632,081
2018	910,000	1,795,352	2,705,352
2019	1,585,000	1,765,760	3,350,760
2020	2,605,000	1,709,324	4,314,324
2021	2,815,000	1,611,880	4,426,880
2022	2,980,000	1,506,896	4,486,896
2023	2,900,000	1,395,164	4,295,164
2024	3,210,000	1,288,378	4,498,378
2025	3,390,000	1,165,486	4,555,486
2026	3,455,000	1,035,424	4,490,424
2027	3,505,000	884,187	4,389,187
2028	3,305,000	710,617	4,015,617
2029	3,325,000	530,943	3,855,943
2030	3,450,000	347,567	3,797,567
2031	2,360,000	156,380	2,516,380
2032	780,000	31,200	811,200
Total	\$ 43,650,000	\$ 23,331,165	\$ 66,981,165

(Continued)

Exhibit J-2

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

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2014	\$ 1,413,708	\$ 398,438	\$ 1,812,146
2015	1,463,708	334,688	1,798,396
2016	1,538,708	268,438	1,807,146
2017	1,613,708	198,438	1,812,146
2018	1,688,708	124,688	1,813,396
2019	1,213,708	51,063	1,264,771
2020	138,708	0	138,708
2021	138,708	0	138,708
2022	115,598	0	115,598
Total	<u>\$ 9,325,262</u>	<u>\$ 1,375,753</u>	<u>\$ 10,701,015</u>

Exhibit J-3

Campbell County, Tennessee  
Schedule of Transfers  
Primary Government and Discretely Presented Campbell County School Department  
For the Year Ended June 30, 2013

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
Solid Waste/Sanitation	General	Indirect costs	\$ 33,752
"	"	Postemployment healthcare	26,127
Ambulance Service	"	Indirect costs	61,042
"	"	Postemployment healthcare	18,015
Highway/Public Works	"	"	20,718
General Capital Projects	Highway/Public Works	Capital projects	186,591
"	Other Capital Projects	"	<u>11,531</u>
Total Transfers Primary Government			<u>\$ 357,776</u>
<u>DISCRETELY PRESENTED CAMPBELL COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	Central Cafeteria	Operations	\$ 60,000
"	"	Unpaid lunches	35,862
School Federal Projects	General Purpose School	Indirect costs	<u>29,946</u>
Total Transfers Discretely Presented Campbell County School Department			<u>\$ 125,808</u>

Exhibit J-4

Campbell County, Tennessee  
Schedule of Salaries and Official Bonds of Principal Officials  
Primary Government and Discretely Presented Campbell County School Department  
For the Year Ended June 30, 2013

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA	\$ 80,458	\$ 50,000	Western Surety Company
Director of Schools	State Board of Education and County Board of Education	105,170 (2)	50,000	"
Road Superintendent	Section 8-24-102, TCA	76,625	100,000	Auto Owners (Mutual) Insurance Company
Trustee	Section 8-24-102, TCA	69,658	1,052,400	Cincinnati Insurance Company
Assessor of Property	Section 8-24-102, TCA and County Commission	71,219	10,000	Western Surety Company
County Clerk	Section 8-24-102, TCA	69,658	50,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, TCA	69,658	50,000	"
Clerk and Master	Section 8-24-102, TCA, and Chancery Court Judge	69,658 (1)	50,000	"
Register of Deeds	Section 8-24-102, TCA	69,658	25,000	"
Sheriff	Section 8-24-102, TCA	76,625	25,000	"
Director of Finance	County Commission	87,274	50,000	"
Employee Blanket Bonds:				
Public Employee Dishonesty - County Departments			150,000	Local Government Property and Casualty Fund
Public Employee Dishonesty - School Department			150,000	Tennessee Risk Management Trust

(1) Does not include \$11,343 for special commissioner fees.

(2) Includes \$1,000 for a chief executive officer's supplement.

Campbell County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types  
 For the Year Ended June 30, 2013

	Special Revenue Funds						Highway / Public Works
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Drug Control	Constitu- tional Officers - Fees	
<b>Local Taxes</b>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 5,079,840	\$ 1,931,770	\$ 71,562	\$ 71,560	\$ 0	\$ 0	\$ 554,485
Discount on Property Taxes	(50,305)	(19,130)	(709)	(709)	0	0	(5,491)
Trustee's Collections - Prior Year	245,827	94,290	6,735	3,368	0	0	26,098
Circuit/Clerk & Master Collections - Prior Years	235,784	91,384	6,548	3,274	0	0	25,273
Interest and Penalty	126,477	48,789	3,381	1,750	0	0	13,530
Payments in-Lieu-of Taxes - T.V.A.	13,388	0	0	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	257,057	0	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	119,320	0	0	10,715	0	0	0
<u>County Local Option Taxes</u>							
Local Option Sales Tax	0	0	0	0	0	0	0
Hotel/Motel Tax	38,335	0	0	70,000	0	0	0
Litigation Tax - General	117,472	0	0	0	0	0	0
Litigation Tax - Special Purpose	0	0	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0	0
Business Tax	303,380	0	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0	76,749
Other County Local Option Taxes	48,928	0	0	0	0	0	0
<u>Statutory Local Taxes</u>							
Bank Excise Tax	135,550	0	0	0	0	0	0
Wholesale Beer Tax	97,278	0	0	0	0	0	0
Coal Severance Tax	0	0	0	0	0	0	126,730
Interstate Telecommunications Tax	0	0	0	0	0	0	0
Other Statutory Local Taxes	0	0	0	0	0	0	16,842
<b>Total Local Taxes</b>	\$ 6,768,331	\$ 2,147,103	\$ 87,517	\$ 159,958	\$ 0	\$ 0	\$ 834,216
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Marriage Licenses	\$ 1,591	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Animal Registration	2,956	0	0	0	0	0	0
Cable TV Franchise	175,950	0	0	0	0	0	0
<u>Permits</u>							
Beer Permits	1,197	0	0	0	0	0	0
Building Permits	1,653	0	0	0	0	0	50
<b>Total Licenses and Permits</b>	\$ 183,347	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 50

(Continued)

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

	Special Revenue Funds							Constitu- tional Officers - Fees	Highway / Public Works
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Drug Control				
<u>Fines, Forfeitures, and Penalties</u>									
<u>Circuit Court</u>									
Fines	\$ 2,204	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	10,148	0	0	0	0	0	0	0	0
Game and Fish Fines	284	0	0	0	0	0	0	0	0
Drug Control Fines	0	0	0	0	22,735	0	0	0	0
Drug Court Fees	11,710	0	0	0	0	0	0	0	0
Jail Fees	25,640	0	0	0	0	0	0	0	0
Data Entry Fee - Circuit Court	1,958	0	0	0	0	0	0	0	0
<u>Criminal Court</u>									
DUI Treatment Fines	1,052	0	0	0	0	0	0	0	0
Courtroom Security Fee	65	0	0	0	0	0	0	0	0
<u>General Sessions Court</u>									
Fines	17,831	0	0	0	0	0	0	0	0
Officers Costs	37,853	0	0	0	0	0	0	0	0
Game and Fish Fines	257	0	0	0	0	0	0	0	0
Drug Control Fines	0	0	0	0	20,453	0	0	0	0
Drug Court Fees	24,365	0	0	0	0	0	0	0	0
Jail Fees	17,928	0	0	0	0	0	0	0	0
DUI Treatment Fines	7,163	0	0	0	0	0	0	0	0
Data Entry Fee - General Sessions Court	13,190	0	0	0	0	0	0	0	0
Courtroom Security Fee	98	0	0	0	0	0	0	0	0
<u>Juvenile Court</u>									
Fines	281	0	0	0	0	0	0	0	0
Officers Costs	1,048	0	0	0	0	0	0	0	0
<u>Chancery Court</u>									
Officers Costs	25,644	0	0	0	0	0	0	0	0
Data Entry Fee - Chancery Court	5,525	0	0	0	0	0	0	0	0
<u>Other Courts - In-county</u>									
Fines	190	0	0	0	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>									
Proceeds from Confiscated Property	0	0	0	0	85,815	0	0	0	0
Other Fines, Forfeitures, and Penalties	38,688	0	0	0	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 243,122	\$ 0	\$ 0	\$ 0	\$ 129,003	\$ 0	\$ 0	\$ 0	0
<u>Charges for Current Services</u>									
<u>General Service Charges</u>									
Other Employee Benefit Charges/Contributions	\$ 186,583	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0

(Continued)

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

	Special Revenue Funds						
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<b>Charges for Current Services (Cont.)</b>							
<b>General Service Charges (Cont.)</b>							
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 102,224	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Surcharge - General	12,080	0	0	0	0	0	0
Solid Waste Disposal Fees	0	2,360	0	0	0	0	0
Patient Charges	0	0	2,005,512	0	0	0	0
Other General Service Charges	12,255	0	2,340	775	0	0	0
Service Charges	3,900	0	0	0	0	0	0
<b>Fees</b>							
Recreation Fees	356	0	0	0	0	0	0
Copy Fees	33,899	0	0	0	0	0	0
Greenbelt Late Application Fee	200	0	0	0	0	0	0
Telephone Commissions	58,605	0	0	0	0	0	0
Vending Machine Collections	100	0	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	121	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	0	11,343	0
Data Processing Fee - Register	13,830	0	0	0	0	0	0
Data Processing Fee - Sheriff	4,439	0	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	5,175	0	0	0	0	0	0
<b>Total Charges for Current Services</b>	\$ 331,422	\$ 104,584	\$ 2,007,852	\$ 775	\$ 0	\$ 11,464	\$ 0
<b>Other Local Revenues</b>							
<b>Recurring Items</b>							
Investment Income	122	0	0	0	0	0	0
Lease/Rentals	34,176	0	0	47,403	0	0	0
Sale of Materials and Supplies	12,290	0	0	0	0	0	216,493
Commissary Sales	1,534	0	0	0	0	0	0
Sale of Gasoline	0	0	0	0	0	0	345,777
Sale of Maps	364	0	0	0	0	0	0
Sale of Recycled Materials	0	106,209	0	0	0	0	0
Sale of Animals/Livestock	1,320	0	0	0	9,900	0	0
Miscellaneous Refunds	26,774	6,531	42,590	0	0	0	450
<b>Nonrecurring Items</b>							
Sale of Equipment	10,200	0	0	0	0	0	2,264
Contributions and Gifts	27,691	0	0	0	0	0	0
<b>Other Local Revenues</b>							
Other Local Revenues	20,922	0	0	0	0	0	2,228
<b>Total Other Local Revenues</b>	\$ 135,393	\$ 112,740	\$ 42,590	\$ 47,403	\$ 9,900	\$ 0	\$ 567,212

(Continued)

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

	Special Revenue Funds						Highway / Public Works
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Drug Control	Constitu- tional Officers - Fees	
<u>Fees Received from County Officials</u>							
<u>Fees in-Lieu-of Salary</u>							
County Clerk	\$ 374,757	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	408,166	0	0	0	0	0	0
Clerk and Master	214,200	0	0	0	0	0	0
Register	181,630	0	0	0	0	0	0
Sheriff	10,993	0	0	0	0	0	0
Trustee	523,161	0	0	0	0	0	0
<b>Total Fees Received from County Officials</b>	<b>\$ 1,712,907</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Airport Maintenance Program	13,978	0	0	0	0	0	0
Aging Programs	12,390	0	0	0	0	0	0
Solid Waste Grants	0	14,374	0	0	0	0	0
Public Safety Grants							
Law Enforcement Training Programs	19,200	0	0	0	0	0	0
Drug Control Grants	49,497	0	0	0	0	0	0
<u>Health and Welfare Grants</u>							
Health Department Programs	577,992	0	0	0	0	0	0
Public Works Grants							
Litter Program	48,569	0	0	0	0	0	0
<u>Other State Revenues</u>							
Income Tax	160,878	0	0	0	0	0	0
Beer Tax	18,586	0	0	0	0	0	0
Alcoholic Beverage Tax	67,524	0	0	0	0	0	0
Mixed Drink Tax	6,443	0	0	0	0	0	0
State Revenue Sharing - T.V.A.	1,302,746	0	0	0	0	0	0
Contracted Prisoner Boarding	1,094,360	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0	1,794,901
Registrar's Salary Supplement	3,791	0	0	0	0	0	29,378
Other State Grants	1,000	0	0	0	0	0	0
Other State Revenues	24,853	0	0	0	0	0	0
<b>Total State of Tennessee</b>	<b>\$ 3,410,807</b>	<b>\$ 14,374</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,824,279</b>

(Continued)

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

	Special Revenue Funds						
	General	Solid Waste / Sanitation	Ambulance Service	Industrial / Economic Development	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Federal Government</u>							
<u>Federal Through State</u>							
Appalachian Regional Commission	0 \$	0 \$	0 \$	33,333 \$	0 \$	0 \$	0
Community Development	0	0	0	0	0	0	0
Disaster Relief	12,500	0	0	0	0	0	0
Homeland Security Grants	70,893	0	0	0	0	0	0
ARRA Grant # 3	6,736	0	0	0	0	0	0
Other Federal through State	12,205	0	0	0	0	0	0
Direct Federal Revenue	0	0	0	0	0	0	0
Tax Credit Bond Rebate	0	0	0	0	0	0	0
<b>Total Federal Government</b>	<b>102,334 \$</b>	<b>0 \$</b>	<b>0 \$</b>	<b>33,333 \$</b>	<b>0 \$</b>	<b>0 \$</b>	<b>0</b>
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Prisoner Board	15,000 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0
Contributions	122,467	0	0	14,829	0	0	0
Contracted Services	218,685	0	0	8,320	0	0	0
<u>Citizens Groups</u>							
Donations	200	0	0	0	1,500	0	0
<b>Total Other Governments and Citizens Groups</b>	<b>356,352 \$</b>	<b>0 \$</b>	<b>0 \$</b>	<b>23,149 \$</b>	<b>1,500 \$</b>	<b>0 \$</b>	<b>0</b>
<b>Total</b>	<b>13,244,015 \$</b>	<b>2,378,801 \$</b>	<b>2,137,959 \$</b>	<b>264,618 \$</b>	<b>140,403 \$</b>	<b>11,464 \$</b>	<b>3,225,757</b>

(Continued)

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

	Debt Service		Capital Projects Funds			Total
	Fund	General	General	Capital	Other	
	Debt	Service	Projects	Capital	Projects	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax		787,040	429,252	0	0	8,925,509
Discount on Property Taxes		(7,794)	(4,251)	0	0	(88,389)
Trustee's Collections - Prior Year		37,044	20,203	0	0	433,565
Circuit/Clerk & Master Collections - Prior Years		35,899	19,586	0	0	417,748
Interest and Penalty		19,214	10,480	0	0	223,621
Payments in-Lieu-of Taxes - T.V.A.		0	0	0	0	13,388
Payments in-Lieu-of Taxes - Local Utilities		0	0	0	0	257,057
Payments in-Lieu-of Taxes - Other		0	0	0	0	130,035
<u>County Local Option Taxes</u>						
Local Option Sales Tax		1,045,273	0	0	0	1,045,273
Hotel/Motel Tax		75,000	50,000	0	0	233,335
Litigation Tax - General		0	0	0	0	117,472
Litigation Tax - Special Purpose		3,913	21,998	0	0	25,911
Litigation Tax - Jail, Workhouse, or Courthouse		195,035	0	0	0	195,035
Business Tax		0	0	0	0	303,380
Mineral Severance Tax		0	0	0	0	76,749
Other County Local Option Taxes		0	0	0	0	48,928
<u>Statutory Local Taxes</u>						
Bank Excise Tax		0	0	0	0	135,550
Wholesale Beer Tax		0	0	0	0	97,278
Coal Severance Tax		0	0	0	0	126,730
Interstate Telecommunications Tax		3,526	0	0	0	3,526
Other Statutory Local Taxes		0	0	0	0	16,842
<b>Total Local Taxes</b>	<b>\$</b>	<b>2,194,150</b>	<b>\$ 547,268</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>12,738,543</b>
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses		0	0	0	0	1,591
Animal Registration		0	0	0	0	2,956
Cable TV Franchise		0	0	0	0	175,950
<u>Permits</u>						
Beer Permits		0	0	0	0	1,197
Building Permits		0	0	0	0	1,703
<b>Total Licenses and Permits</b>	<b>\$</b>	<b>0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>183,397</b>

(Continued)

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

	Debt Service		Capital Projects Funds			Total
	Fund General	Debt Service	General	Capital Projects	Other Capital Projects	
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$	0 \$	0 \$	0 \$	0 \$	2,204
Officers Costs		0	0	0	0	10,148
Game and Fish Fines		0	0	0	0	284
Drug Control Fines		0	0	0	0	22,735
Drug Court Fees		0	0	0	0	11,710
Jail Fees		0	0	0	0	25,640
Data Entry Fee - Circuit Court		0	0	0	0	1,958
<u>Criminal Court</u>						
DUI Treatment Fines		0	0	0	0	1,052
Courtroom Security Fee		0	0	0	0	65
<u>General Sessions Court</u>						
Fines		0	0	0	0	17,831
Officers Costs		0	0	0	0	37,853
Game and Fish Fines		0	0	0	0	257
Drug Control Fines		0	0	0	0	20,453
Drug Court Fees		0	0	0	0	24,365
Jail Fees		0	0	0	0	17,928
DUI Treatment Fines		0	0	0	0	7,163
Data Entry Fee - General Sessions Court		0	0	0	0	13,190
Courtroom Security Fee		0	0	0	0	98
<u>Juvenile Court</u>						
Fines		0	0	0	0	281
Officers Costs		0	0	0	0	1,048
<u>Chancery Court</u>						
Officers Costs		0	0	0	0	25,644
Data Entry Fee - Chancery Court		0	0	0	0	5,525
<u>Other Courts - In-county</u>						
Fines		0	0	0	0	190
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property		0	0	0	0	85,815
Other Fines, Forfeitures, and Penalties		0	0	0	0	38,688
Total Fines, Forfeitures, and Penalties	\$	0 \$	0 \$	0 \$	0 \$	372,125
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Other Employee Benefit Charges/Contributions	\$	0 \$	0 \$	0 \$	0 \$	186,583

(Continued)

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

	Debt Service		Capital Projects Funds			Total
	Fund General	Debt Service	General	Capital Projects	Other Capital Projects	
<b>Charges for Current Services (Cont.)</b>						
<u>General Service Charges (Cont.)</u>						
Commercial and Industrial Waste Collection Charge			0 \$	0 \$	0 \$	102,224
Surcharge - General			0	0	0	12,080
Solid Waste Disposal Fees			0	0	0	2,360
Patient Charges			0	0	0	2,005,512
Other General Service Charges			0	0	0	15,370
Service Charges			0	0	0	3,900
<u>Fees</u>						
Recreation Fees			0	0	0	356
Copy Fees			0	0	0	33,899
Greenbelt Late Application Fee			0	0	0	200
Telephone Commissions			0	0	0	58,605
Vending Machine Collections			0	0	0	100
Constitutional Officers' Fees and Commissions			0	0	0	121
Special Commissioner Fees/Special Master Fees			0	0	0	11,343
Data Processing Fee - Register			0	0	0	13,830
Data Processing Fee - Sheriff			0	0	0	4,439
Sexual Offender Registration Fees - Sheriff			0	0	0	5,175
<b>Total Charges for Current Services</b>			<b>0 \$</b>	<b>0 \$</b>	<b>0 \$</b>	<b>2,456,097</b>
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income			88,497 \$	0 \$	4,086 \$	92,705
Lease/Rentals			52,708	0	14,400	148,687
Sale of Materials and Supplies			0	0	0	228,783
Commissary Sales			0	0	0	1,534
Sale of Gasoline			0	0	0	345,777
Sale of Maps			0	0	0	364
Sale of Recycled Materials			0	0	0	106,209
Sale of Animals/Livestock			0	0	0	11,220
Miscellaneous Refunds			0	0	0	76,345
<u>Nonrecurring Items</u>						
Sale of Equipment			0	0	0	12,464
Contributions and Gifts			0	0	0	27,691
<u>Other Local Revenues</u>						
Other Local Revenues			0	0	0	23,150
<b>Total Other Local Revenues</b>			<b>141,205 \$</b>	<b>0 \$</b>	<b>18,486 \$</b>	<b>1,074,929</b>

(Continued)

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

	Debt Service		Capital Projects Funds			Total
	Fund General Debt Service		General Capital Projects	Other Capital Projects		
<u>Fees Received from County Officials</u>						
<u>Fees in-Lieu-of Salary</u>						
County Clerk	\$	0 \$	0 \$	0 \$	0 \$	374,757
Circuit Court Clerk		0	0	0	0	408,166
Clerk and Master		0	0	0	0	214,200
Register		0	0	0	0	181,630
Sheriff		0	0	0	0	10,993
Trustee		0	0	0	0	523,161
<b>Total Fees Received from County Officials</b>	<b>\$</b>	<b>0 \$</b>	<b>0 \$</b>	<b>0 \$</b>	<b>0 \$</b>	<b>1,712,907</b>
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$	0 \$	0 \$	0 \$	0 \$	9,000
Airport Maintenance Program		0	0	40,771	0	54,749
Aging Programs		0	0	0	0	12,390
Solid Waste Grants		0	0	0	0	14,374
<u>Public Safety Grants</u>						
Law Enforcement Training Programs		0	0	0	0	19,200
Drug Control Grants		0	0	0	0	49,497
Health and Welfare Grants		0	0	0	0	
<u>Health Department Programs</u>						
Public Works Grants		0	0	0	0	577,992
Litter Program		0	0	0	0	48,569
<u>Other State Revenues</u>						
Income Tax		0	0	0	0	160,878
Beer Tax		0	0	0	0	18,586
Alcoholic Beverage Tax		0	0	0	0	67,524
Mixed Drink Tax		0	0	0	0	6,443
State Revenue Sharing - T.V.A.		0	0	0	0	1,302,746
Contracted Prisoner Boarding		0	0	0	0	1,094,360
Gasoline and Motor Fuel Tax		0	0	0	0	1,794,901
Petroleum Special Tax		0	0	0	0	29,378
Registrar's Salary Supplement		0	0	0	0	3,791
Other State Grants		0	0	0	0	1,000
Other State Revenues		0	0	0	0	24,853
<b>Total State of Tennessee</b>	<b>\$</b>	<b>0 \$</b>	<b>0 \$</b>	<b>40,771 \$</b>	<b>0 \$</b>	<b>5,290,231</b>

(Continued)

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

	Debt Service		Capital Projects Funds			Total
	Fund	General	General	Capital	Other	
	General	Debt	Capital	Projects	Capital	Projects
	Service					
<u>Federal Government</u>						
<u>Federal Through State</u>						
Appalachian Regional Commission	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 33,333
Community Development	0	0	0	178,226	0	178,226
Disaster Relief	0	0	0	0	0	12,500
Homeland Security Grants	0	0	0	0	0	70,893
ARRA Grant # 3	0	0	0	0	0	6,736
Other Federal through State	0	0	0	0	679,222	691,427
<u>Direct Federal Revenue</u>	289,043		0	0	0	289,043
Tax Credit Bond Rebate	289,043		0	0	857,448	1,282,158
Total Federal Government	\$ 289,043	\$ 0	\$ 0	\$ 0	\$ 857,448	\$ 1,282,158
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Prisoner Board	0	0	0	0	0	15,000
Contributions	1,628,905		0	0	0	1,766,201
Contracted Services	0		0	0	0	227,005
<u>Citizens Groups</u>						
Donations	0		0	0	0	1,700
Total Other Governments and Citizens Groups	\$ 1,628,905	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,009,906
<u>Total</u>	\$ 4,253,303	\$ 547,268	\$ 916,705	\$ 27,120,293		

Exhibit J-6

Campbell County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
Discretely Presented Campbell County School Department  
For the Year Ended June 30, 2013

	General Purpose School	Special Revenue Funds		Total
		School Federal Projects	Central Cafeteria	
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 3,666,775	\$ 0	\$ 0	\$ 3,666,775
Discount on Property Taxes	(36,312)	0	0	(36,312)
Trustee's Collections - Prior Year	159,115	0	0	159,115
Circuit/Clerk & Master Collections - Prior Years	156,634	0	0	156,634
Interest and Penalty	83,786	0	0	83,786
<u>County Local Option Taxes</u>				
Local Option Sales Tax	3,209,318	0	0	3,209,318
Wheel Tax	1,454,088	0	0	1,454,088
<u>Statutory Local Taxes</u>				
Coal Severance Tax	126,730	0	0	126,730
Interstate Telecommunications Tax	2,210	0	0	2,210
<b>Total Local Taxes</b>	<b>\$ 8,822,344</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 8,822,344</b>
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 1,591	\$ 0	\$ 0	\$ 1,591
<b>Total Licenses and Permits</b>	<b>\$ 1,591</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,591</b>
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Lunch Payments - Children	\$ 0	\$ 0	\$ 253,922	\$ 253,922
Lunch Payments - Adults	0	0	75,204	75,204
Income from Breakfast	0	0	146,679	146,679
A la carte Sales	0	0	103,492	103,492
TBI Criminal Background Fees	9,300	0	0	9,300
<u>Other Charges for Services</u>				
Other Charges for Services	90	0	0	90
<b>Total Charges for Current Services</b>	<b>\$ 9,390</b>	<b>\$ 0</b>	<b>\$ 579,297</b>	<b>\$ 588,687</b>
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 0	\$ 0	\$ 973	\$ 973
Refund of Telecommunication & Internet Fees (E-Rate)	38,825	0	0	38,825
Miscellaneous Refunds	60,111	0	0	60,111
<u>Nonrecurring Items</u>				
Sale of Equipment	3,286	0	7,314	10,600
Sale of Property	119,800	0	0	119,800
Contributions and Gifts	73,590	0	0	73,590
<u>Other Local Revenues</u>				
Other Local Revenues	307	0	0	307
<b>Total Other Local Revenues</b>	<b>\$ 295,919</b>	<b>\$ 0</b>	<b>\$ 8,287</b>	<b>\$ 304,206</b>
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-Behalf Contributions for OPEB	\$ 324,062	\$ 0	\$ 0	\$ 324,062
<u>State Education Funds</u>				
Basic Education Program	26,858,061	0	0	26,858,061
School Food Service	0	0	31,532	31,532
Other State Education Funds	1,034,799	0	0	1,034,799
Career Ladder Program	243,655	0	0	243,655
Career Ladder - Extended Contract	59,300	0	0	59,300
<u>Other State Revenues</u>				
Other State Grants	4,590	0	0	4,590
<b>Total State of Tennessee</b>	<b>\$ 28,524,467</b>	<b>\$ 0</b>	<b>\$ 31,532</b>	<b>\$ 28,555,999</b>

(Continued)

Exhibit J-6

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

	General Purpose School	Special Revenue Funds		Total
		School Federal Projects	Central Cafeteria	
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,779,307	\$ 1,779,307
USDA - Commodities	0	0	189,978	189,978
Breakfast	0	0	663,357	663,357
USDA - Other	0	0	117,812	117,812
Adult Education State Grant Program	119,155	0	0	119,155
Vocational Education - Basic Grants to States	0	118,613	0	118,613
Other Vocational	0	11,504	0	11,504
Title I Grants to Local Education Agencies	0	2,146,463	0	2,146,463
Innovative Education Program Strategies	0	2,921	0	2,921
Special Education - Grants to States	67,568	1,282,906	0	1,350,474
Special Education Preschool Grants	0	53,545	0	53,545
Rural Education	0	134,368	0	134,368
Eisenhower Professional Development State Grants	0	461,826	0	461,826
Race-to-the-Top - ARRA	0	595,789	0	595,789
Other Federal through State	76,443	543,116	0	619,559
<u>Direct Federal Revenue</u>				
ROTC Reimbursement	75,520	0	0	75,520
Energy Grant	9,000	0	0	9,000
Other Direct Federal Revenue	86,661	0	0	86,661
Total Federal Government	\$ 434,347	\$ 5,351,051	\$ 2,750,454	\$ 8,535,852
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Contributions	\$ 1,625,224	\$ 0	\$ 0	\$ 1,625,224
Total Other Governments and Citizens Groups	\$ 1,625,224	\$ 0	\$ 0	\$ 1,625,224
Total	\$ 39,713,282	\$ 5,351,051	\$ 3,369,570	\$ 48,433,903

Exhibit J-7

Campbell County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2013

General Fund

General Government

County Commission

Assistant(s)	\$	38,685	
Other Salaries and Wages		2,500	
Board and Committee Members Fees		95,632	
Social Security		7,451	
State Retirement		6,582	
Life Insurance		963	
Medical Insurance		57,612	
Employer Medicare		1,743	
Audit Services		12,215	
Communication		2,032	
Contracts with Government Agencies		948	
Contributions		1,000	
Dues and Memberships		1,800	
Operating Lease Payments		3,342	
Legal Notices, Recording, and Court Costs		360	
Maintenance and Repair Services - Office Equipment		537	
Postal Charges		332	
Travel		4,268	
Office Supplies		606	
Other Supplies and Materials		618	
Office Equipment		248	
Total County Commission			\$ 239,474

Board of Equalization

Board and Committee Members Fees	\$	3,360	
Travel		715	
Total Board of Equalization			4,075

County Mayor/Executive

County Official/Administrative Officer	\$	80,458	
Assistant(s)		60,710	
Deputy(ies)		42,045	
Other Salaries and Wages		300	
Social Security		10,816	
State Retirement		10,799	
Life Insurance		347	
Medical Insurance		33,078	
Employer Medicare		2,530	
Communication		4,913	
Dues and Memberships		2,340	
Legal Notices, Recording, and Court Costs		520	
Maintenance and Repair Services - Office Equipment		2,467	
Maintenance and Repair Services - Vehicles		741	
Postal Charges		1,275	
Travel		2,551	
Office Supplies		2,820	
Premiums on Corporate Surety Bonds		175	
In Service/Staff Development		900	
Other Charges		943	
Motor Vehicles		17,000	
Total County Mayor/Executive			277,728

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

County Attorney

County Official/Administrative Officer	\$	26,945	
Social Security		1,381	
State Retirement		1,603	
Life Insurance		94	
Medical Insurance		15,595	
Employer Medicare		323	
Legal Services		2,182	
Legal Notices, Recording, and Court Costs		3,000	
Total County Attorney			\$ 51,123

Election Commission

County Official/Administrative Officer	\$	52,595	
Supervisor/Director		20,846	
Data Processing Personnel		29,826	
Overtime Pay		12,159	
Other Salaries and Wages		472	
Election Commission		29,085	
Election Workers		76,850	
Other Per Diem and Fees		541	
Social Security		6,884	
State Retirement		6,085	
Life Insurance		225	
Medical Insurance		17,867	
Employer Medicare		1,610	
Communication		3,411	
Data Processing Services		33,960	
Dues and Memberships		250	
Legal Notices, Recording, and Court Costs		4,846	
Maintenance and Repair Services - Buildings		641	
Maintenance and Repair Services - Office Equipment		1,458	
Pest Control		545	
Postal Charges		1,240	
Rentals		2,200	
Transportation - Other than Students		2,818	
Travel		10,855	
Electricity		4,981	
Natural Gas		798	
Office Supplies		2,726	
Water and Sewer		657	
Other Supplies and Materials		1,151	
Total Election Commission			327,582

Register of Deeds

County Official/Administrative Officer	\$	69,658
Deputy(ies)		37,662
Data Processing Personnel		56,841
Social Security		9,344
State Retirement		9,768
Life Insurance		305
Medical Insurance		48,369

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

Employer Medicare	\$	2,185	
Communication		2,448	
Dues and Memberships		547	
Maintenance and Repair Services - Office Equipment		179	
Postal Charges		1,758	
Rentals		10,996	
Office Supplies		1,738	
Premiums on Corporate Surety Bonds		100	
Total Register of Deeds			\$ 251,898

County Buildings

Supervisor/Director	\$	39,993	
Custodial Personnel		63,849	
Overtime Pay		584	
Other Salaries and Wages		5	
Other Per Diem and Fees		47	
Social Security		6,055	
State Retirement		6,216	
Life Insurance		333	
Medical Insurance		28,510	
Employer Medicare		1,416	
Communication		3,094	
Contracts with Private Agencies		625	
Maintenance and Repair Services - Buildings		15,754	
Maintenance and Repair Services - Equipment		8,126	
Custodial Supplies		12,887	
Electricity		19,457	
Gasoline		115	
General Construction Materials		839	
Natural Gas		1,200	
Uniforms		2,835	
Water and Sewer		8,203	
Building Improvements		2,009	
Heating and Air Conditioning Equipment		15,672	
Other Equipment		4,410	
Total County Buildings			242,234

Other Facilities

Part-time Personnel	\$	7,613	
Other Salaries and Wages		8,652	
Social Security		1,008	
Employer Medicare		236	
Contracts with Private Agencies		5,425	
Maintenance and Repair Services - Buildings		2,842	
Custodial Supplies		704	
Electricity		3,548	
Natural Gas		1,121	
Water and Sewer		503	
Other Supplies and Materials		1,464	
Building and Contents Insurance		739	
Building Improvements		71,422	
Total Other Facilities			105,277

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Preservation of Records

Part-time Personnel	\$	4,916	
Social Security		305	
Employer Medicare		71	
Communication		313	
Postal Charges		56	
Rentals		4,800	
Office Supplies		2,324	
Total Preservation of Records			\$ 12,785

Finance

Accounting and Budgeting

Supervisor/Director	\$	87,274	
Accountants/Bookkeepers		528,419	
Overtime Pay		763	
Other Salaries and Wages		86	
Social Security		35,811	
State Retirement		35,170	
Life Insurance		1,180	
Medical Insurance		116,859	
Employer Medicare		8,375	
Communication		7,092	
Data Processing Services		6,890	
Maintenance and Repair Services - Equipment		4,980	
Postal Charges		9,096	
Travel		2,096	
Data Processing Supplies		8,134	
Gasoline		993	
Office Supplies		3,584	
Premiums on Corporate Surety Bonds		175	
Office Equipment		24,823	
Total Accounting and Budgeting			881,800

Central Services

Contracts with Government Agencies	\$	8,923	
Contracts with Private Agencies		5,280	
Data Processing Services		8,290	
Legal Notices, Recording, and Court Costs		5,110	
Maintenance and Repair Services - Office Equipment		9,249	
Printing, Stationery, and Forms		1,758	
Rentals		4,800	
Disposal Fees		204	
Data Processing Supplies		18,215	
Electricity		3,827	
Water and Sewer		345	
Other Supplies and Materials		941	
Building and Contents Insurance		18,600	
Liability Insurance		55,447	
Trustee's Commission		143,409	
Vehicle and Equipment Insurance		1,326	
Other Charges		33,434	
Office Equipment		19,101	
Total Central Services			338,259

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office

County Official/Administrative Officer	\$	71,219	
Assessment Personnel		153,987	
Salary Supplements		1,000	
Other Salaries and Wages		5,920	
Social Security		13,345	
State Retirement		13,586	
Life Insurance		681	
Medical Insurance		66,938	
Employer Medicare		3,121	
Communication		4,788	
Consultants		11,797	
Contracts with Government Agencies		16,840	
Dues and Memberships		1,975	
Maintenance and Repair Services - Buildings		350	
Maintenance and Repair Services - Office Equipment		1,383	
Maintenance and Repair Services - Vehicles		3,642	
Postal Charges		2,194	
Travel		1,783	
Gasoline		4,948	
Office Supplies		2,223	
Vehicle Parts		99	
Premiums on Corporate Surety Bonds		397	
Vehicle and Equipment Insurance		1,604	
Other Charges		110	
Total Property Assessor's Office			\$ 383,930

Reappraisal Program

Assessment Personnel	\$	25,578	
Social Security		1,464	
State Retirement		1,522	
Employer Medicare		342	
Maintenance and Repair Services - Office Equipment		3,000	
Total Reappraisal Program			31,906

County Trustee's Office

County Official/Administrative Officer	\$	69,658
Supervisor/Director		30,833
Deputy(ies)		37,662
Data Processing Personnel		26,995
Clerical Personnel		24,588
Other Salaries and Wages		5,920
Social Security		11,483
State Retirement		11,643
Life Insurance		483
Medical Insurance		42,869
Employer Medicare		2,686
Communication		2,476
Data Processing Services		5,144
Dues and Memberships		657
Legal Notices, Recording, and Court Costs		256

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Maintenance and Repair Services - Office Equipment	\$	358	
Postal Charges		9,504	
Rentals		675	
Travel		981	
Office Supplies		2,705	
Premiums on Corporate Surety Bonds		7,953	
Office Equipment		2,718	
Total County Trustee's Office			\$ 298,247

County Clerk's Office

County Official/Administrative Officer	\$	69,658	
Supervisor/Director		60,697	
Deputy(ies)		40,980	
Data Processing Personnel		84,169	
Clerical Personnel		48,375	
Overtime Pay		183	
Other Salaries and Wages		20,454	
Social Security		18,662	
State Retirement		17,482	
Life Insurance		663	
Medical Insurance		66,692	
Unemployment Compensation		18,170	
Employer Medicare		4,364	
Communication		5,110	
Data Processing Services		7,584	
Dues and Memberships		672	
Maintenance and Repair Services - Buildings		6,969	
Maintenance and Repair Services - Office Equipment		9,547	
Postal Charges		9,000	
Rentals		6,000	
Travel		2,852	
Disposal Fees		204	
Electricity		1,596	
General Construction Materials		3,021	
Office Supplies		6,372	
Premiums on Corporate Surety Bonds		350	
Total County Clerk's Office			509,826

Other Finance

Office Equipment	\$	8,345	
Total Other Finance			8,345

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	69,658
Supervisor/Director		151,441
Deputy(ies)		37,662
Data Processing Personnel		48,509
Clerical Personnel		51,952
Part-time Personnel		17,389

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Overtime Pay	\$	1,716	
Other Salaries and Wages		623	
Jury and Witness Expense		14,869	
Social Security		22,279	
State Retirement		21,061	
Life Insurance		984	
Medical Insurance		53,567	
Employer Medicare		5,211	
Communication		6,557	
Contracts with Private Agencies		256	
Data Processing Services		17,565	
Dues and Memberships		612	
Operating Lease Payments		4,830	
Maintenance and Repair Services - Office Equipment		3,844	
Postal Charges		8,173	
Travel		493	
Office Supplies		7,730	
Premiums on Corporate Surety Bonds		350	
Office Equipment		850	
Total Circuit Court			\$ 548,181

General Sessions Court

Judge(s)	\$	145,544	
Assistant(s)		27,578	
Social Security		8,693	
State Retirement		10,301	
Life Insurance		166	
Employer Medicare		2,510	
Communication		2,025	
Dues and Memberships		515	
Maintenance and Repair Services - Office Equipment		831	
Postal Charges		125	
Travel		1,570	
Library Books/Media		596	
Office Supplies		275	
Uniforms		204	
Office Equipment		245	
Total General Sessions Court			201,178

Drug Court

Part-time Personnel	\$	924	
Other Salaries and Wages		40,953	
Social Security		2,564	
State Retirement		2,171	
Life Insurance		72	
Employer Medicare		600	
Communication		3,329	
Contracts with Private Agencies		18,748	
Dues and Memberships		120	
Maintenance and Repair Services - Office Equipment		300	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Drug Court (Cont.)

Postal Charges	\$	300	
Printing, Stationery, and Forms		495	
Rentals		4,200	
Travel		10,227	
Drugs and Medical Supplies		10,396	
Office Supplies		650	
Other Supplies and Materials		5,706	
Workers' Compensation Insurance		110	
Total Drug Court			\$ 101,865

Chancery Court

County Official/Administrative Officer	\$	69,658	
Supervisor/Director		31,110	
Deputy(ies)		37,662	
Data Processing Personnel		54,303	
Part-time Personnel		8,794	
Overtime Pay		364	
Other Salaries and Wages		5,920	
Social Security		11,916	
State Retirement		11,843	
Life Insurance		438	
Medical Insurance		45,641	
Employer Medicare		2,787	
Communication		1,622	
Contracts with Private Agencies		395	
Data Processing Services		7,644	
Dues and Memberships		522	
Postal Charges		1,800	
Office Supplies		3,808	
Premiums on Corporate Surety Bonds		350	
Office Equipment		7,641	
Total Chancery Court			304,218

District Attorney General

Clerical Personnel	\$	24,959	
Social Security		1,459	
State Retirement		1,409	
Life Insurance		66	
Medical Insurance		5,266	
Employer Medicare		341	
Total District Attorney General			33,500

Office of Public Defender

Contracts with Government Agencies	\$	26,454	
Total Office of Public Defender			26,454

Other Administration of Justice

Rentals	\$	600	
Total Other Administration of Justice			600

(Continued)

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

General Fund (Cont.)

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	76,625	
Assistant(s)		14,092	
Supervisor/Director		54,217	
Deputy(ies)		416,065	
Detective(s)		210,461	
Captain(s)		48,796	
Lieutenant(s)		36,462	
Sergeant(s)		121,458	
Data Processing Personnel		26,064	
Temporary Personnel		590	
Part-time Personnel		47,760	
Overtime Pay		85,907	
Other Salaries and Wages		33,798	
Other Per Diem and Fees		39,335	
Social Security		69,392	
State Retirement		68,733	
Life Insurance		2,745	
Medical Insurance		348,384	
Unemployment Compensation		7,401	
Employer Medicare		16,229	
Communication		21,964	
Contracts with Private Agencies		375	
Dues and Memberships		2,000	
Evaluation and Testing		1,000	
Legal Notices, Recording, and Court Costs		204	
Maintenance and Repair Services - Equipment		5,006	
Maintenance and Repair Services - Vehicles		28,123	
Postal Charges		1,420	
Rentals		4,563	
Towing Services		1,390	
Travel		4,598	
Gasoline		203,739	
Law Enforcement Supplies		3,132	
Office Supplies		3,882	
Tires and Tubes		15,154	
Uniforms		11,710	
Vehicle Parts		2,203	
Liability Insurance		27,966	
Premiums on Corporate Surety Bonds		3,250	
Vehicle and Equipment Insurance		25,228	
In Service/Staff Development		2,875	
Communication Equipment		5,394	
Total Sheriff's Department			\$ 2,099,690

Special Patrols

School Resource Officer	\$	164,584
Social Security		9,060
State Retirement		9,793
Life Insurance		529
Medical Insurance		74,835

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Special Patrols (Cont.)

Employer Medicare	\$	2,119	
Maintenance and Repair Services - Vehicles		3,513	
Gasoline		5,389	
Law Enforcement Supplies		4,881	
Uniforms		3,126	
In Service/Staff Development		3,647	
Total Special Patrols			\$ 281,476

Traffic Control

Contracts with Private Agencies	\$	650	
Electricity		581	
Total Traffic Control			1,231

Administration of the Sexual Offender Registry

Remittance of Revenue Collected	\$	1,725	
Office Supplies		684	
Office Equipment		4,245	
Total Administration of the Sexual Offender Registry			6,654

Jail

Assistant(s)	\$	14,092	
Captain(s)		44,809	
Sergeant(s)		30,011	
Data Processing Personnel		26,065	
Guards		626,199	
Cafeteria Personnel		22,504	
Part-time Personnel		21,359	
Overtime Pay		35,090	
Other Salaries and Wages		27,285	
Other Per Diem and Fees		29,980	
Social Security		50,383	
State Retirement		50,450	
Life Insurance		2,488	
Medical Insurance		235,997	
Unemployment Compensation		6,254	
Employer Medicare		11,783	
Communication		3,025	
Contracts with Private Agencies		6,041	
Data Processing Services		7,000	
Evaluation and Testing		1,000	
Maintenance and Repair Services - Buildings		19,244	
Maintenance and Repair Services - Equipment		740	
Maintenance and Repair Services - Office Equipment		1,562	
Medical and Dental Services		635,711	
Pest Control		1,216	
Postal Charges		2	
Travel		2,321	
Custodial Supplies		700	
Diesel Fuel		3,190	
Electricity		118,296	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Food Preparation Supplies	\$	53,935	
Food Supplies		204,785	
General Construction Materials		1,734	
Natural Gas		22,608	
Office Supplies		3,194	
Prisoners Clothing		5,339	
Uniforms		8,536	
Water and Sewer		61,460	
Other Supplies and Materials		11,695	
Building and Contents Insurance		17,779	
Liability Insurance		120,900	
Vehicle and Equipment Insurance		3,100	
Workers' Compensation Insurance		32,590	
In Service/Staff Development		640	
Communication Equipment		1,971	
Law Enforcement Equipment		818	
Total Jail			\$ 2,585,881

Juvenile Services

Probation Officer(s)	\$	8,965	
Youth Service Officer(s)		17,699	
Social Security		1,653	
Employer Medicare		387	
Contracts with Government Agencies		4,645	
Office Supplies		250	
Total Juvenile Services			33,599

Fire Prevention and Control

Contributions	\$	83,903	
Building and Contents Insurance		5,339	
Liability Insurance		4,631	
Vehicle and Equipment Insurance		27,703	
Workers' Compensation Insurance		18,982	
Building Purchases		8,500	
Total Fire Prevention and Control			149,058

Civil Defense

Supervisor/Director	\$	25,000	
Part-time Personnel		6,948	
Social Security		1,981	
State Retirement		1,488	
Employer Medicare		463	
Communication		2,823	
Consultants		14,675	
Dues and Memberships		50	
Licenses		75	
Maintenance and Repair Services - Buildings		872	
Maintenance and Repair Services - Equipment		984	
Maintenance and Repair Services - Vehicles		2,096	
Postal Charges		500	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense (Cont.)

Printing, Stationery, and Forms	\$	1,018	
Travel		125	
Other Contracted Services		11,100	
Diesel Fuel		256	
Gasoline		3,396	
Office Supplies		882	
Uniforms		250	
Other Supplies and Materials		173	
Vehicle and Equipment Insurance		4,133	
Communication Equipment		35,954	
Other Equipment		5,272	
Total Civil Defense	\$		120,514

Rescue Squad

Contributions	\$	33,000	
Building and Contents Insurance		3,108	
Liability Insurance		1,676	
Vehicle and Equipment Insurance		20,692	
Workers' Compensation Insurance		1,553	
Total Rescue Squad			60,029

Other Emergency Management

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

County Coroner/Medical Examiner

County Official/Administrative Officer	\$	11,316	
Social Security		536	
Life Insurance		94	
Medical Insurance		12,177	
Employer Medicare		125	
Contracts with Private Agencies		46,500	
Contracts with Vehicle Owners		11,811	
Total County Coroner/Medical Examiner			82,559

Other Public Safety

Deputy(ies)	\$	14,136	
Salary Supplements		19,200	
Guards		184,924	
Overtime Pay		12,934	
Social Security		14,291	
State Retirement		2,721	
Life Insurance		27	
Medical Insurance		1,913	
Employer Medicare		3,342	
Communication		595	
Evaluation and Testing		600	
Postal Charges		9,176	
Gasoline		1,263	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Other Public Safety (Cont.)

Law Enforcement Supplies	\$	1,207	
Office Supplies		243	
Vehicle Parts		128	
Other Supplies and Materials		5,758	
Vehicle and Equipment Insurance		534	
Building Construction		144,153	
Food Service Equipment		68,428	
Motor Vehicles		12,600	
Other Equipment		51,000	
Total Other Public Safety			\$ 549,173

Public Health and Welfare

Local Health Center

Custodial Personnel	\$	13,634	
Social Security		670	
State Retirement		811	
Life Insurance		58	
Medical Insurance		12,177	
Employer Medicare		157	
Communication		4,191	
Dues and Memberships		375	
Operating Lease Payments		2,904	
Legal Notices, Recording, and Court Costs		116	
Maintenance and Repair Services - Buildings		5,048	
Maintenance and Repair Services - Office Equipment		2,067	
Pest Control		585	
Custodial Supplies		3,996	
Electricity		18,473	
Natural Gas		2,230	
Office Supplies		1,834	
Water and Sewer		2,171	
Building and Contents Insurance		2,193	
In Service/Staff Development		492	
Total Local Health Center			74,182

Rabies and Animal Control

Supervisor/Director	\$	20,533	
Deputy(ies)		28,519	
Attendants		21,488	
Social Security		4,083	
State Retirement		2,919	
Life Insurance		166	
Medical Insurance		17,921	
Unemployment Compensation		486	
Employer Medicare		955	
Communication		1,919	
Licenses		388	
Maintenance and Repair Services - Buildings		330	
Maintenance and Repair Services - Equipment		620	
Maintenance and Repair Services - Vehicles		1,326	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

Disposal Fees	\$	617	
Custodial Supplies		1,910	
Diesel Fuel		140	
Drugs and Medical Supplies		1,310	
Electricity		3,966	
Equipment and Machinery Parts		389	
Gasoline		4,822	
Law Enforcement Supplies		364	
Natural Gas		4,917	
Office Supplies		456	
Water and Sewer		691	
Building and Contents Insurance		625	
Vehicle and Equipment Insurance		1,684	
Motor Vehicles		22,537	
Total Rabies and Animal Control			\$ 146,081

Dental Health Program

Drugs and Medical Supplies	\$	4,551	
Total Dental Health Program			4,551

Alcohol and Drug Programs

Contracts with Private Agencies	\$	8,215	
Total Alcohol and Drug Programs			8,215

Crippled Children Services

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

Other Local Health Services

Social Workers	\$	112,501	
Medical Personnel		175,692	
Clerical Personnel		91,732	
Social Security		21,374	
State Retirement		21,434	
Life Insurance		1,040	
Medical Insurance		120,829	
Unemployment Compensation		1,791	
Employer Medicare		4,999	
Travel		14,767	
Liability Insurance		687	
Workers' Compensation Insurance		1,739	
Other Charges		400	
Total Other Local Health Services			568,985

Appropriation to State

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

General Welfare Assistance

Pauper Burials	\$	14,241	
Total General Welfare Assistance			14,241

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Education/Information

Deputy(ies)	\$	57,242	
Other Salaries and Wages		4,755	
Social Security		3,721	
State Retirement		3,689	
Life Insurance		181	
Medical Insurance		17,929	
Employer Medicare		870	
Communication		1,221	
Maintenance and Repair Services - Vehicles		2,236	
Travel		1,120	
Electricity		1,159	
Gasoline		14,298	
Instructional Supplies and Materials		7,820	
Law Enforcement Supplies		1,341	
Tires and Tubes		496	
Uniforms		171	
Water and Sewer		608	
Other Supplies and Materials		888	
Vehicle and Equipment Insurance		2,489	
Other Equipment		164	
Total Sanitation Education/Information			\$ 122,398

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Assistant(s)	\$	22,349	
Social Security		1,386	
Employer Medicare		324	
Contributions		15,300	
Office Supplies		305	
Building and Contents Insurance		2,305	
Vehicle and Equipment Insurance		1,990	
Other Charges		1,579	
Total Senior Citizens Assistance			45,538

Libraries

Contributions	\$	38,000	
Total Libraries			38,000

Other Social, Cultural, and Recreational

Attendants	\$	35,759	
Overtime Pay		1,818	
Other Salaries and Wages		293	
Other Per Diem and Fees		1,227	
Social Security		2,066	
State Retirement		2,326	
Life Insurance		193	
Medical Insurance		24,630	
Employer Medicare		483	
Communication		565	
Contributions		10,000	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Other Social, Cultural, and Recreational (Cont.)

Maintenance and Repair Services - Equipment	\$	1,295	
Custodial Supplies		587	
Diesel Fuel		402	
Electricity		7,914	
Gasoline		5	
Office Supplies		130	
Uniforms		174	
Water and Sewer		272	
Other Supplies and Materials		3,438	
Other Charges		237	
Other Equipment		6,250	
Other Construction		10,522	
Other Capital Outlay		550	
Total Other Social, Cultural, and Recreational			\$ 111,136

Agriculture and Natural Resources

Agriculture Extension Service

Communication	\$	2,630	
Contracts with Government Agencies		44,345	
Dues and Memberships		265	
Maintenance and Repair Services - Office Equipment		306	
Postal Charges		150	
Travel		2,856	
Office Equipment		949	
Total Agriculture Extension Service			51,501

Other Operations

Airport

Supervisor/Director	\$	20,400	
Medical Insurance		5,744	
Communication		2,504	
Contracts with Private Agencies		4,800	
Licenses		85	
Maintenance and Repair Services - Buildings		27,957	
Travel		86	
Electricity		9,970	
Water and Sewer		333	
Liability Insurance		2,600	
Vehicle and Equipment Insurance		750	
Total Airport			75,229

Veterans' Services

Assistant(s)	\$	28,683	
Supervisor/Director		39,846	
Secretary(ies)		13,820	
Social Security		4,631	
State Retirement		4,900	
Life Insurance		283	
Medical Insurance		27,772	
Employer Medicare		1,083	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services (Cont.)

Communication	\$	2,067	
Data Processing Services		798	
Dues and Memberships		50	
Maintenance and Repair Services - Office Equipment		1,296	
Postal Charges		1,200	
Travel		4,593	
Office Supplies		2,472	
Uniforms		200	
Office Equipment		855	
Total Veterans' Services			\$ 134,549

Contributions to Other Agencies

Contributions	\$	83,550	
Other Supplies and Materials		2,090	
Total Contributions to Other Agencies			85,640

Employee Benefits

Salary Supplements	\$	1,300	
Other Salaries and Wages		62,928	
Social Security		3,982	
State Retirement		77	
Medical Insurance		17,067	
Employer Medicare		931	
Data Processing Services		5,000	
Premiums on Corporate Surety Bonds		1,152	
Workers' Compensation Insurance		57,011	
Total Employee Benefits			149,448

ARRA Grant # 3

Probation Officer(s)	\$	894	
Social Security		56	
Employer Medicare		12	
Travel		91	
Workers' Compensation Insurance		1	
Total ARRA Grant # 3			1,054

Miscellaneous

Part-time Personnel	\$	29,098	
Overtime Pay		33	
Social Security		1,806	
Employer Medicare		422	
Data Processing Services		360	
Travel		421	
Other Charges		10,591	
Office Equipment		675	
Total Miscellaneous			43,406

Highways

Employee Benefits

Medical Insurance	\$	11,986	
Total Employee Benefits			11,986

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Support Services

Board of Education

Medical Insurance	\$ 2,857	
Total Board of Education		\$ 2,857

Total General Fund \$ 13,055,066

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Supervisor/Director	\$ 47,028	
Data Processing Personnel	21,195	
Paraprofessionals	30,461	
Mechanic(s)	29,240	
Laborers	15,217	
Nightwatchmen	36,647	
Temporary Personnel	15,469	
Overtime Pay	1,959	
Other Salaries and Wages	994	
Other Per Diem and Fees	2,965	
Social Security	11,699	
State Retirement	10,496	
Life Insurance	620	
Medical Insurance	46,656	
Unemployment Compensation	22,538	
Employer Medicare	2,743	
Communication	1,531	
Data Processing Services	7,500	
Legal Notices, Recording, and Court Costs	201	
Maintenance and Repair Services - Office Equipment	476	
Medical and Dental Services	128	
Postal Charges	200	
Travel	980	
Disposal Fees	33,101	
Office Supplies	434	
Uniforms	2,383	
Building and Contents Insurance	3,346	
Liability Insurance	19,702	
Trustee's Commission	43,003	
Vehicle and Equipment Insurance	22,695	
Workers' Compensation Insurance	71,073	
In Service/Staff Development	510	
Total Sanitation Management		\$ 503,190

Convenience Centers

Truck Drivers	\$ 76,482
Attendants	263,315
Overtime Pay	9,616
Other Salaries and Wages	7,814
Other Per Diem and Fees	16,321
Social Security	21,850
State Retirement	20,440

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Convenience Centers (Cont.)

Life Insurance	\$	1,369	
Medical Insurance		104,371	
Employer Medicare		5,102	
Communication		5,675	
Contracts with Private Agencies		397,379	
Maintenance and Repair Services - Buildings		868	
Maintenance and Repair Services - Equipment		892	
Maintenance and Repair Services - Vehicles		739	
Rentals		7,740	
Custodial Supplies		830	
Diesel Fuel		95,569	
Electricity		8,478	
Equipment Parts - Heavy		484	
Equipment and Machinery Parts		7,957	
Garage Supplies		1,740	
Gasoline		4,149	
General Construction Materials		85	
Lubricants		4,689	
Office Supplies		296	
Small Tools		623	
Tires and Tubes		14,695	
Uniforms		9,095	
Vehicle Parts		16,065	
Chemicals		1,423	
Other Supplies and Materials		458	
Motor Vehicles		5,500	
Total Convenience Centers			\$ 1,112,109

Transfer Stations

Equipment Operators	\$	25,064	
Truck Drivers		50,627	
Overtime Pay		3,903	
Other Salaries and Wages		243	
Other Per Diem and Fees		3,584	
Social Security		4,705	
State Retirement		4,964	
Life Insurance		283	
Medical Insurance		27,772	
Employer Medicare		1,098	
Engineering Services		2,391	
Licenses		1,500	
Rentals		660	
Equipment Parts - Light		63	
Tires and Tubes		2,800	
Uniforms		693	
Other Capital Outlay		13,059	
Total Transfer Stations			143,409

Recycling Center

Equipment Operators	\$	22,339	
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(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Recycling Center (Cont.)

Truck Drivers	\$	50,440	
Laborers		32,839	
Overtime Pay		5,391	
Other Salaries and Wages		289	
Other Per Diem and Fees		1,899	
Social Security		6,610	
State Retirement		6,696	
Life Insurance		387	
Medical Insurance		23,968	
Employer Medicare		1,546	
Communication		2,584	
Data Processing Services		2,950	
Maintenance and Repair Services - Buildings		376	
Maintenance and Repair Services - Equipment		300	
Maintenance and Repair Services - Vehicles		1,653	
Pest Control		360	
Custodial Supplies		891	
Diesel Fuel		14,667	
Electricity		7,605	
Equipment and Machinery Parts		3,363	
Garage Supplies		990	
Gasoline		503	
Lubricants		1,460	
Natural Gas		7,824	
Office Supplies		982	
Propane Gas		780	
Tires and Tubes		3,705	
Uniforms		4,928	
Vehicle Parts		10,231	
Water and Sewer		406	
Other Supplies and Materials		1,183	
Total Recycling Center			\$ 220,145

Other Waste Disposal

Foremen	\$	18,192
Equipment Operators		21,129
Attendants		16,578
Other Per Diem and Fees		671
Social Security		3,269
State Retirement		3,143
Life Insurance		196
Medical Insurance		16,630
Employer Medicare		767
Data Processing Services		6,050
Licenses		2,951
Diesel Fuel		14,986
Electricity		6,064
Gasoline		372
Uniforms		1,561
Motor Vehicles		29,995

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Other Waste Disposal (Cont.)

Solid Waste Equipment	\$	1,106	
Other Capital Outlay		1,645	
Total Other Waste Disposal			\$ 145,305

Other Operations

Employee Benefits

Other Salaries and Wages	\$	12,987	
Social Security		805	
State Retirement		114	
Employer Medicare		188	
Total Employee Benefits			14,094

Total Solid Waste/Sanitation Fund \$ 2,138,252

Ambulance Service Fund

Public Health and Welfare

Ambulance/Emergency Medical Services

Supervisor/Director	\$	64,556
Medical Personnel		462,624
Paraprofessionals		73,475
Mechanic(s)		33,260
Attendants		60,275
Part-time Personnel		17,454
Overtime Pay		110,390
Other Salaries and Wages		33,290
In-Service Training		7,275
Other Per Diem and Fees		19,833
Social Security		52,260
State Retirement		45,666
Life Insurance		2,010
Medical Insurance		127,997
Unemployment Compensation		663
Employer Medicare		12,222
Advertising		200
Communication		12,035
Contracts with Government Agencies		75,000
Data Processing Services		14,805
Dues and Memberships		450
Freight Expenses		3,000
Legal Notices, Recording, and Court Costs		58
Licenses		2,650
Maintenance and Repair Services - Buildings		2,750
Maintenance and Repair Services - Equipment		4,254
Maintenance and Repair Services - Office Equipment		559
Maintenance and Repair Services - Vehicles		41,323
Medical and Dental Services		18,000
Postal Charges		3,455
Rentals		720
Travel		470
Custodial Supplies		1,784

(Continued)

Exhibit J-7

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

Ambulance Service Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Diesel Fuel	\$	90,940	
Drugs and Medical Supplies		37,059	
Electricity		13,391	
Gasoline		5,833	
General Construction Materials		1,530	
Natural Gas		5,517	
Office Supplies		3,316	
Tires and Tubes		6,956	
Uniforms		13,509	
Vehicle Parts		29,525	
Water and Sewer		4,547	
Chemicals		4,382	
Building and Contents Insurance		1,385	
Liability Insurance		18,075	
Refunds		8,283	
Trustee's Commission		21,510	
Vehicle and Equipment Insurance		6,200	
Workers' Compensation Insurance		94,990	
In Service/Staff Development		2,841	
Other Charges		699	
Motor Vehicles		95,000	
Office Equipment		5,861	
Health Equipment		5,690	
Total Ambulance/Emergency Medical Services			\$ 1,781,802

Other Operations

Employee Benefits

Other Salaries and Wages	\$	6,228	
Social Security		386	
Employer Medicare		90	
Total Employee Benefits			6,704

Total Ambulance Service Fund \$ 1,788,506

Industrial/Economic Development Fund

General Government

Development

Supervisor/Director	\$	3,173	
Board and Committee Members Fees		4,050	
Social Security		245	
State Retirement		248	
Employer Medicare		57	
Contracts with Private Agencies		133,332	
Rentals		32,556	
Travel		662	
Other Contracted Services		39,000	
Office Supplies		567	
Other Supplies and Materials		200	
Other Charges		8,571	
Office Equipment		3,443	
Total Development			\$ 226,104

(Continued)

Exhibit J-7

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

Industrial/Economic Development Fund (Cont.)

General Government (Cont.)

Planning

Board and Committee Members Fees	\$	6,050	
Social Security		118	
State Retirement		75	
Employer Medicare		28	
Consultants		11,250	
Legal Services		3,500	
Total Planning			\$ 21,021

Other Facilities

Other Salaries and Wages	\$	8,905	
Social Security		552	
State Retirement		530	
Employer Medicare		129	
Contracts with Private Agencies		1,650	
Maintenance and Repair Services - Buildings		7,392	
Maintenance and Repair Services - Equipment		632	
Custodial Supplies		2,154	
Total Other Facilities			21,944

Other Operations

Tourism

Contributions	\$	45,000	
Total Tourism			45,000

Industrial Development

Communication	\$	1,867	
Contributions		52,000	
Data Processing Services		4,500	
Dues and Memberships		4,254	
Legal Notices, Recording, and Court Costs		217	
Matching Share		3,500	
Building and Contents Insurance		8,622	
Trustee's Commission		3,171	
Other Charges		3,707	
Total Industrial Development			81,838

Total Industrial/Economic Development Fund \$ 395,907

Drug Control Fund

Public Safety

Drug Enforcement

Detective(s)	\$	6,227	
Overtime Pay		7,921	
Other Salaries and Wages		14,181	
Social Security		1,756	
State Retirement		1,685	
Employer Medicare		411	
Communication		1,389	
Confidential Drug Enforcement Payments		7,500	
Dues and Memberships		170	

(Continued)

Exhibit J-7

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

Drug Control Fund (Cont.)

Public Safety (Cont.)

Drug Enforcement (Cont.)

Maintenance and Repair Services - Equipment	\$	4,259	
Maintenance and Repair Services - Vehicles		6,774	
Rentals		250	
Towing Services		855	
Travel		709	
Animal Food and Supplies		1,982	
Gasoline		2,534	
Instructional Supplies and Materials		1,462	
Law Enforcement Supplies		6,816	
Uniforms		283	
Workers' Compensation Insurance		726	
In Service/Staff Development		3,145	
Motor Vehicles		29,386	
Total Drug Enforcement			\$ 100,421

Total Drug Control Fund \$ 100,421

Constitutional Officers - Fees Fund

Finance

County Clerk's Office

Constitutional Officers' Operating Expenses	\$	114	
Total County Clerk's Office			\$ 114

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	11,343	
Constitutional Officers' Operating Expenses		7	
Total Chancery Court			11,350

Total Constitutional Officers - Fees Fund 11,464

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	76,625	
Assistant(s)		63,310	
Social Security		8,341	
State Retirement		8,326	
Life Insurance		238	
Medical Insurance		19,508	
Employer Medicare		1,951	
Dues and Memberships		3,971	
Maintenance and Repair Services - Equipment		394	
Postal Charges		184	
Travel		772	
Office Supplies		1,976	
Total Administration			\$ 185,596

Highway and Bridge Maintenance

Supervisor/Director	\$	43,692	
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(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Foremen	\$	59,155	
Equipment Operators		135,565	
Truck Drivers		178,818	
Laborers		150,564	
Overtime Pay		12,316	
Other Salaries and Wages		3,602	
Social Security		33,896	
State Retirement		33,918	
Life Insurance		1,901	
Medical Insurance		159,383	
Employer Medicare		7,927	
Contracts with Private Agencies		86,065	
Asphalt - Hot Mix		195,114	
Asphalt - Liquid		187,990	
Fertilizer, Lime, and Seed		1,388	
Pipe - Metal		14,076	
Road Signs		5,019	
Structural Steel		10,000	
Tires and Tubes		6,809	
Other Charges		3,122	
Total Highway and Bridge Maintenance			\$ 1,330,320

Operation and Maintenance of Equipment

Mechanic(s)	\$	27,248	
Laborers		52,194	
Overtime Pay		902	
Other Salaries and Wages		356	
Social Security		4,339	
State Retirement		4,802	
Life Insurance		283	
Medical Insurance		38,769	
Employer Medicare		1,015	
Maintenance and Repair Services - Office Equipment		1,537	
Maintenance and Repair Services - Vehicles		3,823	
Diesel Fuel		396,379	
Equipment and Machinery Parts		96,393	
Garage Supplies		963	
Gasoline		396,476	
Lubricants		12,208	
Natural Gas		1,821	
Tires and Tubes		21,836	
Total Operation and Maintenance of Equipment			1,061,344

Quarry Operations

Foremen	\$	28,392
Truck Drivers		24,419
Laborers		44,304
Overtime Pay		566
Other Salaries and Wages		135
Social Security		5,386

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Quarry Operations (Cont.)

State Retirement	\$	5,820	
Life Insurance		377	
Medical Insurance		33,290	
Employer Medicare		1,260	
Contracts with Private Agencies		1,100	
Explosive and Drilling Services		42,155	
Legal Services		11,933	
Licenses		9,328	
Diesel Fuel		34,047	
Electricity		34,645	
Total Quarry Operations			\$ 277,157

Other Charges

Communication	\$	12,304	
Maintenance and Repair Services - Office Equipment		1,411	
Electricity		6,358	
Uniforms		15,821	
Water and Sewer		1,945	
Building and Contents Insurance		2,741	
Liability Insurance		36,757	
Premiums on Corporate Surety Bonds		1,133	
Trustee's Commission		32,292	
Vehicle and Equipment Insurance		20,667	
Total Other Charges			131,429

Employee Benefits

Other Salaries and Wages	\$	14,948	
Social Security		927	
Employer Medicare		217	
Medical and Dental Services		554	
Workers' Compensation Insurance		66,727	
Total Employee Benefits			83,373

Capital Outlay

Highway Equipment	\$	21,165	
Total Capital Outlay			21,165

Total Highway/Public Works Fund \$ 3,090,384

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	16,405	
Principal on Other Loans		334,800	
Total General Government			\$ 351,205

Education

Principal on Bonds	\$	398,595	
Principal on Notes		166,667	
Principal on Other Loans		1,003,908	
Total Education			1,569,170

(Continued)

Exhibit J-7

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

General Debt Service Fund (Cont.)

Interest on Debt

General Government

Interest on Bonds	\$	681,993	
Interest on Other Loans		127,904	
Total General Government			\$ 809,897

Education

Interest on Bonds	\$	1,171,343	
Interest on Notes		32,585	
Interest on Other Loans		330,533	
Total Education			1,534,461

Other Debt Service

General Government

Trustee's Commission	\$	30,642	
Other Debt Service		6,768	
Total General Government			37,410

Total General Debt Service Fund \$ 4,302,143

General Capital Projects Fund

Capital Projects

General Administration Projects

Engineering Services	\$	5,757	
Trustee's Commission		10,227	
Building Improvements		91,485	
Communication Equipment		3,950	
Site Development		6,233	
Other Capital Outlay		2,500	
Total General Administration Projects			\$ 120,152

Public Safety Projects

Motor Vehicles	\$	90,000	
Total Public Safety Projects			90,000

Public Health and Welfare Projects

Matching Share	\$	15,000	
Site Development		12,089	
Total Public Health and Welfare Projects			27,089

Social, Cultural, and Recreation Projects

Site Development	\$	9,748	
Other Capital Outlay		74,276	
Total Social, Cultural, and Recreation Projects			84,024

Other General Government Projects

Matching Share	\$	21,070	
Total Other General Government Projects			21,070

Highway and Street Capital Projects

Highway Construction	\$	3,850	
Highway Equipment		22,000	
Total Highway and Street Capital Projects			25,850

Total General Capital Projects Fund 368,185

(Continued)

Exhibit J-7

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

Other Capital Projects Fund

Other Debt Service

Education

Underwriter's Discount	\$	8,374	
Other Debt Issuance Charges		<u>39,475</u>	
Total Education			\$ 47,849

Capital Projects

Public Safety Projects

Advertising	\$	185	
Architects		53,290	
Consultants		1,575	
Contracts with Private Agencies		1,620	
Engineering Services		51,906	
Matching Share		7,869	
Other Charges		34,601	
Building Construction		2,633,205	
Building Improvements		336,000	
Heating and Air Conditioning Equipment		3,828	
Land		<u>38,542</u>	
Total Public Safety Projects			3,162,621

Public Health and Welfare Projects

Other Charges	\$	13,125	
Other Capital Outlay		<u>171,139</u>	
Total Public Health and Welfare Projects			184,264

Social, Cultural, and Recreation Projects

Other Capital Outlay	\$	<u>35,266</u>	
Total Social, Cultural, and Recreation Projects			35,266

Public Utility Projects

Advertising	\$	287	
Consultants		18,225	
Engineering Services		75,394	
Evaluation and Testing		2,417	
Legal Notices, Recording, and Court Costs		103	
Matching Share		55,977	
Other Construction		<u>814,859</u>	
Total Public Utility Projects			967,262

Education Capital Projects

Architects	\$	9,401	
Contributions		1,625,224	
Other Contracted Services		218,371	
Other Charges		715	
Building Improvements		1,287,755	
Data Processing Equipment		38,265	
Heating and Air Conditioning Equipment		1,095,363	
Plant Operation Equipment		376,747	
Other Capital Outlay		<u>17,255</u>	
Total Education Capital Projects			<u>4,669,096</u>

Total Other Capital Projects Fund \$ 9,066,358

Total Governmental Funds - Primary Government \$ 34,316,686

Exhibit J-8

Campbell County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Campbell County School Department  
For the Year Ended June 30, 2013

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	10,902,653	
Career Ladder Program		127,618	
Career Ladder Extended Contracts		76,000	
Homebound Teachers		45,677	
Educational Assistants		112,367	
Other Salaries and Wages		192,890	
Certified Substitute Teachers		12,808	
Non-certified Substitute Teachers		266,360	
Social Security		683,721	
State Retirement		984,417	
Life Insurance		23,616	
Medical Insurance		2,035,258	
Unemployment Compensation		10,072	
Employer Medicare		159,898	
Operating Lease Payments		16,480	
Instructional Supplies and Materials		66,209	
Textbooks		358,459	
Other Supplies and Materials		9,036	
Regular Instruction Equipment		2,975	
Total Regular Instruction Program			\$ 16,086,514

Alternative Instruction Program

Teachers	\$	165,260	
Career Ladder Program		1,000	
Educational Assistants		22,430	
Social Security		10,574	
State Retirement		16,098	
Life Insurance		485	
Medical Insurance		40,530	
Employer Medicare		2,473	
Total Alternative Instruction Program			258,850

Special Education Program

Teachers	\$	1,358,411	
Career Ladder Program		16,690	
Career Ladder Extended Contracts		23,500	
Homebound Teachers		14,780	
Educational Assistants		60,333	
Non-certified Substitute Teachers		29,508	
Social Security		86,375	
State Retirement		125,158	
Life Insurance		3,269	
Medical Insurance		338,377	
Unemployment Compensation		7,025	
Employer Medicare		20,200	
Instructional Supplies and Materials		11,846	
Special Education Equipment		1,318	
Total Special Education Program			2,096,790

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Vocational Education Program

Teachers	\$	1,033,675	
Career Ladder Program		7,500	
Non-certified Substitute Teachers		14,465	
Social Security		62,330	
State Retirement		91,434	
Life Insurance		2,155	
Medical Insurance		154,748	
Employer Medicare		14,578	
Maintenance and Repair Services - Equipment		4,863	
Other Contracted Services		456	
Instructional Supplies and Materials		25,001	
Other Charges		31	
Vocational Instruction Equipment		25,000	
Total Vocational Education Program			\$ 1,436,236

Adult Education Program

Teachers	\$	56,475	
Other Salaries and Wages		810	
Social Security		3,545	
Employer Medicare		829	
Instructional Supplies and Materials		6,864	
Other Equipment		36,399	
Total Adult Education Program			104,922

Support Services

Attendance

Clerical Personnel	\$	14,457	
Social Security		886	
State Retirement		860	
Life Insurance		47	
Medical Insurance		1,436	
Employer Medicare		207	
Data Processing Services		15,270	
Travel		727	
Total Attendance			33,890

Health Services

Medical Personnel	\$	187,032	
Other Salaries and Wages		67,484	
Social Security		14,782	
State Retirement		19,048	
Life Insurance		758	
Medical Insurance		65,403	
Employer Medicare		3,457	
Travel		6,901	
Other Contracted Services		3,672	
Other Supplies and Materials		15,720	
Other Charges		1,170	
Total Health Services			385,427

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support

Career Ladder Program	\$	5,950	
Guidance Personnel		528,148	
Career Ladder Extended Contracts		4,000	
Social Workers		19,494	
Attendants		52,232	
Other Salaries and Wages		202,900	
In-Service Training		825	
Social Security		48,297	
State Retirement		63,189	
Life Insurance		1,357	
Medical Insurance		117,246	
Employer Medicare		11,296	
Evaluation and Testing		21,305	
Travel		18,467	
Other Contracted Services		203,700	
Other Supplies and Materials		42,412	
In Service/Staff Development		13,398	
Other Charges		1,750	
Total Other Student Support			\$ 1,355,966

Regular Instruction Program

Supervisor/Director	\$	198,364	
Career Ladder Program		23,400	
Career Ladder Extended Contracts		2,000	
Librarians		409,313	
Materials Supervisor		45,587	
Instructional Computer Personnel		70,757	
Secretary(ies)		63,473	
Educational Assistants		40,588	
Other Salaries and Wages		97,282	
Non-certified Substitute Teachers		275	
Social Security		56,086	
State Retirement		67,131	
Life Insurance		1,644	
Medical Insurance		136,400	
Employer Medicare		13,128	
Communication		93,035	
Maintenance and Repair Services - Equipment		31,017	
Travel		25,348	
Library Books/Media		41,879	
Other Supplies and Materials		4,350	
In Service/Staff Development		1,501	
Other Charges		26,427	
Other Equipment		52,018	
Total Regular Instruction Program			1,501,003

Alternative Instruction Program

Supervisor/Director	\$	64,442	
Career Ladder Program		1,000	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Alternative Instruction Program (Cont.)

Other Salaries and Wages	\$	60,938	
Social Security		7,532	
State Retirement		11,223	
Life Insurance		175	
Medical Insurance		17,629	
Employer Medicare		1,761	
Total Alternative Instruction Program			\$ 164,700

Special Education Program

Supervisor/Director	\$	81,088	
Career Ladder Program		2,488	
Psychological Personnel		55,301	
Assessment Personnel		56,852	
Clerical Personnel		58,648	
Other Salaries and Wages		23,756	
Social Security		16,903	
State Retirement		20,827	
Life Insurance		394	
Medical Insurance		15,707	
Employer Medicare		3,953	
Communication		8,556	
Travel		19,007	
Other Contracted Services		38,273	
Other Supplies and Materials		1,229	
Other Charges		2,667	
Total Special Education Program			405,649

Vocational Education Program

Supervisor/Director	\$	81,088	
Career Ladder Program		2,000	
Secretary(ies)		28,913	
Social Security		6,603	
State Retirement		9,099	
Life Insurance		166	
Medical Insurance		17,459	
Employer Medicare		1,544	
Communication		1,686	
Travel		11,131	
Other Charges		1,311	
Total Vocational Education Program			161,000

Adult Programs

Clerical Personnel	\$	28,913	
Social Security		1,591	
State Retirement		1,721	
Life Insurance		94	
Medical Insurance		11,968	
Employer Medicare		372	
Communication		1,837	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Adult Programs (Cont.)

Travel	\$	2,009	
Other Supplies and Materials		464	
In Service/Staff Development		2,532	
Other Charges		13,208	
Total Adult Programs			\$ 64,709

Other Programs

On-Behalf Payments to OPEB	\$	324,062	
Total Other Programs			324,062

Board of Education

Secretary to Board	\$	10,000	
Other Salaries and Wages		20,243	
Board and Committee Members Fees		63,032	
Social Security		5,453	
State Retirement		4,356	
Life Insurance		689	
Medical Insurance		242,326	
Employer Medicare		1,275	
Other Fringe Benefits		147,365	
Audit Services		17,000	
Dues and Memberships		6,491	
Legal Services		28,557	
Travel		19,473	
Other Contracted Services		9,200	
Liability Insurance		78,342	
Trustee's Commission		207,569	
Workers' Compensation Insurance		331,661	
Criminal Investigation of Applicants - TBI		9,300	
Other Charges		7,924	
Total Board of Education			1,210,256

Director of Schools

County Official/Administrative Officer	\$	104,170	
Career Ladder Program		1,000	
Secretary(ies)		28,913	
Clerical Personnel		28,671	
Social Security		9,772	
State Retirement		12,765	
Life Insurance		258	
Medical Insurance		13,398	
Unemployment Compensation		13,264	
Employer Medicare		2,285	
Communication		17,697	
Dues and Memberships		2,249	
Postal Charges		5,324	
Travel		5,545	
Other Contracted Services		118	
Office Supplies		3,483	
Total Director of Schools			248,912

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal

Principals	\$	800,549	
Career Ladder Program		14,000	
Accountants/Bookkeepers		12,424	
Assistant Principals		567,721	
Secretary(ies)		406,900	
Other Salaries and Wages		56,390	
Social Security		109,023	
State Retirement		151,190	
Life Insurance		3,362	
Medical Insurance		312,888	
Employer Medicare		25,498	
Communication		36,863	
Travel		876	
Other Charges		23,641	
Total Office of the Principal			\$ 2,521,325

Fiscal Services

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

Human Services/Personnel

Supervisor/Director	\$	44,114	
Social Security		2,674	
State Retirement		3,917	
Life Insurance		63	
Medical Insurance		3,332	
Employer Medicare		625	
Total Human Services/Personnel			54,725

Operation of Plant

Custodial Personnel	\$	873,831	
Other Salaries and Wages		10,935	
Social Security		50,133	
State Retirement		50,842	
Life Insurance		3,638	
Medical Insurance		300,835	
Employer Medicare		11,735	
Other Contracted Services		21,640	
Custodial Supplies		85,556	
Electricity		1,137,853	
Natural Gas		128,054	
Water and Sewer		158,975	
Other Supplies and Materials		6,713	
Building and Contents Insurance		233,804	
Total Operation of Plant			3,074,544

Maintenance of Plant

Supervisor/Director	\$	4,819	
Maintenance Personnel		304,182	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

Social Security	\$	17,980	
State Retirement		17,969	
Life Insurance		885	
Medical Insurance		83,345	
Employer Medicare		4,205	
Communication		284	
Maintenance and Repair Services - Buildings		38,553	
Maintenance and Repair Services - Vehicles		1,142	
Other Contracted Services		8,589	
Gasoline		13,569	
General Construction Materials		58,474	
Other Supplies and Materials		2,132	
Other Charges		8,441	
Total Maintenance of Plant			\$ 564,569

Transportation

Supervisor/Director	\$	40,544	
Bus Drivers		33,540	
Clerical Personnel		14,457	
Other Salaries and Wages		7,650	
Social Security		5,903	
State Retirement		3,272	
Life Insurance		271	
Medical Insurance		20,704	
Employer Medicare		1,381	
Contracts with Vehicle Owners		1,220,459	
Maintenance and Repair Services - Vehicles		2,447	
Medical and Dental Services		2,577	
Travel		765	
Gasoline		19,119	
Vehicle and Equipment Insurance		68,285	
Other Charges		1,447	
Transportation Equipment		34,675	
Total Transportation			1,477,496

Central and Other

Supervisor/Director	\$	17,119	
Other Salaries and Wages		4,609	
Social Security		1,317	
State Retirement		1,930	
Life Insurance		31	
Medical Insurance		1,642	
Employer Medicare		308	
Total Central and Other			26,956

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	79,365	
Other Salaries and Wages		138,796	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services (Cont.)

Social Security	\$	13,079	
State Retirement		13,554	
Life Insurance		456	
Medical Insurance		39,126	
Employer Medicare		3,059	
Travel		2,123	
Instructional Supplies and Materials		268	
Other Supplies and Materials		9,232	
In Service/Staff Development		402	
Other Charges		394	
Total Community Services			\$ 299,854

Early Childhood Education

Teachers	\$	460,557	
Career Ladder Program		8,200	
Educational Assistants		112,047	
Other Salaries and Wages		56,401	
Non-certified Substitute Teachers		8,690	
Social Security		37,838	
State Retirement		46,969	
Life Insurance		1,749	
Medical Insurance		115,951	
Employer Medicare		8,850	
Travel		4,258	
Instructional Supplies and Materials		38,768	
Other Supplies and Materials		5,771	
In Service/Staff Development		4,354	
Other Charges		3,400	
Other Equipment		78,727	
Total Early Childhood Education			992,530

Capital Outlay

Regular Capital Outlay

Architects	\$	16,263	
Engineering Services		5,960	
Other Contracted Services		4,000	
Building Construction		181,901	
Building Improvements		104,034	
Food Service Equipment		58,151	
Site Development		1,615,500	
Other Capital Outlay		262,398	
Total Regular Capital Outlay			2,248,207

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	1,628,905	
Total Education			1,628,905

Total General Purpose School Fund \$ 38,848,064

(Continued)

Exhibit J-8

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

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	810,213	
Educational Assistants		506,679	
Other Salaries and Wages		232,532	
Non-certified Substitute Teachers		23,375	
Social Security		92,526	
State Retirement		104,626	
Life Insurance		4,517	
Medical Insurance		290,704	
Employer Medicare		21,639	
Instructional Supplies and Materials		224,920	
Other Supplies and Materials		59,824	
Regular Instruction Equipment		63,366	
Total Regular Instruction Program			\$ 2,434,921

Special Education Program

Teachers	\$	303,508	
Educational Assistants		334,337	
Other Salaries and Wages		15,216	
Social Security		37,118	
State Retirement		38,795	
Life Insurance		2,421	
Medical Insurance		220,907	
Employer Medicare		8,681	
Instructional Supplies and Materials		800	
Other Supplies and Materials		4,068	
Special Education Equipment		18,553	
Total Special Education Program			984,404

Vocational Education Program

Educational Assistants	\$	25,351	
Social Security		1,336	
State Retirement		1,509	
Life Insurance		166	
Medical Insurance		17,249	
Employer Medicare		312	
Other Supplies and Materials		25,907	
Vocational Instruction Equipment		8,000	
Total Vocational Education Program			79,830

Support Services

Health Services

Medical Personnel	\$	13,693	
Social Security		836	
State Retirement		815	
Employer Medicare		196	
Total Health Services			15,540

Other Student Support

Social Workers	\$	18,588	
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(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Other Salaries and Wages	\$	68,325	
Social Security		5,321	
State Retirement		4,224	
Life Insurance		119	
Medical Insurance		5,100	
Employer Medicare		1,244	
Contracts with Other School Systems		8,251	
Evaluation and Testing		22,233	
Other Contracted Services		600	
Other Supplies and Materials		577	
Total Other Student Support	\$		134,582

Regular Instruction Program

Supervisor/Director	\$	83,162	
Secretary(ies)		42,412	
Other Salaries and Wages		462,298	
Non-certified Substitute Teachers		24,722	
Social Security		36,450	
State Retirement		42,726	
Life Insurance		963	
Medical Insurance		117,094	
Employer Medicare		8,515	
Consultants		27,900	
Maintenance and Repair Services - Equipment		3,755	
Travel		10,423	
Other Contracted Services		50,790	
Other Supplies and Materials		6,495	
In Service/Staff Development		272,884	
Other Equipment		61,527	
Total Regular Instruction Program			1,252,116

Special Education Program

Psychological Personnel	\$	86,443	
Clerical Personnel		28,913	
Social Security		6,986	
State Retirement		1,720	
Life Insurance		72	
Medical Insurance		12,177	
Employer Medicare		1,634	
Maintenance and Repair Services - Equipment		6,484	
Other Contracted Services		57,586	
Other Supplies and Materials		7,351	
In Service/Staff Development		6,884	
Total Special Education Program			216,250

Vocational Education Program

In-Service Training	\$	2,000	
Social Security		124	
State Retirement		126	

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Vocational Education Program (Cont.)

Employer Medicare	\$	29	
Travel		39,423	
In Service/Staff Development		8,556	
Total Vocational Education Program			\$ 50,258

Transportation

Bus Drivers	\$	52,585	
Other Salaries and Wages		25,153	
Social Security		4,820	
State Retirement		727	
Employer Medicare		1,127	
Maintenance and Repair Services - Vehicles		10,620	
Gasoline		25,225	
Total Transportation			120,257

Total School Federal Projects Fund \$ 5,288,158

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	78,312	
Accountants/Bookkeepers		25,486	
Clerical Personnel		52,286	
Cafeteria Personnel		952,655	
Other Salaries and Wages		62,378	
Social Security		67,154	
State Retirement		57,174	
Life Insurance		5,318	
Medical Insurance		308,287	
Employer Medicare		15,706	
Other Fringe Benefits		39,218	
Communication		9,419	
Maintenance and Repair Services - Equipment		32,077	
Postal Charges		500	
Travel		2,683	
Other Contracted Services		36,763	
Food Preparation Supplies		128,673	
Food Supplies		1,221,894	
Uniforms		17,616	
USDA - Commodities		189,978	
Other Supplies and Materials		8,218	
In Service/Staff Development		662	
Other Charges		81,311	
Food Service Equipment		266,697	
Total Food Service			\$ 3,660,465

Total Central Cafeteria Fund 3,660,465

Total Governmental Funds - Campbell County School Department \$ 47,796,687

Exhibit J-9

Campbell County, Tennessee  
Schedule of Detailed Receipts, Disbursements,  
and Changes in Cash Balance - City Agency Fund  
For the Year Ended June 30, 2013

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 3,127,266
Total Cash Receipts	<u>\$ 3,127,266</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 3,095,825
Trustee's Commission	<u>31,441</u>
Total Cash Disbursements	<u>\$ 3,127,266</u>
 Excess of Cash Receipts Over (Under)	
Cash Disbursements	\$ 0
Cash Balance, July 1, 2012	<u>0</u>
 Cash Balance, June 30, 2013	<u><u>\$ 0</u></u>

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## **SINGLE AUDIT SECTION**

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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***

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Campbell County, Tennessee, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Campbell County's basic financial statements, and have issued our report thereon dated October 25, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Campbell County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Campbell County's internal control. Accordingly, we do not express an opinion on the effectiveness of Campbell County's internal control.

*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 a 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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be a significant deficiency: 2013-003.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Campbell County's financial statements are free from 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: 2013-001 and 2013-002.

### **Campbell County's Response to Findings**

Campbell County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Campbell County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Campbell County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,

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

Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

October 25, 2013

JPW/yu



STATE OF TENNESSEE  
COMPTROLLER OF THE TREASURY  
DEPARTMENT OF AUDIT  
DIVISION OF LOCAL GOVERNMENT AUDIT  
SUITE 1500  
JAMES K. POLK STATE OFFICE BUILDING  
NASHVILLE, TENNESSEE 37243-1402  
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**Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

**Report on Compliance for Each Major Federal Program**

We have audited Campbell County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Campbell County's major federal programs for the year ended June 30, 2013. Campbell County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Campbell County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and*

*Non-Profit Organizations.* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Campbell County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Campbell County's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, Campbell County complied, in all material respects, with the types of compliance 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, 2013.

### **Report on Internal Control Over Compliance**

Management of Campbell County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Campbell County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Campbell County's internal control over compliance.

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

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we

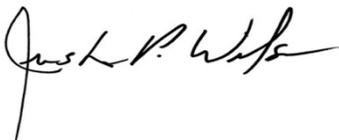
consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Campbell County, Tennessee, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Campbell County's basic financial statements. We issued our report thereon dated October 25, 2013, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

Very truly yours,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

October 25, 2013

JPW/yu

Campbell County, Tennessee  
Schedule of Expenditures of Federal Awards and State Grants (1)  
For the Year Ended June 30, 2013

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	\$ 189,978 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	663,357
National School Lunch Program	10.555	N/A	1,820,882 (3)
Fresh Fruit and Vegetable Program	10.582	N/A	76,237
Total U.S. Department of Agriculture			<u>\$ 2,750,454</u>
U.S. Department of Housing and Urban Development:			
Passed-through Tennessee Housing Development Agency:			
Home Investment Partnerships Program	14.239	(2)	\$ 182,821
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program	14.288	GG-11-35948-00	178,226
Total U.S. Department of Housing and Urban Development			<u>\$ 361,047</u>
U.S. Department of the Interior:			
Passed-through State Department of Environment and Conservation:			
Abandoned Mine Land Reclamation (AMLR) Program	15.252	GG-12-37855	\$ 472,361
Total U.S. Department of the Interior			<u>\$ 472,361</u>
U.S. Department of Justice:			
Direct Programs:			
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government	16.804	N/A	\$ 6,736
Total U.S. Department of Justice			<u>\$ 6,736</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Open Container Requirements	20.607	(2)	\$ 12,179
Airport Improvement Program	20.106	(2)	51,275
Total U.S. Department of Transportation			<u>\$ 63,454</u>
Appalachian Regional Commission:			
Passed-through State Department of Economic and Community Development:			
Appalachian Research, Technical Assistance, and Demonstration Projects	23.011	TN-17163-302-11	\$ 133,334
Total Appalachian Regional Commission			<u>\$ 133,334</u>
Environmental Protection Agency			
Direct Program:			
Congressionally Mandated Projects	66.202	N/A	\$ 445,150
Total Environmental Protection Agency			<u>\$ 445,150</u>
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	(2)	\$ 119,155
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	2,126,411
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,350,474
Special Education - Preschool Grants	84.173	N/A	53,545
Career and Technical Education - Basic Grants to States	84.048	N/A	118,613
Twenty-first Century Community Learning Centers	84.287	(2)	296,789
Education Technology State Grants	84.318	N/A	1,922
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	N/A	76,443
Rural Education	84.358	N/A	129,514
English Language Acquisition Grants	84.365	(2)	2,921
Improving Teacher Quality State Grants	84.367	N/A	459,904
School Improvement Grants, Recovery Act	84.388	N/A	246,327

(Continued)

Campbell County, Tennessee

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Education (Cont):			
Passed-through State Department of Education (Cont):			
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	(2)	\$ 587,748
Total U.S. Department of Education			<u>\$ 5,569,766</u>
U.S. Department of Health and Human Services:			
Direct Program:			
Early Retiree Reinsurance Program	93.546	N/A	\$ 86,661
Total U.S. Department of Health and Human Services			<u>\$ 86,661</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Hazard Mitigation Grant	97.039	GG-0928884	\$ 70,893
Emergency Management Performance Grants	97.042	34101-000011591	12,500
Total U.S. Department of Homeland Security			<u>\$ 83,393</u>
Total Expenditures of Federal Awards			<u>\$ 9,972,356</u>
<u>Contract</u>			
<u>Number</u>			
<u>State Grants</u>			
Waste Tire Program - State Department of Environment and Conservation	N/A	(2)	\$ 14,374
Litter Program - State Department of Transportation	N/A	(2)	48,569
Local Health Services - State Department of Health	N/A	(2)	577,992
Airport Maintenance - State Department of Transportation	N/A	(2)	54,749
Aging Program - State Commission on Aging	N/A	(2)	12,390
Juvenile Service Program - State Commission on Children and Youth	N/A	(2)	9,000
Coordinated School Health Grant - State Department of Education	N/A	(2)	99,948
Family Resource Center - State Department of Education	N/A	(2)	49,898
Safe Schools Act - State Department of Education	N/A	(2)	31,843
Early Childhood Education Program - State Department of Education	N/A	(2)	688,399
High Schools That Work - State Department of Education	N/A	(2)	11,504
Internet Connectivity Grant - State Department of Education	N/A	(2)	18,879
Drug Grant - State Department of Finance and Administration	N/A	(2)	59,151
Student Ticket Subsidy Grant - State Arts Commission	N/A	(2)	1,590
Archery Grant- State Wildlife Resources Agency	N/A	(2)	3,000
Lottery for Education: After School Program - State Department of Education	N/A	(2)	130,191
Total State Grants			<u>\$ 1,811,477</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 \$2,010,860

Campbell County, Tennessee  
Schedule of Audit Findings Not Corrected  
June 30, 2013

*Government Auditing Standards* require auditors to report the status of uncorrected findings from prior audits. Presented below is the finding from the Annual Financial Report for Campbell County, Tennessee, for the year ended June 30, 2012, which has not been corrected.

**OFFICES OF COUNTY CLERK, CLERK AND MASTER, AND REGISTER OF DEEDS**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
12.08	182	Duties were not segregated adequately

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**CAMPBELL COUNTY, TENNESSEE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2013**

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**PART I, SUMMARY OF AUDITOR'S RESULTS**

1. Our report on the financial statements of Campbell County is unmodified.
2. The audit of the financial statements of Campbell County disclosed a significant deficiency in internal control. The deficiency was not considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that are material to the financial statements of Campbell County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of *OMB Circular A-133*.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555), Abandoned Mine Land Reclamation (AMLR) Program (CFDA No. 15.252), Congressionally Mandated Projects (CFDA No. 66.202), Title I Grants to Local Education Agencies (CFDA No. 84.010), Special Education Cluster: Special Education - Grants to States and Special Education – Preschool Grants (CFDA Nos. 84.027 and 84.173), Improving Teacher Quality State Grants (CFDA No. 84.367), and State Fiscal Stabilization Fund – Race-to-the-Top Incentive Grants, Recovery Act (CFDA No. 84.395) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Campbell County did not qualify as a low-risk auditee.

## PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

### OFFICES OF FINANCE DIRECTOR AND ROAD SUPERINTENDENT

FINDING 2013-001                    **DEFICIENCIES WERE NOTED IN THE CONSTRUCTION OF A STORAGE BUILDING FOR THE ROAD DEPARTMENT**  
(Noncompliance Under *Government Auditing Standards*)

The road superintendent arranged for the construction of a storage building that cost \$19,000. We were advised that the construction of the building was completed in April 2013. The building was constructed by one company owned by Stanley E. Bostic; however, the road superintendent split his purchase requisitions to the Finance Office into four requisitions as follows.

<u>Date</u>	<u>Vendor</u>	<u>Description</u>	<u>Amount</u>
7-31-13	Stanley E. Bostic	Steel Beams and Joist	\$ 5,000
8-5-13	Eagle Bluff Steel Erectors, Inc.	Labor/Installation	5,000
8-12-13	Stanley E. Bostic	Steel Beams and Joist	5,000
8-19-13	Eagle Bluff Steel Erectors, Inc.	Labor/Installation	<u>4,000</u>
	Total		<u>\$ 19,000</u>

Purchasing procedures for the Office of Road Superintendent are governed by provisions of the County Financial Management System of 1981, which provide for purchases to be made by the purchasing agent under the supervision of the Financial Management Committee. The director of finance serves as the purchasing agent for the county. Purchases exceeding \$10,000 are required to be competitively bid.

The following deficiencies were noted related to the construction of the building:

- A. This purchase was arranged by the road superintendent instead of being handled by the purchasing agent.
- B. The construction of the building was completed prior to the issuance of any purchase requisitions by the road superintendent to the Finance Office.
- C. The submission of the purchase requisitions months after the building's completion appears to be an attempt to have the purchase charged to the following year's budget rather than to the budget of the year the building was

actually constructed. These expenditures have been recognized in the year the building was built in the financial statements of this report.

- D. The submission of multiple purchase requisitions on multiple dates for a building already constructed appears to be an attempt to circumvent the bid law.
- E. Competitive bids were not solicited for the construction project.

### RECOMMENDATION

All purchases should be made by the purchasing agent. Purchase requisitions should be issued to the Finance Office for review and subsequent issuance of purchase orders. Expenditures should be charged to the appropriate fiscal year. Purchase requisitions should not be split on multiple requisitions to circumvent bid requirements. Competitive bids should be solicited on all purchases expected to exceed \$10,000.

### MANAGEMENT'S RESPONSE – ROAD SUPERINTENDENT

In the winter, I spoke with Mr. Stanley Bostic/Eagle Bluff Steel Erectors, Inc., concerning contracting/building a building at the Campbell County quarry. We discussed what I envisioned, and I explained that this would have to be done when we received our new budget for the new fiscal year 2013-2014 and that it would have to go through a bidding process. I did not give authorization for Mr. Stanley Bostic to build/construct anything at the Campbell County quarry prior to obtaining a purchase order or going through the bidding process, if needed.

On March 28, 2013, my family and I went on a cruise and returned on April 6, 2013. After returning from my vacation, I found that my home had burned and was a complete loss, and that Mr. Stanley Bostic had built/constructed the building at the Campbell County quarry. Mr. Stanley Bostic believed wholeheartedly that he had done me a favor by constructing the building without knowing the consequences of violating the purchasing procedures. Mr. Bostic is a good friend, and I truly believe that he was trying to help me. I'm truly sorry for any inconveniences that this may have caused.

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### OFFICES OF FINANCE DIRECTOR AND COUNTY MAYOR

#### FINDING 2013-002

#### **AMOUNTS WITHHELD FROM CONTRACTOR PAYMENTS WERE NOT DEPOSITED INTO AN ESCROW ACCOUNT** (Noncompliance Under *Government Auditing Standards*)

The county did not deposit amounts withheld from contractor payments into an escrow account related to a \$11,878,484 construction contract for a new justice center. Section 66-34-104, *Tennessee Code Annotated*, requires that funds withheld from contractor payments be deposited into an escrow account with a third party for contracts of \$500,000 or more. This deficiency could result in the loss of interest earnings for the contractor.

RECOMMENDATION

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

MANAGEMENT’S RESPONSE – DIRECTOR OF FINANCE

Beginning October 18, 2013, Campbell County government will require the establishment of escrow bank accounts for all construction projects of \$500,000 or more at the time such construction contracts are executed.

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OFFICES OF COUNTY CLERK, CLERK AND MASTER, AND REGISTER OF DEEDS

FINDING 2013-003

**DUTIES WERE NOT SEGREGATED ADEQUATELY**

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

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

RECOMMENDATION

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

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**BEST PRACTICE**

**CAMPBELL COUNTY SHOULD ESTABLISH AN AUDIT COMMITTEE**

Campbell County does not have an Audit Committee. Sound business practices dictate that establishing an Audit Committee would significantly improve management oversight and accountability. The absence of an Audit Committee has been a management decision by the County Commission. The Division of Local Government Audit strongly believes that an Audit Committee is a best practice that should be adopted to assist the County Commission by providing independent and objective reviews of the financial reporting process, internal controls, the audit function, and being responsible for monitoring management’s plans to address various risks.

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

There were no findings and questioned costs for federal programs.

**CAMPBELL COUNTY, TENNESSEE**  
**AUDITEE REPORTING RESPONSIBILITIES**  
**For the Year Ended June 30, 2013**

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

**Finance Director and Director of Schools – Summary Schedule of Prior-Year's Findings**

**FINDINGS 12.02 and 12.09**

The finance director and director of schools have ensured that Substitute Teacher Training Programs were performed and paid out of General Purpose School Funds.

**FINDINGS 12.03 and 12.10**

The finance director and director of schools have ensured that Campbell County reported actual expenditures for each quarter within 45 days of the end of the quarter. Also, Campbell County performed reconciliations between the FACTS system and the accounting records. Campbell County did communicate data entry problems to the appropriate state agency by email.