ANNUAL FINANCIAL REPORT
WHITE COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2012

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FOR THE YEAR ENDED JUNE 30, 2012

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF LOCAL GOVERNMENT AUDIT
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Director

CARL LOWE, CGFM
Audit Manager

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Auditor 4

JAMES D. HODGES, CFE
KELLEY J. McNEAL, CPA, CGFM
State Auditors

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

WHITE COUNTY, TENNESSEE
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Audit Highlights

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

Scope

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

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICE OF FINANCE DIRECTOR

- A material audit adjustment was required in the Solid Waste Disposal Fund for proper financial statement presentation.
- The Solid Waste Disposal Fund had a deficit in unrestricted net assets.
- The solid waste accounting software did not identify the user who processed transactions.

OFFICES OF COUNTY CLERK AND REGISTER

- Multiple employees operated from the same cash drawer.

OFFICE OF SHERIFF

- Commissary bank statements were not reconciled with general ledger accounts.

INTRODUCTORY SECTION

White County Officials
June 30, 2012

Officials

Herd Sullivan, County Executive
Clay Parker, Road Superintendent
Sandra Crouch, Director of Schools
Brenda Officer, Trustee
Paytina Miller, Assessor of Property
Connie Jolley, County Clerk
Beverly Templeton, Circuit and General Sessions Courts Clerk
Gena Brock, Clerk and Master
Gary Brodgen, Register
Oddie Shoupe, Sheriff
Mark Farley, Finance Director

Board of County Commissioners

Terry Alley, Chairman
Andy Alley
Jerry Austin
Wallace Austin
Paul Bailey
Marion Bumbalough
Hank Clark
Joe England
Diana Haston
Al Klee
B.K. Luna
Matt McBride
Bruce Null
Denny Wayne Robinson

Board of Education

Gary Sparkman, Chairman
Ed Cantrell
Donna Jones
Richard McBride
Kenneth Robinson
Rebecca Tubb
Janet Webb

Financial Management Committee

Paul Bailey, Chairman
Herd Sullivan, County Executive
Clay Parker, Road Superintendent
Sandra Crouch, Director of Schools
Andy Alley
Joe England
Diana Haston

Audit Committee

Terry Alley, Chairman
Ben Holland
Matt McBride
Bruce Null
Denny Wayne Robinson

FINANCIAL SECTION

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

INDEPENDENT AUDITOR'S REPORT

September 26, 2012

White County Executive and
Board of County Commissioners
White County, Tennessee

To the County Executive and Board of County Commissioners:

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

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

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated, September 26, 2012, on our consideration of White County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

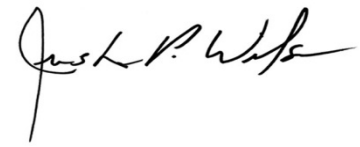
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison, pension, and other postemployment benefits information on pages 58 through 65 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not

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

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

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury

JPW/yu

Basic Financial Statements

Exhibit A

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

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	White County School Department
ASSETS				
Cash	$ 24,749	$ 0	$ 24,749	$ 0
Equity in Pooled Cash and Investments	4,193,304	537,013	4,730,317	20,690,995
Accounts Receivable	1,961,484	91,193	2,052,677	72
Allowance for Uncollectibles	(829,270)	0	(829,270)	0
Due from Other Governments	849,203	3,381	852,584	841,495
Property Taxes Receivable	4,593,224	0	4,593,224	3,348,331
Allowance for Uncollectible Property Taxes	(151,280)	0	(151,280)	(110,279)
Notes Receivable - Long-term	345,845	0	345,845	0
Deferred Charges - Debt Issuance Costs	126,660	0	126,660	0
Capital Assets:				
Assets Not Depreciated:				
Land	1,004,978	580,078	1,585,056	693,842
Construction in Progress	86,976	0	86,976	0
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	7,581,344	884,485	8,465,829	18,770,011
Infrastructure	5,795,406	0	5,795,406	0
Other Capital Assets	816,612	453,703	1,270,315	762,286
Total Assets	$ 26,399,235	$ 2,549,853	$ 28,949,088	$ 44,996,753
LIABILITIES				
Accounts Payable	$ 30,927	$ 8,537	$ 39,464	$ 0
Payroll Deductions Payable	0	0	0	388,656
Contracts Payable	0	0	0	34,685
Accrued Interest Payable	40,208	0	40,208	0
Due to Litigants, Heirs, and Others	8,879	0	8,879	0
Deferred Revenue - Current Property Taxes	4,278,275	0	4,278,275	3,118,742
Noncurrent Liabilities:				
Due Within One Year	1,207,857	206,826	1,414,683	64,069
Due in More Than One Year (net of deferred amount on refunding and unamortized premium on debt)	9,389,395	1,280,351	10,669,746	528,968
Total Liabilities	$ 14,955,541	$ 1,495,714	$ 16,451,255	$ 4,135,120
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	$ 10,030,874	$ 1,388,202	$ 11,419,076	$ 0
Invested in Capital Assets	0	0	0	20,226,139
Restricted for:				
Industrial/Economic Development	567,660	0	567,660	0
Drug Control	96,542	0	96,542	0
Highway/Public Works	857,078	0	857,078	0
Debt Service	1,068,877	0	1,068,877	0
Capital Projects	239,000	0	239,000	0
School Federal Projects	0	0	0	500,000
Central Cafeteria	0	0	0	715,556
Other Purposes	353,442	0	353,442	11,830,373
Unrestricted	(1,769,779)	(334,063)	(2,103,842)	7,589,565
Total Net Assets	$ 11,443,694	$ 1,054,139	$ 12,497,833	$ 40,861,633

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

Exhibit B

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

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
					Primary Government			Component Unit
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Business-type Activities	Total	White County School Department
Primary Government:								
Governmental Activities:								
General Government	$ 1,457,499	$ 365,271	$ 131,021	$ 0	$ (961,207)	$ 0	$ (961,207)	$ 0
Finance	801,438	499,160	15,164	0	(287,114)	0	(287,114)	0
Administration of Justice	771,220	470,349	9,000	0	(291,871)	0	(291,871)	0
Public Safety	3,946,974	1,397,375	62,088	0	(2,487,511)	0	(2,487,511)	0
Public Health and Welfare	1,383,051	1,092,082	56,155	637,093	402,279	0	402,279	0
Social, Cultural, and Recreational Services	456,978	0	0	0	(456,978)	0	(456,978)	0
Agriculture and Natural Resources	102,110	0	0	0	(102,110)	0	(102,110)	0
Other Operations	793,232	0	0	0	(793,232)	0	(793,232)	0
Highways/Public Works	1,709,317	0	1,600,486	144,312	35,481	0	35,481	0
Interest on Long-term Debt	473,124	0	0	0	(473,124)	0	(473,124)	0
Other Debt Service	35,189	0	0	0	(35,189)	0	(35,189)	0
Total Governmental Activities	$ 11,930,132	$ 3,824,237	$ 1,873,914	$ 781,405	$ (5,450,576)	$ 0	$ (5,450,576)	$ 0
Business-type Activities:								
Solid Waste Disposal	$ 1,250,491	$ 1,262,717	$ 43,245	$ 0	$ 0	$ 55,471	$ 55,471	$ 0
Total Primary Government	$ 13,180,623	$ 5,086,954	$ 1,917,159	$ 781,405	$ (5,450,576)	$ 55,471	$ (5,395,105)	$ 0
Component Unit:								
White County School Department	$ 30,687,198	$ 646,276	$ 4,683,684	$ 0	$ 0	$ 0	$ 0	$ (25,357,238)

(Continued)

Exhibit B

White County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets — Primary Government: Total Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Unit: White County School Department
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes					$ 4,088,683	$ 0	$ 4,088,683	$ 3,171,298
Property Taxes Levied for Debt Service					329,390	0	329,390	0
Local Option Sales Taxes					1,295,458	0	1,295,458	1,450,365
Litigation Tax - General					71,219	0	71,219	0
Litigation Tax - Special Purpose					54,483	0	54,483	0
Wholesale Beer Tax					178,635	0	178,635	0
Mineral Severance Tax					62,109	0	62,109	0
Business Tax					199,552	0	199,552	0
Other Local Taxes					33,252	0	33,252	2,794
Grants and Contributions Not Restricted to Specific Programs					563,321	0	563,321	21,155,516
Unrestricted Investment Earnings					122,133	0	122,133	3,116
Sale of Equipment					67,324	0	67,324	8,373
Premium Amortization					8,694	0	8,694	0
Miscellaneous					43,201	0	43,201	25,327
Total General Revenues					$ 7,117,454	$ 0	$ 7,117,454	$ 25,816,789
Insurance Recovery					$ 8,281	$ 0	$ 8,281	$ 19,586
Transfers					43,890	(43,890)	0	0
Change in Net Assets					$ 1,719,049	$ 11,581	$ 1,730,630	$ 479,137
Net Assets, July 1, 2011					9,724,645	1,730,625	11,455,270	40,382,496
Prior-period Adjustment					0	(688,067)	(688,067)	0
Net Assets, June 30, 2012					$ 11,443,694	$ 1,054,139	$ 12,497,833	$ 40,861,633

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

Exhibit C-1

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

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern-mental Funds	Total Govern-mental Funds
ASSETS					
Cash	$ 0	$ 0	$ 0	$ 24,749	$ 24,749
Equity in Pooled Cash and Investments	2,124,366	558,314	944,388	566,236	4,193,304
Accounts Receivable	1,959,295	0	492	1,697	1,961,484
Allowance for Uncollectibles	(829,270)	0	0	0	(829,270)
Due from Other Governments	398,471	298,764	151,968	0	849,203
Due from Other Funds	26,446	0	0	0	26,446
Property Taxes Receivable	4,249,805	0	343,419	0	4,593,224
Allowance for Uncollectible Property Taxes	(139,969)	0	(11,311)	0	(151,280)
Notes Receivable - Long-term	0	0	0	345,845	345,845
Total Assets	$ 7,789,144	$ 857,078	$ 1,428,956	$ 938,527	$ 11,013,705
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	$ 30,927	$ 0	$ 0	$ 0	$ 30,927
Due to Other Funds	0	0	0	26,446	26,446
Due to Litigants, Heirs, and Others	0	0	0	8,879	8,879
Deferred Revenue - Current Property Taxes	3,958,404	0	319,871	0	4,278,275
Deferred Revenue - Delinquent Property Taxes	142,060	0	11,480	0	153,540
Other Deferred Revenues	1,067,384	138,460	75,984	0	1,281,828
Total Liabilities	$ 5,198,775	$ 138,460	$ 407,335	$ 35,325	$ 5,779,895
Fund Balances					
Restricted:					
Restricted for General Government	$ 7,077	$ 0	$ 0	$ 0	$ 7,077
Restricted for Finance	7,810	0	0	0	7,810
Restricted for Administration of Justice	61,275	0	0	0	61,275
Restricted for Public Safety	0	0	0	96,542	96,542
Restricted for Other Operations	0	0	0	567,660	567,660
Restricted for Highways/Public Works	0	651,227	0	0	651,227
Restricted for Capital Outlay	0	0	0	239,000	239,000
Committed:					
Committed for Public Safety	128,092	0	0	0	128,092
Committed for Debt Service	0	0	1,021,621	0	1,021,621
Assigned:					
Assigned for General Government	71,654	0	0	0	71,654
Assigned for Finance	8,182	0	0	0	8,182
Assigned for Administration of Justice	1,153	0	0	0	1,153
Assigned for Public Safety	68,553	0	0	0	68,553
Assigned for Public Health and Welfare	17,064	0	0	0	17,064
Assigned for Social, Cultural, and Recreational Services	5,171	0	0	0	5,171
Assigned for Other Operations	49,065	0	0	0	49,065
Assigned for Highways/Public Works	0	67,391	0	0	67,391
Unassigned	2,165,273	0	0	0	2,165,273
Total Fund Balances	$ 2,590,369	$ 718,618	$ 1,021,621	$ 903,202	$ 5,233,810
Total Liabilities and Fund Balances	$ 7,789,144	$ 857,078	$ 1,428,956	$ 938,527	$ 11,013,705

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

Exhibit C-2

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

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		$ 5,233,810
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	$ 1,004,978	
Add: construction in progress	86,976	
Add: buildings and improvements net of accumulated depreciation	7,581,344	
Add: infrastructure net of accumulated depreciation	5,795,406	
Add: other capital assets net of accumulated depreciation	816,612	15,285,316
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	$ (10,100,000)	
Less: notes payable	(428,572)	
Less: other deferred revenue - premium on debt	(68,680)	
Add: deferred charges - debt issuance charges	126,660	
Less: accrued interest on bonds and notes	(40,208)	(10,510,800)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		1,435,368
Net assets of governmental activities (Exhibit A)		$ 11,443,694

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

Exhibit C-3

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

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern-mental Funds	Total Governmental Funds
Revenues					
Local Taxes	$ 5,029,737	$ 62,109	$ 1,246,370	$ 41,147	$ 6,379,363
Licenses and Permits	84,967	0	0	0	84,967
Fines, Forfeitures, and Penalties	116,935	0	0	75,054	191,989
Charges for Current Services	1,052,077	0	0	1,095	1,053,172
Other Local Revenues	154,190	63,132	114,217	19,560	351,099
Fees Received from County Officials	930,627	0	0	0	930,627
State of Tennessee	2,159,624	1,739,886	27,451	0	3,926,961
Federal Government	41,688	0	0	0	41,688
Other Governments and Citizens Groups	411,475	0	72,842	78,000	562,317
Total Revenues	$ 9,981,320	$ 1,865,127	$ 1,460,880	$ 214,856	$ 13,522,183
Expenditures					
Current:					
General Government	$ 1,184,654	$ 0	$ 0	$ 1,095	$ 1,185,749
Finance	801,438	0	0	0	801,438
Administration of Justice	771,220	0	0	0	771,220
Public Safety	3,873,176	0	0	41,099	3,914,275
Public Health and Welfare	1,390,394	0	0	0	1,390,394
Social, Cultural, and Recreational Services	456,978	0	0	0	456,978
Agriculture and Natural Resources	102,110	0	0	0	102,110
Other Operations	1,532,618	0	0	1,216	1,533,834
Highways	0	1,897,977	0	0	1,897,977
Debt Service:					
Principal on Debt	0	0	1,372,857	0	1,372,857
Interest on Debt	0	0	475,414	0	475,414
Other Debt Service	0	0	19,156	0	19,156
Total Expenditures	$ 10,112,588	$ 1,897,977	$ 1,867,427	$ 43,410	$ 13,921,402
Excess (Deficiency) of Revenues Over Expenditures	$ (131,268)	$ (32,850)	$ (406,547)	$ 171,446	$ (399,219)
Other Financing Sources (Uses)					
Insurance Recovery	$ 8,281	$ 0	$ 0	$ 0	$ 8,281
Transfers In	795,899	0	400,000	161,000	1,356,899
Transfers Out	(54,970)	(73,140)	0	(1,184,899)	(1,313,009)
Total Other Financing Sources (Uses)	$ 749,210	$ (73,140)	$ 400,000	$ (1,023,899)	$ 52,171
Net Change in Fund Balances	$ 617,942	$ (105,990)	$ (6,547)	$ (852,453)	$ (347,048)
Fund Balance, July 1, 2011	1,972,427	824,608	1,028,168	1,755,655	5,580,858
Fund Balance, June 30, 2012	$ 2,590,369	$ 718,618	$ 1,021,621	$ 903,202	$ 5,233,810

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

Exhibit C-4

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

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

Net change in fund balances - total governmental funds (Exhibit C-3)		$ (347,048)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	$ 1,261,469	
Less: current-year depreciation expense	(633,313)	628,156
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		
Add: loss on disposal of capital assets	$ 4,000	
Less: proceeds from sale or insurance recovery of disposed assets	(5,000)	(1,000)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2012	$ 1,435,368	
Less: deferred delinquent property taxes and other deferred June 30, 2011	(1,364,235)	71,133
(4) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:		
Add: principal payments on notes	$ 342,857	
Add: principal payments on bonds	1,030,000	
Add: annual premium on debt proceeds	8,694	
Less: annual deferred debt issuance costs	(16,033)	1,365,518
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable		2,290
Change in net assets of governmental activities (Exhibit B)		$ 1,719,049

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

Exhibit D-1

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

	Business-type Activities - Enterprise Fund	
	Solid Waste Disposal Fund	
ASSETS		
Current Assets:		
Equity in Pooled Cash and Investments	$	537,013
Accounts Receivable		91,193
Due from Other Governments		3,381
Total Current Assets	$	631,587
Noncurrent Assets:		
Capital Assets (Net of Accumulated Depreciation):		
Land	$	580,078
Buildings and Improvements		884,485
Other Capital Assets		453,703
Total Noncurrent Assets	$	1,918,266
Total Assets	$	2,549,853
LIABILITIES		
Current Liabilities:		
Accounts Payable	$	8,537
Total Current Liabilities	$	8,537
Noncurrent Liabilities:		
Due Within One Year	$	206,826
Due in More Than One Year		1,280,351
Total Noncurrent Liabilities	$	1,487,177
Total Liabilities	$	1,495,714
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	$	1,388,202
Unrestricted		(334,063)
Total Net Assets	$	1,054,139

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

Exhibit D-2

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

	Business-type Activities - Enterprise Fund
	Solid Waste Disposal Fund
Operating Revenues	
Charges for Current Services	$ 1,158,114
Other Local Revenues	104,603
Total Operating Revenues	$ 1,262,717
Operating Expenses	
Public Health and Welfare	$ 1,119,701
Depreciation	90,509
Miscellaneous	12,553
Total Operating Expenses	$ 1,222,763
Operating Income (Loss)	$ 39,954
Nonoperating Revenues (Expenses)	
Grants	$ 43,245
Interest on Notes	(27,728)
Total Nonoperating Revenues (Expenses)	$ 15,517
Income (Loss) Before Transfers	$ 55,471
Transfers Out	(43,890)
Change in Net Assets	$ 11,581
Prior-period Adjustment	(688,067)
Net Assets, June 30, 2011	1,730,625
Net Assets, June 30, 2012	$ 1,054,139

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

Exhibit D-3

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

	Business-type Activities - Enterprise Fund
	Solid Waste Disposal Fund
Cash Flows from Operating Activities	
Receipts from Customers and Users	$ 1,265,943
Payments to Suppliers	(650,763)
Payments to Employees	(453,157)
Other Payments	(12,553)
Net Cash Provided By (Used In) Operating Activities	$ 149,470
Cash Flows from Noncapital Financing Activities	
Grants Received	$ 42,864
Net Cash Provided By (Used In) Noncapital Financing Activities	$ 42,864
Cash Flows from Capital and Related Financing Activities	
Acquisition of Capital Assets	$ (134,383)
Principal Paid on Capital Outlay Notes	(141,967)
Interest Paid on Capital Outlay Notes	(27,728)
Net Cash Provided By (Used In) Capital and Related Financing Activities	$ (304,078)
Cash Flows from Noncapital Financing Activities	
Transfers to Other Funds	$ (43,890)
Net Cash Provided By (Used In) Noncapital Financing Activities	$ (43,890)
Net Increase (Decrease) in Cash	$ (155,634)
Cash, July 1, 2011	692,647
Cash, June 30, 2012	$ 537,013
Reconciliation of Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities	
Operating Income (Loss)	$ 39,954
Adjustment to Reconcile Net Operating Income to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	90,509
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	3,226
Increase (Decrease) in Accounts Payable	(2,219)
Increase (Decrease) in Landfill Closure/Postclosure Care Costs	18,000
Net Cash Provided By (Used In) Operating Activities	$ 149,470

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

Exhibit E

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

	Agency Funds
ASSETS	
Cash	$ 1,020,320
Due from Other Governments	64,030
Total Assets	$ 1,084,350
LIABILITIES	
Accounts Payable	$ 54,694
Contracts Payable	9,336
Due to Other Taxing Units	264,188
Due to Litigants, Heirs, and Others	756,132
Total Liabilities	$ 1,084,350

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

White 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 White County:

A. Reporting Entity

White County is a public municipal corporation governed by an elected 14-member board. As required by GAAP, these financial statements present White 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 White County School Department operates the public school system in the county, and the voters of White County elect its board. The School Department is fiscally dependent on the county because it may not issue debt without county approval, and its budget and property tax levy are subject to the County Commission's approval. The School Department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

The White County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of White County, and the White 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 White County Emergency Communications District were not available from other auditors in time for inclusion in this report.

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

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

Administrative Office:

White County Emergency
Communications District
2677 Crossville Highway
P.O. Box 911
Sparta, TN 38583

B. Government-wide and Fund Financial Statements

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

White County issues all debt for the discretely presented White County School Department. There were no debt issues contributed by the county to the School Department during the year ended June 30, 2012.

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

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

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

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

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

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

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to accrual and have been recognized as revenues of the current period.

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

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

White County reports the following major governmental funds:

> **General Fund** – This is the county's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
>
> **Highway/Public Works Fund** – This special revenue fund accounts for transactions of the county's Highway Department. Local and state gasoline/fuel taxes are the foundational revenues of this fund.
>
> **General Debt Service Fund** – This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

White County reports the following major proprietary fund:

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

Additionally, White County reports the following fund types:

> **Capital Projects Fund** – The General Capital Projects Fund accounts for funds to be used in the construction of a centralized fuel distribution facility in the county.
>
> **Agency Funds** – These funds account for amounts collected in an agency capacity by the constitutional officers, a pass-through community development grant, and local sales taxes received by the state to be forwarded to the various cities in White 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 White 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 the cafeteria operations in each of the schools. Grant funds and collections from food sales are the foundational revenues of this fund.

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has one proprietary fund, a major enterprise fund, used to account for the operations of the county's landfill. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenue of the county's enterprise fund is charges for services.

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

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

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

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

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

2. <u>Receivables and Payables</u>

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

All ambulance service and property taxes receivables are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 1.74 percent of total taxes levied.

Notes receivable in the Industrial/Economic Development Fund represent loans made by the county to local industries in the current and prior years and are included in the restricted fund balance.

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

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

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

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

Most payables are disaggregated on the face of the financial statements.

3. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental and business-type columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of $20,000 or more and an estimated useful life exceeding five 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:

Assets	Years
Buildings and Improvements	20-40
Other Capital Assets	5-15
Infrastructure:	
Roads	40

4. Compensated Absences

It is the county's policy not to allow for the accumulation of unused vacation days beyond year-end.

County employees may accumulate up to 60 days of sick leave. The granting of sick leave generally has no guaranteed payment attached and is not required to be accrued or recorded. However, county policy allows employees who retire with 30 years of continuous service to receive payment for 100 percent of their accumulated sick days based on their ending daily wage. The county did not determine and record the dollar value of these guaranteed payments for sick leave. Dollar values for compensated absences should be reported in the government-wide statements; however, due to the limited terms under which payment will be required for this leave, the amount would be immaterial to the financial statements of White County.

The general policy of the discretely presented School Department does not allow for the accumulation of vacation days beyond year-end for non-professional personnel. Professional personnel (teachers) receive two vacation days per year, which they are allowed to accumulate beyond year-end. Vacation pay is accrued when incurred in the government-wide financial statements for the discretely presented School Department.

The School Department's policy allows employees to accumulate sick days at varying rates depending upon their position. All professional

personnel (teachers) of the School Department are allowed to accumulate unlimited sick leave days. The granting of sick leave for professional personnel has no guaranteed payment attached and therefore is not required to be accrued or recorded. Nonteaching personnel may accumulate up to 60 days sick leave. Based on their daily wage, nonteaching personnel resigning or retiring with ten or more years of service are paid for 50 percent of their accumulated sick leave, while those resigning or retiring with 30 or more years of service receive 100 percent of their accumulated sick leave. All sick days for nonteaching personnel are accrued when incurred in the government-wide statements for the School Department.

A liability for vacation leave is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

Vested or accumulated vacation leave is accrued when incurred in proprietary funds using the accrual basis of accounting. White County's proprietary fund did not have a policy for accruing vested or accumulated vacation leave when it was incurred. However, these amounts would be immaterial to the financial statements of White County.

5. Long-term Obligations

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

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

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a

liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences, landfill closure and postclosure costs, and other postemployment benefits, are recognized to the extent that the liabilities have matured (come due for payment) each period.

6. Net Assets and Fund Equity

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

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

b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

c. Unrestricted net assets – All other net assets that do not meet the definition of restricted or invested in capital assets, net of related debt.

On the government-wide Statement of Net Assets (Exhibit A), the account Restricted for Other Purposes for the primary government consists of various restrictions totaling $353,442, with the primary restriction being for public safety ($128,092). For the discretely presented School Department, the account balance in Restricted for Other Purposes ($11,830,373) consists of restrictions for various programs, primarily the Basic Education Program ($10,725,106) and Vocational Education ($500,000).

As of June 30, 2012, White County had $9,350,000 in outstanding debt for capital purposes for the discretely presented White County School Department. This debt is a liability of White County; however, the capital assets acquired are reported in the financial statements of the School Department. Therefore, White County has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county's capital assets.

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

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

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

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

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The county's Financial Management Committee and the Board of Education are authorized bodies to make assignments.

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

7. Prior-period Adjustment

Net assets of the Solid Waste Disposal Fund were restated $688,067 from the prior year because an engineering report showed a significant change in the available space at the landfill, which materially increased the estimated closure/postclosure liability at June 30, 2012.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented White County School Department

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

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

Primary Government

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

Discretely Presented White County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund (special revenue fund), which is not budgeted, and the General Capital Projects Fund, which adopts a project length budget. 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/Executive, County Attorney, etc.). Management may make revisions within major categories, but only the County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

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

Funds	Description	Amount
Primary Government:		
Major Funds:		
General	Register - Scanning Project	$ 54,010
"	Jail Locks	38,700
"	Spec Building Project	48,800
"	Jail Food	25,000
"	Heart Monitors	20,000
Highway/Public Works	Highway Building Project	59,273
School Department:		
Major Funds:		
General Purpose School	Textbooks	59,275
"	Special Ed Bus	54,192
"	School Renovation Projects	309,438
"	School Furniture	57,476
Central Cafeteria	Cafeteria Equipment	21,993

B. Net Assets Deficit

The Solid Waste Disposal Fund had a deficit in unrestricted net assets of $334,063 at June 30, 2012. This deficit primarily resulted from the recognition of a liability totaling $957,113 for costs associated with closing the county's landfill and monitoring the landfill for 30 years after closure.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

White County and the White County School Department participate in an internal cash and investment pool through the Office of Trustee. The county trustee is the treasurer of the county and in this capacity is responsible for

receiving, disbursing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Cash reflected on the balance sheets or statements of net assets represents nonpooled amounts held separately by individual funds.

Deposits

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

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

Investments

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

agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

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

B. Notes Receivable

Notes receivable of $345,845 in the Industrial/Economic Development Fund resulted from loans issued by the county to local industries in the current and prior years.

C. Capital Assets

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

Primary Government

Governmental Activities:

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Capital Assets Not Depreciated:				
Land	$ 1,004,978	$ 0	$ 0	$ 1,004,978
Construction in Progress	0	86,976	0	86,976
Total Capital Assets Not Depreciated	$ 1,004,978	$ 86,976	$ 0	$ 1,091,954
Capital Assets Depreciated:				
Buildings and Improvements	$ 11,149,294	$ 0	$ 0	$ 11,149,294
Infrastructure	5,393,573	1,058,508	0	6,452,081
Other Capital Assets	2,977,741	115,985	(44,325)	3,049,401
Total Capital Assets Depreciated	$ 19,520,608	$ 1,174,493	$ (44,325)	$ 20,650,776
Less Accumulated Depreciation For:				
Buildings and Improvements	$ 3,296,954	$ 270,996	$ 0	$ 3,567,950
Infrastructure	510,971	145,704	0	656,675
Other Capital Assets	2,059,501	216,613	(43,325)	2,232,789
Total Accumulated Depreciation	$ 5,867,426	$ 633,313	$ (43,325)	$ 6,457,414

Governmental Activities (Cont.):

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Total Capital Assets Depreciated, Net	$ 13,653,182	$ 541,180	$ (1,000)	$ 14,193,362
Governmental Activities Capital Assets, Net	$ 14,658,160	$ 628,156	$ (1,000)	$ 15,285,316

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

Governmental Activities:

General Government	$ 271,750
Public Safety	81,743
Public Health and Welfare	63,599
Other Operations	16,333
Highways/Public Works	199,888
Total Depreciation Expense - Governmental Activities	$ 633,313

Business-type Activities:

	Balance 7-1-11	Increases	Balance 6-30-12
Capital Assets Not Depreciated:			
Land	$ 580,078	$ 0	$ 580,078
Total Capital Assets Not Depreciated	$ 580,078	$ 0	$ 580,078
Capital Assets Depreciated:			
Buildings and Improvements	$ 1,775,853	$ 53,883	$ 1,829,736
Other Capital Assets	1,512,602	80,500	1,593,102
Total Capital Assets Depreciated	$ 3,288,455	$ 134,383	$ 3,422,838

Business-type Activities (Cont.):

	Balance 7-1-11	Increases	Balance 6-30-12
Less Accumulated Depreciation For:			
Buildings and Improvements	$ 909,160	$ 36,091	$ 945,251
Other Capital Assets	1,084,981	54,418	1,139,399
Total Accumulated Depreciation	$ 1,994,141	$ 90,509	$ 2,084,650
Total Capital Assets Depreciated, Net	$ 1,294,314	$ 43,874	$ 1,338,188
Business-type Activities Capital Assets, Net	$ 1,874,392	$ 43,874	$ 1,918,266

There were no decreases in capital assets to report during the year ended June 30, 2012.

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

Business-type Activities:

Public Health and Welfare	$ 90,509
Total Depreciation Expense - Business-type Activities	$ 90,509

Discretely Presented White County School Department

Governmental Activities:

	Balance 7-1-11	Increases	Balance 6-30-12
Capital Assets Not Depreciated:			
Land	$ 693,842	$ 0	$ 693,842
Total Capital Assets Not Depreciated	$ 693,842	$ 0	$ 693,842

Governmental Activities (Cont.):

	Balance 7-1-11	Increases	Balance 6-30-12
Capital Assets Depreciated:			
Buildings and Improvements	$ 28,194,323	$ 505,068	$ 28,699,391
Other Capital Assets	2,107,818	163,058	2,270,876
Total Capital Assets Depreciated	$ 30,302,141	$ 668,126	$ 30,970,267
Less Accumulated Depreciation For:			
Buildings and Improvements	$ 9,225,724	$ 703,656	$ 9,929,380
Other Capital Assets	1,380,687	127,903	1,508,590
Total Accumulated Depreciation	$ 10,606,411	$ 831,559	$ 11,437,970
Total Capital Assets Depreciated, Net	$ 19,695,730	$ (163,433)	$ 19,532,297
Governmental Activities Capital Assets, Net	$ 20,389,572	$ (163,433)	$ 20,226,139

There were no decreases in capital assets to report during the year ended June 30, 2012.

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

Governmental Activities:

Instruction	$ 703,656
Support Services	127,903
Total Depreciation Expense - Governmental Activities	$ 831,559

D. Interfund Receivables, Payables, and Transfers

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

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	$ 26,446

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

Interfund Transfers:

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

Primary Government

	Transfers In		
Transfers Out	General Fund	General Debt Service Fund	Nonmajor Govern-mental Funds
Highway/Public Works Fund	$ 11,000	$ 0	$ 62,140
Local Purpose Tax Fund	784,899	400,000	0
General Fund	0	0	54,970
Solid Waste Disposal Fund	0	0	43,890
Total	$ 795,899	$ 400,000	$ 161,000

Discretely Presented White County School Department

	Transfer In
Transfer Out	General Purpose School Fund
School Federal Projects Fund	$ 24,522

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

E. Long-term Debt

Primary Government

General Obligation Bonds and Notes

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

are issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds and capital outlay notes are direct obligations and pledge the full faith and credit of the government. General obligation bonds and capital outlay notes outstanding were issued for original terms of up to 20 years for bonds and up to seven years for notes. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. General obligation bonds and capital outlay notes will be retired from the General Debt Service Fund.

General obligation bonds and capital outlay notes outstanding as of June 30, 2012, are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-12
General Obligation Bonds	4 to 4.4 %	6-15-25	$ 1,000,000	$ 750,000
General Obligation Bond - Refunding	3.85 to 4.24	6-1-20	13,245,000	9,350,000
Capital Outlay Notes	3.84 to 4.15	6-1-15	1,600,000	428,572

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2013	$ 1,065,000	$ 409,548	$ 1,474,548
2014	1,095,000	370,898	1,465,898
2015	1,145,000	329,123	1,474,123
2016	1,190,000	283,323	1,473,323
2017	1,240,000	235,723	1,475,723
2018-2022	4,155,000	417,545	4,572,545
2023-2025	210,000	18,855	228,855
Total	$ 10,100,000	$ 2,065,015	$ 12,165,015

Year Ending June 30	Notes Principal	Notes Interest	Notes Total
2013	$ 142,857	$ 17,786	$ 160,643
2014	142,857	11,857	154,714
2015	142,858	5,928	148,786
Total	$ 428,572	$ 35,571	$ 464,143

There is $1,021,621 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled $391, based on the 2010 federal census. Debt per capita, including bonds and notes totaled $407, based on the 2010 federal census.

Changes in Long-term Liabilities

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

Governmental Activities:

	Bonds	Notes
Balance, July 1, 2011	$ 11,130,000	$ 771,429
Deductions	(1,030,000)	(342,857)
Balance, June 30, 2012	$ 10,100,000	$ 428,572
Balance Due Within One Year	$ 1,065,000	$ 142,857

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2012	$ 10,528,572
Less: Balance Due Within One Year	(1,207,857)
Add: Unamortized Premium on Debt	68,680
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 9,389,395

Solid Waste Disposal Fund (Enterprise Fund)

Capital outlay notes were issued for original terms of up to 12 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All capital outlay notes included in long-term debt as of June 30, 2012, will be retired from the Solid Waste Disposal Fund.

Capital outlay notes outstanding as of June 30, 2012, are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-12
Capital Outlay Notes	4.48 to 4.5 %	12-1-15	$ 1,628,000	$ 530,064

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

Year Ending June 30	Notes Principal	Notes Interest	Notes Total
2013	$ 141,967	$ 21,436	$ 163,403
2014	141,967	15,069	157,036
2015	141,967	8,701	150,668
2016	104,163	2,333	106,496
Total	$ 530,064	$ 47,539	$ 577,603

Changes in Long-term Liabilities

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

Business-type Activities:	Notes	Closure/ Postclosure Care Costs
Balance, July 1, 2011	$ 672,031	$ 251,046
Additions	0	706,067
Deductions	(141,967)	0
Balance, June 30, 2012	$ 530,064	$ 957,113
Balance Due Within One Year	$ 141,967	$ 64,859

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2012	$ 1,487,177
Less: Balance Due Within One Year	(206,826)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 1,280,351

Debt per capita of the enterprise fund for the notes totaled $23, based on the 2010 federal census.

Discretely Presented White County School Department

Changes in Long-term Liabilities

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

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2011	$ 189,288	$ 326,303
Additions	77,114	318,198
Deductions	(74,972)	(242,894)
Balance, June 30, 2012	$ 191,430	$ 401,607
Balance Due Within One Year	$ 64,069	$ 0

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2012	$ 593,037
Less: Balance Due Within One Year	(64,069)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 528,968

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

F. On-Behalf Payments

Discretely Presented White County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the White County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2012, were $115,748 and $24,366, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

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

White County offers its general government employees a select benefits limited health plan purchased through a commercial carrier. This is a fully insured fixed rate limited plan in which all employees are eligible to participate; however, pre-65 age retirees are not allowed to remain on the program. Settled claims have not exceeded this commercial coverage.

The School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, *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.

B. Subsequent Events

On July 19, 2012, the county entered into a contract totaling $239,824 for the construction of a central fueling facility. Funding for this project has been provided by individual funds of the county, and transactions related to construction will be channeled through the General Capital Projects Fund.

Finance Director Mark Farley resigned August 13, 2012, and was succeeded by Lisa Robinson on an interim basis until a new director was hired. On September 5, 2012, Chad Marcum was hired as White County Finance Director effective October 1, 2012.

C. Contingent Liabilities

The attorney representing White County was not aware of any pending or threatened litigation involving the county or any of its departments.

In 2010-2011, the county executive entered into an agreement that allowed a private contractor to build a speculative industrial building on land owned by the county at the Airport Industrial Park. The contractor would retain ownership of the building and work with the White County Chamber of

Commerce, Highlands Initiative, and other organizations to market the building to industries. The agreement stipulates that if the building is not sold within two years following its completion, White County will purchase the building at construction cost plus eight percent. County officials estimate the cost of the building construction at $500,000.

D. Landfill Closure and Postclosure Care Costs

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

State and federal laws and regulations require White County to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The $957,113 reported as landfill closure and postclosure care liability at June 30, 2012, represents the cumulative amount reported to date based on the use of 61 percent of the estimated capacity of the landfill. The county will recognize the remaining estimated costs of $611,924 for closure and postclosure care as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2012. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

E. Joint Venture

The Upper Cumberland Regional Airport was established as a joint venture between White County, Putnam County, the City of Cookeville, and the City of Sparta. The Upper Cumberland Regional Airport operates the regional airport for the two-county area. The five-member board of the airport is comprised of one member appointed by each of the four participating governments with the fifth member of the board being the chief executive of one of the participating governments. This fifth board position serves a one-year term and rotates among the four participating governments in a prescribed order. Each participant retains a 25 percent ownership in the airport; however, the participant does not retain an equity interest in the airport. During the year ended June 30, 2012, the county contributed $33,000 to the operations of the airport. Complete financial statements for the Upper Cumberland Regional Airport can be obtained from the Upper Cumberland Regional Airport's administrative office at 750 Airport Road, Sparta, Tennessee 38583-8077, or from the County Clerk's Office at the White County Courthouse.

F. Jointly Governed Organization

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

G. Retirement Commitments

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

1. Tennessee Consolidated Retirement System (TCRS)

Plan Description

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

White County requires employees to contribute five percent of their earnable compensation to the plan. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2011, was 6.03 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2011, the county's annual pension cost of $525,396 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2009, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), and (c) projected 3.5 percent annual increase in the Social Security wage base. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The county's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2009, was six years. An actuarial valuation was performed as of July 1, 2009, which established contribution rates effective July 1, 2010.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-11	$525,396	100%	$0
6-30-10	373,405	100	0
6-30-09	358,874	100	0

Funded Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the plan was 85.25 percent funded. The actuarial accrued liability for benefits was $15 million, and the actuarial value of assets was $12 million, resulting in an unfunded actuarial accrued liability (UAAL) of $2 million. The covered payroll (annual payroll of active employees

covered by the plan) was $8 million, and the ratio of the UAAL to the covered payroll was 28.07 percent.

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

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

SCHOOL TEACHERS

Plan Description

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

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the

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

Funding Policy

Most teachers are required by state statute to contribute five percent of their salary to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2011, was 9.05 percent of annual covered payroll. The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2011, 2010, and 2009, were $1,299,956, $898,552, and $883,658, respectively, equal to the required contributions for each year.

2. Deferred Compensation

The White County School Department offers its employees a deferred compensation plan established pursuant to IRC Section 403(b). All costs of administering and funding the program are the responsibility of the plan participants. The Section 403(b) plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Section 403(b) establishes participation, contribution, and withdrawal provisions for the plans.

H. Other Postemployment Benefits (OPEB)

Plan Description

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

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employer in the plan develops its own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state provides a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. The White County School Department provides postretirement benefits, in accordance with contract provisions, to certified employees who retire from the School Department. The School Department pays each retiree $1,500 per year until the retiree is eligible for Medicare. This benefit is available to employees who retire after July 1, 1998, with a minimum of 30 years service. During the year examined, 47 retirees met those eligibility requirements, and the School Department contributed $242,894 for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan
ARC	$ 319,000
Interest on the NPO	13,052
Adjustment to the ARC	(13,854)
Annual OPEB cost	$ 318,198
Amount of contribution	(242,894)
Increase/decrease in NPO	$ 75,304
Net OPEB obligation, 7-1-11	326,303
Net OPEB obligation, 6-30-12	$ 401,607

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-10	Local Education Group	$ 229,840	100 %	$ 354,754
6-30-11	"	239,843	112	326,303
6-30-12	"	318,198	76	401,607

Funded Status and Funding Progress

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

		Local Education Group Plan
Actuarial valuation date		7-1-11
Actuarial accrued liability (AAL)	$	3,237,000
Actuarial value of plan assets	$	0
Unfunded actuarial accrued liability (UAAL)	$	3,237,000
Actuarial value of assets as a % of the AAL		0%
Covered payroll (active plan members)	$	14,343,028
UAAL as a % of covered payroll		23%

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

Actuarial Methods and Assumptions

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

In the July 1, 2011, actuarial valuation, the projected unit credit actuarial cost method was used, and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses). The annual healthcare cost trend rate for the Local Education Plan was 9.25 percent for fiscal year 2012. The trend rate will decrease to 8.75 percent in fiscal year 2013 and then be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. Both rates include a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with June 30, 2008.

I. Office of Central Accounting and Budgeting

Office of Director of Finance

White County operates under 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.

J. Purchasing Law

The County Financial Management System of 1981 provides for the finance director or a deputy appointed by him to serve as the county purchasing agent. The finance director serves as the purchasing agent for White County. All purchase orders are issued by the Finance Department. Purchases exceeding $10,000 are required to be competitively bid.

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 5,029,737	$ 0	$ 0	$ 5,029,737	$ 4,654,500	$ 4,654,500	$ 375,237
Licenses and Permits	84,967	0	0	84,967	74,000	74,000	10,967
Fines, Forfeitures, and Penalties	116,935	0	0	116,935	134,100	152,683	(35,748)
Charges for Current Services	1,052,077	0	0	1,052,077	1,070,776	1,070,776	(18,699)
Other Local Revenues	154,190	0	0	154,190	172,000	175,000	(20,810)
Fees Received from County Officials	930,627	0	0	930,627	928,000	928,000	2,627
State of Tennessee	2,159,624	0	0	2,159,624	1,802,332	1,804,618	355,006
Federal Government	41,688	0	0	41,688	81,622	83,222	(41,534)
Other Governments and Citizens Groups	411,475	0	0	411,475	385,096	385,096	26,379
Total Revenues	$ 9,981,320	$ 0	$ 0	$ 9,981,320	$ 9,302,426	$ 9,327,895	$ 653,425
Expenditures							
General Government							
County Commission	$ 73,763	$ 0	$ 0	$ 73,763	$ 75,278	$ 75,278	$ 1,515
County Mayor/Executive	141,328	0	0	141,328	143,436	143,436	2,108
County Attorney	25,010	0	0	25,010	25,055	25,055	45
Election Commission	144,976	(495)	1,171	145,652	165,646	165,646	19,994
Register of Deeds	156,235	(4,357)	68,860	220,738	182,766	236,776	16,038
Development	29,280	0	0	29,280	28,776	29,280	0
County Buildings	549,307	(6,925)	1,366	543,748	492,545	547,545	3,797
Other General Administration	11,797	(7,240)	0	4,557	55,000	5,000	443
Preservation of Records	52,958	(97)	257	53,118	59,459	59,459	6,341
Finance							
Accounting and Budgeting	221,155	(6,618)	0	214,537	233,133	228,163	13,626
Property Assessor's Office	180,904	0	8,000	188,904	212,058	212,058	23,154

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Finance (Cont.)							
Reappraisal Program	$ 28,311	$ (443)	$ 0	$ 27,868	$ 39,169	$ 39,169	$ 11,301
County Trustee's Office	159,128	(660)	182	158,650	163,600	163,600	4,950
County Clerk's Office	211,940	(250)	0	211,690	221,023	221,023	9,333
Administration of Justice							
Circuit Court	347,111	0	0	347,111	348,736	348,736	1,625
General Sessions Court	201,879	0	0	201,879	204,373	204,373	2,494
Drug Court	17,626	0	0	17,626	37,457	37,457	19,831
Chancery Court	142,882	(3,150)	1,153	140,885	155,559	155,559	14,674
Judicial Commissioners	48,465	0	0	48,465	49,411	49,411	946
Other Administration of Justice	13,257	0	0	13,257	19,600	19,600	6,343
Public Safety							
Sheriff's Department	1,489,819	(26,719)	16,243	1,479,343	1,466,153	1,484,736	5,393
Special Patrols	97,851	0	0	97,851	99,393	99,393	1,542
Traffic Control	25,032	0	0	25,032	25,032	25,032	0
Jail	1,765,891	(23,719)	52,280	1,794,452	1,814,298	1,814,298	19,846
Juvenile Services	51,009	0	0	51,009	51,505	51,505	496
Fire Prevention and Control	140,861	(10,000)	0	130,861	153,876	153,876	23,015
Civil Defense	17,477	(763)	30	16,744	25,500	25,500	8,756
Rescue Squad	9,000	0	0	9,000	9,000	9,000	0
County Coroner/Medical Examiner	45,439	0	0	45,439	30,000	50,000	4,561
Other Public Safety	230,797	(439)	0	230,358	220,950	238,871	8,513
Public Health and Welfare							
Local Health Center	75,899	(142)	0	75,757	77,990	77,990	2,233
Rabies and Animal Control	59,184	(140)	198	59,242	56,923	58,923	(319)

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Public Health and Welfare (Cont.)							
Ambulance/Emergency Medical Services	$ 1,202,866	$ (493)	$ 16,867	$ 1,219,240	$ 1,171,595	$ 1,232,595	$ 13,355
Crippled Children Services	55	0	0	55	4,720	4,720	4,665
Other Local Health Services	1,120	0	0	1,120	1,250	1,250	130
General Welfare Assistance	7,180	0	0	7,180	4,800	7,200	20
Other Local Welfare Services	675	0	0	675	1,250	1,250	575
Sanitation Education/Information	43,415	(1,900)	0	41,515	41,010	44,896	3,381
Social, Cultural, and Recreational Services							
Senior Citizens Assistance	146,586	(660)	148	146,074	192,910	192,910	46,836
Libraries	202,284	0	724	203,008	214,259	214,259	11,251
Parks and Fair Boards	80,108	(11,703)	4,300	72,705	123,500	123,500	50,795
Other Social, Cultural, and Recreational	28,000	0	0	28,000	28,000	28,000	0
Agriculture and Natural Resources							
Agriculture Extension Service	78,541	0	0	78,541	82,562	82,562	4,021
Forest Service	2,000	0	0	2,000	2,000	2,000	0
Soil Conservation	21,569	0	0	21,569	21,569	21,569	0
Other Operations							
Tourism	6,000	0	0	6,000	6,000	6,000	0
Industrial Development	896,495	(679,708)	48,800	265,587	347,500	347,500	81,913
Housing and Urban Development	44,203	(44,203)	0	0	50,000	50,000	50,000
Airport	33,000	0	0	33,000	33,000	33,000	0
Veterans' Services	45,406	(225)	44	45,225	49,115	49,115	3,890
Other Charges	328,832	(4,786)	219	324,265	295,636	325,636	1,371
Contributions to Other Agencies	38,682	0	0	38,682	41,130	41,130	2,448
Employee Benefits	30,000	0	0	30,000	30,000	30,000	0

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Other Operations (Cont.)							
Miscellaneous	$ 110,000	$ 0	$ 0	$ 110,000	$ 110,000	$ 110,000	$ 0
Total Expenditures	$ 10,112,588	$ (835,835)	$ 220,842	$ 9,497,595	$ 9,794,506	$ 10,004,840	$ 507,245
Excess (Deficiency) of Revenues Over Expenditures	$ (131,268)	$ 835,835	$ (220,842)	$ 483,725	$ (492,080)	$ (676,945)	$ 1,160,670
Other Financing Sources (Uses)							
Notes Issued	$ 0	$ 0	$ 0	$ 0	$ 213,218	$ 213,218	$ (213,218)
Insurance Recovery	8,281	0	0	8,281	15,000	15,000	(6,719)
Transfers In	795,899	0	0	795,899	224,000	224,000	571,899
Transfers Out	(54,970)	0	0	(54,970)	0	(54,970)	0
Total Other Financing Sources (Uses)	$ 749,210	$ 0	$ 0	$ 749,210	$ 452,218	$ 397,248	$ 351,962
Net Change in Fund Balance	$ 617,942	$ 835,835	$ (220,842)	$ 1,232,935	$ (39,862)	$ (279,697)	$ 1,512,632
Fund Balance, July 1, 2011	1,972,427	(835,835)	0	1,136,592	2,033,342	2,033,342	(896,750)
Fund Balance, June 30, 2012	$ 2,590,369	$ 0	$ (220,842)	$ 2,369,527	$ 1,993,480	$ 1,753,645	$ 615,882

Exhibit F-2

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 62,109	$ 0	$ 0	$ 62,109	$ 75,000	$ 75,000	$ (12,891)
Other Local Revenues	63,132	0	0	63,132	36,000	36,000	27,132
State of Tennessee	1,739,886	0	0	1,739,886	2,065,940	2,065,940	(326,054)
Total Revenues	$ 1,865,127	$ 0	$ 0	$ 1,865,127	$ 2,176,940	$ 2,176,940	$ (311,813)
Expenditures							
Highways							
Administration	$ 146,997	$ 0	$ 99	$ 147,096	$ 152,084	$ 152,084	$ 4,988
Highway and Bridge Maintenance	1,047,427	(80)	0	1,047,347	1,183,747	1,183,747	136,400
Operation and Maintenance of Equipment	229,746	0	5	229,751	220,000	260,000	30,249
Other Charges	100,075	0	0	100,075	109,000	109,000	8,925
Employee Benefits	0	0	0	0	10,000	10,000	10,000
Capital Outlay	373,732	(37,189)	67,287	403,830	690,900	588,760	184,930
Total Expenditures	$ 1,897,977	$ (37,269)	$ 67,391	$ 1,928,099	$ 2,365,731	$ 2,303,591	$ 375,492
Excess (Deficiency) of Revenues Over Expenditures	$ (32,850)	$ 37,269	$ (67,391)	$ (62,972)	$ (188,791)	$ (126,651)	$ 63,679
Other Financing Sources (Uses)							
Transfers Out	$ (73,140)	$ 0	$ 0	$ (73,140)	$ (11,000)	$ (73,140)	$ 0
Total Other Financing Sources (Uses)	$ (73,140)	$ 0	$ 0	$ (73,140)	$ (11,000)	$ (73,140)	$ 0
Net Change in Fund Balance	$ (105,990)	$ 37,269	$ (67,391)	$ (136,112)	$ (199,791)	$ (199,791)	$ 63,679
Fund Balance, July 1, 2011	824,608	(37,269)	0	787,339	824,969	824,969	(37,630)
Fund Balance, June 30, 2012	$ 718,618	$ 0	$ (67,391)	$ 651,227	$ 625,178	$ 625,178	$ 26,049

Exhibit F-3

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

(Dollar amounts in thousands)

Actuarial Valuation Date*	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-09	$ 12,421	$ 14,570	$ 2,149	85.25 %	$ 7,654	28.07 %
7-1-07	11,547	12,548	1,001	92.02	7,072	14.15

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

Exhibit F-4

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

(Dollar amounts in thousands)

Plan	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Local Education Group	7-1-09	$ 0	$ 2,397	$ 2,397	0 %	$ 10,364	23 %
"	7-1-10	0	2,477	2,477	0	10,364	24
"	7-1-11	0	3,237	3,237	0	14,343	23

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

BUDGETARY INFORMATION

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the White 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/Executive, County Attorney, etc.). Management may make revisions within major categories, but only the White County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

At June 30, 2012, White County reported the following significant encumbrances in the General and major special revenue funds:

Fund	Description	Amount
General	Register - Scanning Project	$ 54,010
"	Jail Locks	38,700
"	Spec Building Project	48,800
"	Jail Food	25,000
"	Heart Monitors	20,000
Highway/Public Works	Highway Building Project	59,273

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

Nonmajor Governmental Funds

Special Revenue Funds

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

Industrial/Economic Development Fund – The Industrial/Economic Development Fund is used to account for transactions involving notes receivable from corporations.

Local Purpose Tax Fund – The Local Purpose Tax Fund was used to account for local sales tax collections. This fund was closed during the year examined.

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

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

Capital Projects Fund

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

General Capital Projects Fund – The General Capital Projects Fund is used to account for funds to be used in the construction of a centralized fuel distribution facility in the county.

Exhibit G-1

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

	Special Revenue Funds				Capital Projects Fund	
	Industrial / Economic Development	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects	Total Nonmajor Governmental Funds
ASSETS						
Cash	$ 0	$ 0	$ 24,749	$ 24,749	$ 0	$ 24,749
Equity in Pooled Cash and Investments	221,815	105,421	0	327,236	239,000	566,236
Accounts Receivable	0	0	1,697	1,697	0	1,697
Notes Receivable - Long-term	345,845	0	0	345,845	0	345,845
Total Assets	$ 567,660	$ 105,421	$ 26,446	$ 699,527	$ 239,000	$ 938,527
LIABILITIES AND FUND BALANCES						
Liabilities						
Due to Other Funds	$ 0	$ 0	$ 26,446	$ 26,446	$ 0	$ 26,446
Due to Litigants, Heirs, and Others	0	8,879	0	8,879	0	8,879
Total Liabilities	$ 0	$ 8,879	$ 26,446	$ 35,325	$ 0	$ 35,325
Fund Balances						
Restricted:						
Restricted for Public Safety	$ 0	$ 96,542	$ 0	$ 96,542	$ 0	$ 96,542
Restricted for Other Operations	567,660	0	0	567,660	0	567,660
Restricted for Capital Outlay	0	0	0	0	239,000	239,000
Total Fund Balances	$ 567,660	$ 96,542	$ 0	$ 664,202	$ 239,000	$ 903,202
Total Liabilities and Fund Balances	$ 567,660	$ 105,421	$ 26,446	$ 699,527	$ 239,000	$ 938,527

Exhibit G-2

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

	Special Revenue Funds					Capital Projects Fund	
	Industrial / Economic Development	Local Purpose Tax	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects	Total Nonmajor Governmental Funds
Revenues							
Local Taxes	$ 0	$ 41,147	$ 0	$ 0	$ 41,147	$ 0	$ 41,147
Fines, Forfeitures, and Penalties	0	0	75,054	0	75,054	0	75,054
Charges for Current Services	0	0	0	1,095	1,095	0	1,095
Other Local Revenues	8,459	0	11,101	0	19,560	0	19,560
Other Governments and Citizens Groups	0	0	0	0	0	78,000	78,000
Total Revenues	$ 8,459	$ 41,147	$ 86,155	$ 1,095	$ 136,856	$ 78,000	$ 214,856
Expenditures							
Current:							
General Government	$ 0	$ 0	$ 0	$ 1,095	$ 1,095	$ 0	$ 1,095
Public Safety	0	0	41,099	0	41,099	0	41,099
Other Operations	0	585	631	0	1,216	0	1,216
Total Expenditures	$ 0	$ 585	$ 41,730	$ 1,095	$ 43,410	$ 0	$ 43,410
Excess (Deficiency) of Revenues Over Expenditures	$ 8,459	$ 40,562	$ 44,425	$ 0	$ 93,446	$ 78,000	$ 171,446
Other Financing Sources (Uses)							
Transfers In	$ 0	$ 0	$ 0	$ 0	$ 0	$ 161,000	$ 161,000
Transfers Out	0	(1,184,899)	0	0	(1,184,899)	0	(1,184,899)
Total Other Financing Sources (Uses)	$ 0	$ (1,184,899)	$ 0	$ 0	$ (1,184,899)	$ 161,000	$ (1,023,899)
Net Change in Fund Balances	$ 8,459	$ (1,144,337)	$ 44,425	$ 0	$ (1,091,453)	$ 239,000	$ (852,453)
Fund Balance, July 1, 2011	559,201	1,144,337	52,117	0	1,755,655	0	1,755,655
Fund Balance, June 30, 2012	$ 567,660	$ 0	$ 96,542	$ 0	$ 664,202	$ 239,000	$ 903,202

Exhibit G-3

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

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Other Local Revenues	$ 8,459	$ 10,000	$ 10,000	$ (1,541)
Total Revenues	$ 8,459	$ 10,000	$ 10,000	$ (1,541)
Excess (Deficiency) of Revenues Over Expenditures	$ 8,459	$ 10,000	$ 10,000	$ (1,541)
Net Change in Fund Balance	$ 8,459	$ 10,000	$ 10,000	$ (1,541)
Fund Balance, July 1, 2011	559,201	559,201	559,201	0
Fund Balance, June 30, 2012	$ 567,660	$ 569,201	$ 569,201	$ (1,541)

Exhibit G-4

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

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 41,147	$ 210,000	$ 210,000	$ (168,853)
Total Revenues	$ 41,147	$ 210,000	$ 210,000	$ (168,853)
Expenditures				
Other Operations				
Miscellaneous	$ 585	$ 3,000	$ 3,000	$ 2,415
Total Expenditures	$ 585	$ 3,000	$ 3,000	$ 2,415
Excess (Deficiency) of Revenues Over Expenditures	$ 40,562	$ 207,000	$ 207,000	$ (166,438)
Other Financing Sources (Uses)				
Transfers Out	$ (1,184,899)	$ (600,000)	$ (1,184,899)	$ 0
Total Other Financing Sources (Uses)	$ (1,184,899)	$ (600,000)	$ (1,184,899)	$ 0
Net Change in Fund Balance	$ (1,144,337)	$ (393,000)	$ (977,899)	$ (166,438)
Fund Balance, July 1, 2011	1,144,337	1,126,984	1,126,984	17,353
Fund Balance, June 30, 2012	$ 0	$ 733,984	$ 149,085	$ (149,085)

Exhibit G-5

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

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Fines, Forfeitures, and Penalties	$ 75,054	$ 40,000	$ 40,000	$ 35,054
Other Local Revenues	11,101	1,000	1,000	10,101
Total Revenues	$ 86,155	$ 41,000	$ 41,000	$ 45,155
Expenditures				
Public Safety				
Drug Enforcement	$ 41,099	$ 40,250	$ 50,250	$ 9,151
Other Operations				
Miscellaneous	631	750	750	119
Total Expenditures	$ 41,730	$ 41,000	$ 51,000	$ 9,270
Excess (Deficiency) of Revenues Over Expenditures	$ 44,425	$ 0	$ (10,000)	$ 54,425
Net Change in Fund Balance	$ 44,425	$ 0	$ (10,000)	$ 54,425
Fund Balance, July 1, 2011	52,117	47,488	47,488	4,629
Fund Balance, June 30, 2012	$ 96,542	$ 47,488	$ 37,488	$ 59,054

Major Governmental Fund

General Debt Service Fund

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

Exhibit H

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

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 1,246,370	$ 1,181,000	$ 1,181,000	$ 65,370
Other Local Revenues	114,217	200,000	200,000	(85,783)
State of Tennessee	27,451	25,000	25,000	2,451
Other Governments and Citizens Groups	72,842	100,000	100,000	(27,158)
Total Revenues	$ 1,460,880	$ 1,506,000	$ 1,506,000	$ (45,120)
Expenditures				
Principal on Debt				
General Government	$ 677,607	$ 677,607	$ 677,607	$ 0
Highways and Streets	134,000	134,000	134,000	0
Education	561,250	561,250	561,250	0
Interest on Debt				
General Government	241,700	241,704	241,704	4
Highways and Streets	2,573	2,573	2,573	0
Education	231,141	231,142	231,142	1
Other Debt Service				
General Government	19,156	28,000	28,000	8,844
Total Expenditures	$ 1,867,427	$ 1,876,276	$ 1,876,276	$ 8,849
Excess (Deficiency) of Revenues Over Expenditures	$ (406,547)	$ (370,276)	$ (370,276)	$ (36,271)
Other Financing Sources (Uses)				
Transfers In	$ 400,000	$ 400,000	$ 400,000	$ 0
Total Other Financing Sources (Uses)	$ 400,000	$ 400,000	$ 400,000	$ 0
Net Change in Fund Balance	$ (6,547)	$ 29,724	$ 29,724	$ (36,271)
Fund Balance, July 1, 2011	1,028,168	971,111	971,111	57,057
Fund Balance, June 30, 2012	$ 1,021,621	$ 1,000,835	$ 1,000,835	$ 20,786

Fiduciary Funds

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

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

Community Development - Agency Fund – The Community Development - Agency Fund is used to account for transactions related to pass-through community development grant funds.

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 I-1

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

	Agency Funds			
	Cities - Sales Tax	Community Development - Agency	Constitu-tional Officers - Agency	Total
ASSETS				
Cash	$ 264,188	$ 0	$ 756,132	$ 1,020,320
Due from Other Governments	0	64,030	0	64,030
Total Assets	$ 264,188	$ 64,030	$ 756,132	$ 1,084,350
LIABILITIES				
Accounts Payable	$ 0	$ 54,694	$ 0	$ 54,694
Contracts Payable	0	9,336	0	9,336
Due to Other Taxing Units	264,188	0	0	264,188
Due to Litigants, Heirs, and Others	0	0	756,132	756,132
Total Liabilities	$ 264,188	$ 64,030	$ 756,132	$ 1,084,350

Exhibit I-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
Cities - Sales Tax Fund				
Assets				
Equity in Pooled Cash and Investments	$ 0	$ 1,585,128	$ 1,585,128	$ 0
Due from Other Governments	258,185	264,188	258,185	264,188
Total Assets	$ 258,185	$ 1,849,316	$ 1,843,313	$ 264,188
Liabilities				
Due to Other Taxing Units	$ 258,185	$ 1,849,316	$ 1,843,313	$ 264,188
Total Liabilities	$ 258,185	$ 1,849,316	$ 1,843,313	$ 264,188
Community Development - Agency Fund				
Assets				
Equity in Pooled Cash and Investments	$ 0	$ 322,187	$ 322,187	$ 0
Due from Other Governments	0	64,030	0	64,030
Total Assets	$ 0	$ 386,217	$ 322,187	$ 64,030
Liabilities				
Accounts Payable	$ 0	$ 54,694	$ 0	$ 54,694
Contracts Payable	0	331,523	322,187	9,336
Total Liabilities	$ 0	$ 386,217	$ 322,187	$ 64,030
Constitutional Officers - Agency Fund				
Assets				
Cash	$ 434,049	$ 4,312,894	$ 3,990,811	$ 756,132
Total Assets	$ 434,049	$ 4,312,894	$ 3,990,811	$ 756,132
Liabilities				
Due to Litigants, Heirs, and Others	$ 434,049	$ 4,312,894	$ 3,990,811	$ 756,132
Total Liabilities	$ 434,049	$ 4,312,894	$ 3,990,811	$ 756,132
Totals - All Agency Funds				
Assets				
Cash	$ 434,049	$ 4,312,894	$ 3,990,811	$ 756,132
Equity in Pooled Cash and Investments	0	386,217	322,187	64,030
Due from Other Governments	258,185	264,188	258,185	264,188
Total Assets	$ 692,234	$ 4,963,299	$ 4,571,183	$ 1,084,350
Liabilities				
Due to Other Taxing Units	$ 258,185	$ 1,849,316	$ 1,843,313	$ 264,188
Accounts Payable	0	54,694	0	54,694
Contracts Payable	0	331,523	322,187	9,336
Due to Litigants, Heirs, and Others	434,049	4,312,894	3,990,811	756,132
Total Liabilities	$ 692,234	$ 6,548,427	$ 6,156,311	$ 1,084,350

White County School Department

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

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

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

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

Exhibit J-1

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

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Total Governmental Activities
Governmental Activities:				
Instruction	$ 19,642,880	$ 350	$ 2,713,814	$ (16,928,716)
Support Services	8,540,385	89,908	279,284	(8,171,193)
Operation of Non-Instructional Services	2,481,091	556,018	1,690,586	(234,487)
Other Debt Service	22,842	0	0	(22,842)
Total Governmental Activities	$ 30,687,198	$ 646,276	$ 4,683,684	$ (25,357,238)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				$ 3,171,298
Local Option Sales Taxes				1,450,365
Other Local Taxes				2,794
Grants and Contributions Not Restricted to Specific Programs				21,155,516
Unrestricted Investment Earnings				3,116
Sale of Equipment				8,373
Miscellaneous				25,327
Total General Revenues				$ 25,816,789
Insurance Recovery				$ 19,586
Change in Net Assets				$ 479,137
Net Assets, July 1, 2011				40,382,496
Net Assets, June 30, 2012				$ 40,861,633

Exhibit J-2

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

	Major Funds			Total
	General Purpose School	School Federal Projects	Central Cafeteria	Govern-mental Funds
ASSETS				
Equity in Pooled Cash and Investments	$ 19,818,801	$ 123,220	$ 748,974	$ 20,690,995
Accounts Receivable	72	0	0	72
Due from Other Governments	459,377	376,780	5,338	841,495
Property Taxes Receivable	3,348,331	0	0	3,348,331
Allowance for Uncollectible Property Taxes	(110,279)	0	0	(110,279)
Total Assets	$ 23,516,302	$ 500,000	$ 754,312	$ 24,770,614
LIABILITIES AND FUND BALANCES				
Liabilities				
Payroll Deductions Payable	$ 388,656	$ 0	$ 0	$ 388,656
Contracts Payable	34,685	0	0	34,685
Deferred Revenue - Current Property Taxes	3,118,742	0	0	3,118,742
Deferred Revenue - Delinquent Property Taxes	111,926	0	0	111,926
Other Deferred Revenues	128,325	0	0	128,325
Total Liabilities	$ 3,782,334	$ 0	$ 0	$ 3,782,334
Fund Balances				
Restricted:				
Restricted for Education	$ 1,167	$ 0	$ 721,443	$ 722,610
Committed:				
Committed for Education	11,774,253	0	0	11,774,253
Assigned:				
Assigned for Education	54,953	500,000	32,869	587,822
Unassigned	7,903,595	0	0	7,903,595
Total Fund Balances	$ 19,733,968	$ 500,000	$ 754,312	$ 20,988,280
Total Liabilities and Fund Balances	$ 23,516,302	$ 500,000	$ 754,312	$ 24,770,614

Exhibit J-3

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

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

Total fund balances - balance sheet - governmental funds (Exhibit J-2)		$ 20,988,280
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	$ 693,842	
Add: buildings and improvements net of accumulated depreciation	18,770,011	
Add: other capital assets net of accumulated depreciation	762,286	20,226,139
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: compensated absences payable	$ (191,430)	
Less: other postemployment benefits liability	(401,607)	(593,037)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		240,251
Net assets of governmental activities (Exhibit A)		$ 40,861,633

Exhibit J-4

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

	Major Funds			
	General Purpose School	School Federal Projects	Central Cafeteria	Total Governmental Funds
Revenues				
Local Taxes	$ 4,700,357	$ 0	$ 0	$ 4,700,357
Licenses and Permits	2,608	0	0	2,608
Charges for Current Services	75,285	0	556,018	631,303
Other Local Revenues	56,142	0	9,864	66,006
State of Tennessee	20,369,848	0	22,965	20,392,813
Federal Government	170,050	3,523,380	1,667,621	5,361,051
Other Governments and Citizens Groups	18,946	0	0	18,946
Total Revenues	$ 25,393,236	$ 3,523,380	$ 2,256,468	$ 31,173,084
Expenditures				
Current:				
Instruction	$ 16,168,239	$ 2,509,513	$ 0	$ 18,677,752
Support Services	7,107,806	1,131,498	0	8,239,304
Operation of Non-Instructional Services	360,927	0	2,127,888	2,488,815
Capital Outlay	1,017,606	0	0	1,017,606
Debt Service:				
Principal on Debt	22,842	0	0	22,842
Total Expenditures	$ 24,677,420	$ 3,641,011	$ 2,127,888	$ 30,446,319
Excess (Deficiency) of Revenues Over Expenditures	$ 715,816	$ (117,631)	$ 128,580	$ 726,765
Other Financing Sources (Uses)				
Insurance Recovery	$ 19,586	$ 0	$ 0	$ 19,586
Transfers In	24,522	0	0	24,522
Transfers Out	0	(24,522)	0	(24,522)
Total Other Financing Sources (Uses)	$ 44,108	$ (24,522)	$ 0	$ 19,586
Net Change in Fund Balances	$ 759,924	$ (142,153)	$ 128,580	$ 746,351
Fund Balance, July 1, 2011	18,974,044	642,153	625,732	20,241,929
Fund Balance, June 30, 2012	$ 19,733,968	$ 500,000	$ 754,312	$ 20,988,280

Exhibit J-5

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

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

Net change in fund balances - total governmental funds (Exhibit J-4)		$ 746,351
(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	$ 668,126	
Less: current-year depreciation expense	(831,559)	(163,433)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2012	$ 240,251	
Less: deferred delinquent property taxes and other deferred June 30, 2011	(266,586)	(26,335)
(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in other postemployment benefits liability	$ (75,304)	
Change in compensated absences payable	(2,142)	(77,446)
Change in net assets of governmental activities (Exhibit B)		$ 479,137

Exhibit J-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 4,700,357	$ 0	$ 0	$ 4,700,357	$ 4,673,000	$ 4,673,000	$ 27,357
Licenses and Permits	2,608	0	0	2,608	2,800	2,800	(192)
Charges for Current Services	75,285	0	0	75,285	62,300	62,300	12,985
Other Local Revenues	56,142	0	0	56,142	45,100	45,100	11,042
State of Tennessee	20,369,848	0	0	20,369,848	20,122,100	20,262,214	107,634
Federal Government	170,050	0	0	170,050	214,500	214,500	(44,450)
Other Governments and Citizens Groups	18,946	0	0	18,946	0	0	18,946
Total Revenues	$ 25,393,236	$ 0	$ 0	$ 25,393,236	$ 25,119,800	$ 25,259,914	$ 133,322
Expenditures							
Instruction							
Regular Instruction Program	$ 13,849,860	$ (115,182)	$ 125,971	$ 13,860,649	$ 14,501,245	$ 14,501,245	$ 640,596
Special Education Program	1,594,830	0	1,060	1,595,890	1,657,560	1,657,560	61,670
Vocational Education Program	655,948	0	0	655,948	722,550	722,550	66,602
Adult Education Program	67,601	0	0	67,601	120,530	120,530	52,929
Support Services							
Attendance	73,837	0	0	73,837	74,220	74,220	383
Health Services	169,230	0	0	169,230	178,740	178,740	9,510
Other Student Support	293,632	(1,188)	0	292,444	356,810	356,810	64,366
Regular Instruction Program	776,321	0	0	776,321	864,775	864,775	88,454
Special Education Program	96,422	0	0	96,422	100,285	100,285	3,863
Vocational Education Program	60,762	0	0	60,762	63,410	63,410	2,648
Adult Programs	82,026	0	0	82,026	86,200	86,200	4,174
Other Programs	140,114	0	0	140,114	0	140,114	0

(Continued)

Exhibit J-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Support Services (Cont.)							
Board of Education	$ 414,632	$ 0	$ 0	$ 414,632	$ 454,280	$ 454,280	$ 39,648
Director of Schools	117,035	(2,200)	3,600	118,435	130,590	130,590	12,155
Office of the Principal	1,271,153	0	0	1,271,153	1,302,375	1,302,375	31,222
Fiscal Services	122,405	(3,565)	3,091	121,931	113,855	126,855	4,924
Operation of Plant	1,860,191	(2,000)	17,023	1,875,214	2,223,500	2,223,500	348,286
Maintenance of Plant	405,660	(5,714)	23,076	423,022	469,270	469,270	46,248
Transportation	1,224,386	(8,321)	62,442	1,278,507	1,350,075	1,350,075	71,568
Operation of Non-Instructional Services							
Community Services	59,627	0	0	59,627	70,500	70,500	10,873
Early Childhood Education	301,300	0	0	301,300	301,300	301,300	0
Capital Outlay							
Regular Capital Outlay	1,017,606	(114,232)	276,253	1,179,627	170,000	1,227,585	47,958
Principal on Debt							
Education	22,842	0	0	22,842	225,000	225,000	202,158
Total Expenditures	$ 24,677,420	$ (252,402)	$ 512,516	$ 24,937,534	$ 25,537,070	$ 26,747,769	$ 1,810,235
Excess (Deficiency) of Revenues Over Expenditures	$ 715,816	$ 252,402	$ (512,516)	$ 455,702	$ (417,270)	$ (1,487,855)	$ 1,943,557
Other Financing Sources (Uses)							
Insurance Recovery	$ 19,586	$ 0	$ 0	$ 19,586	$ 0	$ 0	$ 19,586
Transfers In	24,522	0	0	24,522	50,000	50,000	(25,478)
Transfers Out	0	0	0	0	(13,000)	0	0
Total Other Financing Sources (Uses)	$ 44,108	$ 0	$ 0	$ 44,108	$ 37,000	$ 50,000	$ (5,892)

(Continued)

Exhibit J-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Net Change in Fund Balance	$ 759,924	$ 252,402	$ (512,516)	$ 499,810	$ (380,270)	$ (1,437,855)	$ 1,937,665
Fund Balance, July 1, 2011	18,974,044	(252,402)	0	18,721,642	17,840,197	17,840,197	881,445
Fund Balance, June 30, 2012	$ 19,733,968	$ 0	$ (512,516)	$ 19,221,452	$ 17,459,927	$ 16,402,342	$ 2,819,110

Exhibit J-7

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

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Federal Government	$ 3,523,380	$ 3,925,283	$ 4,305,868	$ (782,488)
Total Revenues	$ 3,523,380	$ 3,925,283	$ 4,305,868	$ (782,488)
Expenditures				
Instruction				
Regular Instruction Program	$ 1,707,358	$ 1,923,138	$ 2,114,893	$ 407,535
Special Education Program	742,162	769,606	1,019,605	277,443
Vocational Education Program	59,993	59,031	59,993	0
Support Services				
Other Student Support	557,587	548,504	563,141	5,554
Regular Instruction Program	319,756	427,623	365,743	45,987
Special Education Program	207,444	258,859	258,859	51,415
Vocational Education Program	1,925	1,925	1,925	0
Transportation	44,786	49,981	50,521	5,735
Total Expenditures	$ 3,641,011	$ 4,038,667	$ 4,434,680	$ 793,669
Excess (Deficiency) of Revenues Over Expenditures	$ (117,631)	$ (113,384)	$ (128,812)	$ 11,181
Other Financing Sources (Uses)				
Transfers Out	$ (24,522)	$ (28,769)	$ (30,836)	$ 6,314
Total Other Financing Sources (Uses)	$ (24,522)	$ (28,769)	$ (30,836)	$ 6,314
Net Change in Fund Balance	$ (142,153)	$ (142,153)	$ (159,648)	$ 17,495
Fund Balance, July 1, 2011	642,153	642,153	642,153	0
Fund Balance, June 30, 2012	$ 500,000	$ 500,000	$ 482,505	$ 17,495

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Charges for Current Services	$ 556,018	$ 0	$ 0	$ 556,018	$ 635,000	$ 635,000	$ (78,982)
Other Local Revenues	9,864	0	0	9,864	11,000	11,000	(1,136)
State of Tennessee	22,965	0	0	22,965	53,700	24,000	(1,035)
Federal Government	1,667,621	0	0	1,667,621	1,366,000	1,513,032	154,589
Total Revenues	$ 2,256,468	$ 0	$ 0	$ 2,256,468	$ 2,065,700	$ 2,183,032	$ 73,436
Expenditures							
Operation of Non-Instructional Services							
Food Service	$ 2,127,888	$ (34,974)	$ 32,869	$ 2,125,783	$ 2,137,695	$ 2,255,027	$ 129,244
Total Expenditures	$ 2,127,888	$ (34,974)	$ 32,869	$ 2,125,783	$ 2,137,695	$ 2,255,027	$ 129,244
Excess (Deficiency) of Revenues Over Expenditures	$ 128,580	$ 34,974	$ (32,869)	$ 130,685	$ (71,995)	$ (71,995)	$ 202,680
Net Change in Fund Balance	$ 128,580	$ 34,974	$ (32,869)	$ 130,685	$ (71,995)	$ (71,995)	$ 202,680
Fund Balance, July 1, 2011	625,732	(34,974)	0	590,758	536,238	536,238	54,520
Fund Balance, June 30, 2012	$ 754,312	$ 0	$ (32,869)	$ 721,443	$ 464,243	$ 464,243	$ 257,200

MISCELLANEOUS SCHEDULES

Exhibit K-1

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

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-11	Paid and/or Matured During Period	Outstanding 6-30-12
GOVERNMENTAL ACTIVITIES:							
NOTES PAYABLE							
Payable through General Debt Service Fund							
Industrial Development Land	$ 1,000,000	4.15 %	6-11-08	6-1-15	$ 571,429	$ 142,857	$ 428,572
Public Safety Vehicles/Road Improvements (1)	600,000	3.84	8-28-08	8-28-11	200,000	200,000	0
Total Notes Payable					$ 771,429	$ 342,857	$ 428,572
BONDS PAYABLE							
Payable through General Debt Service Fund							
Library	1,000,000	4 to 4.4	6-15-05	6-15-25	$ 795,000	$ 45,000	$ 750,000
School Refunding, Series 2008	5,120,000	3.85	9-17-08	6-1-20	3,985,000	385,000	3,600,000
School/Judicial Complex Refunding, Series 2008A	8,125,000	4.24	12-2-08	6-1-20	6,350,000	600,000	5,750,000
Total Bonds Payable					$ 11,130,000	$ 1,030,000	$ 10,100,000
BUSINESS-TYPE ACTIVITIES:							
NOTES PAYABLE							
Payable through Solid Waste Disposal Fund							
Landfill Improvements and Vehicles	1,250,000	4.48	12-1-03	12-1-15	$ 520,831	$ 104,167	$ 416,664
Compactor	378,000	4.5	6-21-05	6-21-15	151,200	37,800	113,400
Total Notes Payable					$ 672,031	$ 141,967	$ 530,064

(1) The Highway/Public Works Fund paid a portion of the principal for this note during the year ($134,000).

Exhibit K-2

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

GOVERNMENTAL ACTIVITIES:

Year Ending June 30	Notes Principal	Notes Interest	Notes Total
2013	$ 142,857	$ 17,786	$ 160,643
2014	142,857	11,857	154,714
2015	142,858	5,928	148,786
Total	$ 428,572	$ 35,571	$ 464,143

Year Ending June 30	Bonds Principal	Bonds Interest	Bonds Total
2013	$ 1,065,000	$ 409,548	$ 1,474,548
2014	1,095,000	370,898	1,465,898
2015	1,145,000	329,123	1,474,123
2016	1,190,000	283,323	1,473,323
2017	1,240,000	235,723	1,475,723
2018	1,290,000	185,027	1,475,027
2019	1,340,000	131,388	1,471,388
2020	1,400,000	74,640	1,474,640
2021	60,000	14,520	74,520
2022	65,000	11,970	76,970
2023	65,000	9,175	74,175
2024	70,000	6,380	76,380
2025	75,000	3,300	78,300
Total	$ 10,100,000	$ 2,065,015	$ 12,165,015

BUSINESS-TYPE ACTIVIES:

Year Ending June 30	Notes Principal	Notes Interest	Notes Total
2013	$ 141,967	$ 21,436	$ 163,403
2014	141,967	15,069	157,036
2015	141,967	8,701	150,668
2016	104,163	2,333	106,496
Total	$ 530,064	$ 47,539	$ 577,603

Exhibit K-3

White County, Tennessee
Schedule of Notes Receivable
For the Year Ended June 30, 2012

Description	Debtor	Original Amount of Notes	Date of Issue	Date of Maturity	Interest Rate	Balance 6-30-12	
Industrial/Economic Development Fund							
Industrial Development	Norcom, Inc.	$ 27,552	11-07	11-14	5%	$ 10,617	
"	K & V Automotive	80,000	5-04	5-11	2	38,337	(1)
"	Jackson Kayak	250,000	12-08	12-15	2	129,369	
"	CLS Molding	15,950	5-09	5-16	2	9,198	
"	S&S Screw	90,000	9-10	9-18	2	67,632	
"	CLS Molding	40,000	2-11	2-18	2	32,806	
"	Jackson Kayak	75,000	6-11	6-18	2	57,886	
Total						$ 345,845	

(1) This loan became delinquent during FYE June 30, 2011. K & V Automotive is making reduced payments on the loan, and during the year examined, K&V made principal payments totaling $638.

Exhibit K-4

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

From Fund	To Fund	Purpose	Amount
PRIMARY GOVERNMENT			
Highway/Public Works	General	Finance Department services	$ 11,000
"	General Capital Projects	Operations	62,140
General	"	"	54,970
Solid Waste Disposal	"	"	43,890
Local Purpose Tax	General	To close fund	784,899
"	General Debt Service	Debt retirement	400,000
Total Transfers Primary Government			$ 1,356,899
DISCRETELY PRESENTED WHITE COUNTY SCHOOL DEPARTMENT			
School Federal Projects	General Purpose School	Indirect costs	$ 24,522
Total Transfers Discretely Presented White County School Department			$ 24,522

Exhibit K-5

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

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Executive	Section 8-24-102, *TCA*	$ 71,322	$ 50,000	Auto Owners Insurance Company
Road Superintendent	Section 8-24-102, *TCA*	67,927	100,000	"
Director of Schools	State Board of Education and White County Board of Education	87,910 (1)	50,000	Auto Owners Insurance Company
Trustee	Section 8-24-102, *TCA*	61,751	972,000	"
Assessor of Property	Section 8-24-102, *TCA*	61,751	10,000	"
Finance Director	County Commission	61,751	50,000	"
County Clerk	Section 8-24-102, *TCA*	61,751	50,000	"
Circuit Court Clerk	Section 8-24-102, *TCA*	61,751	50,000	RLI Insurance Company
Clerk and Master	Section 8-24-102, *TCA* and Chancery Court Judge	61,751 (2)	75,000	Auto Owners Insurance Company
Register	Section 8-24-102, *TCA*	61,751	25,000	"
Sheriff	Section 8-24-102, *TCA*	67,927 (3)	50,000	"
Employee Dishonesty Bond Coverage:				
General County and Highway Employees			150,000	Tennessee Risk Management Trust
School Department Employees			150,000	"

(1) Includes chief executive officer training supplement of $1,000.
(2) Does not include special commissioner fees of $1,490.
(3) Does not include a law enforcement training supplement of $600.

Exhibit K-6

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

		Special Revenue Funds					Debt Service Fund	Capital Projects Fund	
	General	Industrial / Economic Development	Local Purpose Tax	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
Local Taxes									
County Property Taxes									
Current Property Tax	$ 3,815,754	$ 0	$ 0	$ 0	$ 0	$ 0	$ 308,341	$ 0	$ 4,124,095
Trustee's Collections - Prior Year	158,594	0	0	0	0	0	11,811	0	170,405
Circuit/Clerk & Master Collections - Prior Years	98,493	0	0	0	0	0	7,959	0	106,452
Interest and Penalty	27,476	0	0	0	0	0	2,219	0	29,695
County Local Option Taxes									
Local Option Sales Tax	334,866	0	41,147	0	0	0	905,459	0	1,281,472
Hotel/Motel Tax	5,497	0	0	0	0	0	5,497	0	10,994
Litigation Tax - General	71,219	0	0	0	0	0	0	0	71,219
Litigation Tax - Special Purpose	54,483	0	0	0	0	0	0	0	54,483
Litigation Tax - Jail, Workhouse, or Courthouse	22,258	0	0	0	0	0	0	0	22,258
Business Tax	199,552	0	0	0	0	0	0	0	199,552
Mineral Severance Tax	0	0	0	0	0	62,109	0	0	62,109
Statutory Local Taxes									
Bank Excise Tax	62,910	0	0	0	0	0	5,084	0	67,994
Wholesale Beer Tax	178,635	0	0	0	0	0	0	0	178,635
Total Local Taxes	$ 5,029,737	$ 0	$ 41,147	$ 0	$ 0	$ 62,109	$ 1,246,370	$ 0	$ 6,379,363
Licenses and Permits									
Licenses									
Cable TV Franchise	$ 81,846	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 81,846
Permits									
Beer Permits	3,121	0	0	0	0	0	0	0	3,121
Total Licenses and Permits	$ 84,967	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 84,967
Fines, Forfeitures, and Penalties									
Circuit Court									
Fines	$ 14,285	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 14,285
Officers Costs	6,657	0	0	0	0	0	0	0	6,657
Drug Control Fines	5,330	0	0	0	0	0	0	0	5,330
Drug Court Fees	822	0	0	0	0	0	0	0	822

(Continued)

Exhibit K-6

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

		Special Revenue Funds					Debt Service Fund	Capital Projects Fund	
	General	Industrial / Economic Development	Local Purpose Tax	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
Fines, Forfeitures, and Penalties (Cont.)									
Circuit Court (Cont.)									
Jail Fees	$ 277	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 277
DUI Treatment Fines	2,048	0	0	0	0	0	0	0	2,048
Data Entry Fee - Circuit Court	386	0	0	0	0	0	0	0	386
Courtroom Security Fee	1,846	0	0	0	0	0	0	0	1,846
General Sessions Court									
Fines	26,583	0	0	0	0	0	0	0	26,583
Officers Costs	35,359	0	0	0	0	0	0	0	35,359
Game and Fish Fines	408	0	0	0	0	0	0	0	408
Drug Control Fines	370	0	0	0	0	0	0	0	370
Drug Court Fees	1,862	0	0	0	0	0	0	0	1,862
Jail Fees	1,911	0	0	0	0	0	0	0	1,911
DUI Treatment Fines	2,117	0	0	0	0	0	0	0	2,117
Data Entry Fee - General Sessions Court	5,118	0	0	0	0	0	0	0	5,118
Courtroom Security Fee	836	0	0	0	0	0	0	0	836
Chancery Court									
Officers Costs	3,106	0	0	0	0	0	0	0	3,106
Data Entry Fee - Chancery Court	1,558	0	0	0	0	0	0	0	1,558
Other Courts - In-county									
Drug Control Fines	0	0	0	18,502	0	0	0	0	18,502
Jail Fees	30	0	0	0	0	0	0	0	30
Other Fines, Forfeitures, and Penalties									
Proceeds from Confiscated Property	6,026	0	0	56,552	0	0	0	0	62,578
Total Fines, Forfeitures, and Penalties	$ 116,935	$ 0	$ 0	$ 75,054	$ 0	$ 0	$ 0	$ 0	$ 191,989
Charges for Current Services									
General Service Charges									
Past Due Collections - Ambulance	$ 1,013,510	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 1,013,510
Fees									
Telephone Commissions	8,654	0	0	0	0	0	0	0	8,654
Constitutional Officers' Fees and Commissions	0	0	0	0	1,095	0	0	0	1,095

(Continued)

Exhibit K-6

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

		Special Revenue Funds					Debt Service Fund	Capital Projects Fund	
	General	Industrial / Economic Development	Local Purpose Tax	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
Charges for Current Services (Cont.)									
Fees (Cont.)									
Data Processing Fee - Register	$ 7,606	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 7,606
Data Processing Fee - Sheriff	15,833	0	0	0	0	0	0	0	15,833
Sexual Offender Registration Fees - Sheriff	3,800	0	0	0	0	0	0	0	3,800
Data Processing Fee - County Clerk	2,674	0	0	0	0	0	0	0	2,674
Total Charges for Current Services	$ 1,052,077	$ 0	$ 0	$ 0	$ 1,095	$ 0	$ 0	$ 0	$ 1,053,172
Other Local Revenues									
Recurring Items									
Investment Income	$ 0	$ 7,959	$ 0	$ 0	$ 0	$ 0	$ 114,174	$ 0	$ 122,133
Lease/Rentals	5,000	0	0	0	0	0	0	0	5,000
Commissary Sales	45,192	0	0	0	0	0	0	0	45,192
Sale of Maps	50,000	0	0	0	0	0	0	0	50,000
Sale of Recycled Materials	957	0	0	0	0	0	0	0	957
Miscellaneous Refunds	27,917	0	0	0	0	18,426	43	0	46,386
Nonrecurring Items									
Sale of Equipment	13,517	0	0	9,101	0	44,706	0	0	67,324
Damages Recovered from Individuals	1,315	0	0	0	0	0	0	0	1,315
Contributions and Gifts	10,292	0	0	2,000	0	0	0	0	12,292
Other Local Revenues									
Other Local Revenues	0	500	0	0	0	0	0	0	500
Total Other Local Revenues	$ 154,190	$ 8,459	$ 0	$ 11,101	$ 0	$ 63,132	$ 114,217	$ 0	$ 351,099
Fees Received from County Officials									
Fees in-Lieu-of Salary									
County Clerk	$ 199,473	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 199,473
Circuit Court Clerk	72,657	0	0	0	0	0	0	0	72,657
General Sessions Court Clerk	181,995	0	0	0	0	0	0	0	181,995
Clerk and Master	80,260	0	0	0	0	0	0	0	80,260
Register	89,660	0	0	0	0	0	0	0	89,660
Sheriff	9,569	0	0	0	0	0	0	0	9,569

(Continued)

Exhibit K-6

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

		Special Revenue Funds					Debt Service Fund	Capital Projects Fund	
	General	Industrial / Economic Development	Local Purpose Tax	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
Fees Received from County Officials (Cont.)									
Fees in-Lieu-of Salary (Cont.)									
Trustee	$ 297,013	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 297,013
Total Fees Received from County Officials	$ 930,627	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 930,627
State of Tennessee									
General Government Grants									
Juvenile Services Program	$ 9,000	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 9,000
Public Safety Grants									
Drug Control Grants	20,000	0	0	0	0	0	0	0	20,000
Other Public Safety Grants	14,373	0	0	0	0	0	0	0	14,373
Health and Welfare Grants									
Other Health and Welfare Grants	6,739	0	0	0	0	0	0	0	6,739
Public Works Grants									
State Aid Program	0	0	0	0	0	144,312	0	0	144,312
Litter Program	48,368	0	0	0	0	0	0	0	48,368
Other State Revenues									
Flood Control	1,048	0	0	0	0	0	0	0	1,048
Income Tax	66,168	0	0	0	0	0	0	0	66,168
Beer Tax	18,421	0	0	0	0	0	0	0	18,421
Alcoholic Beverage Tax	42,965	0	0	0	0	0	0	0	42,965
State Revenue Sharing - T.V.A.	339,712	0	0	0	0	0	27,451	0	367,163
Contracted Prisoner Boarding	938,890	0	0	0	0	0	0	0	938,890
Gasoline and Motor Fuel Tax	0	0	0	0	0	1,576,929	0	0	1,576,929
Petroleum Special Tax	0	0	0	0	0	18,645	0	0	18,645
Registrar's Salary Supplement	15,164	0	0	0	0	0	0	0	15,164
Other State Grants	637,093	0	0	0	0	0	0	0	637,093
Other State Revenues	1,683	0	0	0	0	0	0	0	1,683
Total State of Tennessee	$ 2,159,624	$ 0	$ 0	$ 0	$ 0	$ 1,739,886	$ 27,451	$ 0	$ 3,926,961

(Continued)

Exhibit K-6

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

		Special Revenue Funds					Debt Service Fund	Capital Projects Fund	
	General	Industrial / Economic Development	Local Purpose Tax	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total
Federal Government									
Federal Through State									
Other Federal through State	$ 1,600	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 1,600
Direct Federal Revenue									
Other Direct Federal Revenue	40,088	0	0	0	0	0	0	0	40,088
Total Federal Government	$ 41,688	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 41,688
Other Governments and Citizens Groups									
Other Governments									
Prisoner Board	$ 167,125	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 167,125
Contributions	918	0	0	0	0	0	72,842	78,000	151,760
Contracted Services	125,986	0	0	0	0	0	0	0	125,986
Citizens Groups									
Donations	11,875	0	0	0	0	0	0	0	11,875
Other									
Other	105,571	0	0	0	0	0	0	0	105,571
Total Other Governments and Citizens Groups	$ 411,475	$ 0	$ 0	$ 0	$ 0	$ 0	$ 72,842	$ 78,000	$ 562,317
Total	$ 9,981,320	$ 8,459	$ 41,147	$ 86,155	$ 1,095	$ 1,865,127	$ 1,460,880	$ 78,000	$ 13,522,183

Exhibit K-7

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

	General Purpose School	School Federal Projects	Central Cafeteria	Total
Local Taxes				
County Property Taxes				
Current Property Tax	$ 3,006,352	$ 0	$ 0	$ 3,006,352
Trustee's Collections - Prior Year	107,468	0	0	107,468
Circuit/Clerk & Master Collections - Prior Years	77,601	0	0	77,601
Interest and Penalty	21,645	0	0	21,645
County Local Option Taxes				
Local Option Sales Tax	1,434,932	0	0	1,434,932
Statutory Local Taxes				
Bank Excise Tax	49,565	0	0	49,565
Interstate Telecommunications Tax	2,794	0	0	2,794
Total Local Taxes	$ 4,700,357	$ 0	$ 0	$ 4,700,357
Licenses and Permits				
Licenses				
Marriage Licenses	$ 2,235	$ 0	$ 0	$ 2,235
Permits				
Other Permits	373	0	0	373
Total Licenses and Permits	$ 2,608	$ 0	$ 0	$ 2,608
Charges for Current Services				
Education Charges				
Tuition - Summer School	$ 350	$ 0	$ 0	$ 350
Lunch Payments - Children	0	0	291,783	291,783
Lunch Payments - Adults	0	0	53,600	53,600
Income from Breakfast	0	0	35,575	35,575
A la carte Sales	0	0	175,060	175,060
Receipts from Individual Schools	64,966	0	0	64,966
TBI Criminal Background Fees	5,580	0	0	5,580
Other Charges for Services				
Other Charges for Services	4,389	0	0	4,389
Total Charges for Current Services	$ 75,285	$ 0	$ 556,018	$ 631,303
Other Local Revenues				
Recurring Items				
Investment Income	$ 0	$ 0	$ 3,116	$ 3,116
Lease/Rentals	3,600	0	0	3,600
Refund of Telecommunication & Internet Fees (E-Rate)	17,092	0	0	17,092
Miscellaneous Refunds	1,859	0	6,059	7,918
Nonrecurring Items				
Sale of Equipment	7,684	0	689	8,373
Damages Recovered from Individuals	317	0	0	317
Contributions and Gifts	15,722	0	0	15,722
Other Local Revenues				
Other Local Revenues	9,868	0	0	9,868
Total Other Local Revenues	$ 56,142	$ 0	$ 9,864	$ 66,006
State of Tennessee				
General Government Grants				
On-Behalf Contributions for OPEB	$ 140,114	$ 0	$ 0	$ 140,114

(Continued)

Exhibit K-7

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

	General Purpose School	School Federal Projects	Central Cafeteria	Total
State of Tennessee (Cont.)				
State Education Funds				
Basic Education Program	$ 19,185,999	$ 0	$ 0	$ 19,185,999
Early Childhood Education	301,292	0	0	301,292
School Food Service	0	0	22,965	22,965
Driver Education	866	0	0	866
Other State Education Funds	207,668	0	0	207,668
Career Ladder Program	156,962	0	0	156,962
Career Ladder - Extended Contract	97,300	0	0	97,300
Other State Revenues				
State Revenue Sharing - T.V.A.	267,652	0	0	267,652
Other State Grants	1,700	0	0	1,700
Other State Revenues	10,295	0	0	10,295
Total State of Tennessee	$ 20,369,848	$ 0	$ 22,965	$ 20,392,813
Federal Government				
Federal Through State				
USDA School Lunch Program	$ 0	$ 0	$ 1,119,277	$ 1,119,277
USDA - Commodities	0	0	117,332	117,332
Breakfast	0	0	363,708	363,708
USDA - Other	0	0	35,156	35,156
Adult Education State Grant Program	99,429	0	0	99,429
Vocational Education - Basic Grants to States	0	70,218	0	70,218
Title I Grants to Local Education Agencies	0	1,164,123	0	1,164,123
Special Education - Grants to States	0	828,426	0	828,426
Special Education Preschool Grants	0	118,509	0	118,509
Rural Education	0	88,545	0	88,545
Eisenhower Professional Development State Grants	0	176,262	0	176,262
Job Training Partnership Act	11,000	0	0	11,000
Race-to-the-Top - ARRA	0	326,855	0	326,855
Other Federal through State	0	750,442	32,148	782,590
Direct Federal Revenue				
ROTC Reimbursement	59,621	0	0	59,621
Total Federal Government	$ 170,050	$ 3,523,380	$ 1,667,621	$ 5,361,051
Other Governments and Citizens Groups				
Other Governments				
Contributions	$ 18,946	$ 0	$ 0	$ 18,946
Total Other Governments and Citizens Groups	$ 18,946	$ 0	$ 0	$ 18,946
Total	$ 25,393,236	$ 3,523,380	$ 2,256,468	$ 31,173,084

Exhibit K-8

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

General Fund		
General Government		
County Commission		
Board and Committee Members Fees	$ 42,000	
Other Per Diem and Fees	1,200	
Social Security	2,678	
State Retirement	72	
Employer Medicare	626	
Advertising	2,525	
Audit Services	17,420	
Dues and Memberships	3,250	
Travel	2,004	
Other Supplies and Materials	1,988	
Total County Commission		$ 73,763
County Mayor/Executive		
County Official/Administrative Officer	$ 71,322	
Assistant(s)	32,820	
Social Security	6,373	
State Retirement	6,271	
Employer Medicare	1,490	
Communication	2,614	
Dues and Memberships	1,250	
Maintenance Agreements	3,055	
Postal Charges	2,810	
Travel	6,747	
Office Supplies	3,587	
Office Equipment	2,989	
Total County Mayor/Executive		141,328
County Attorney		
County Official/Administrative Officer	$ 22,000	
Social Security	1,364	
State Retirement	1,327	
Employer Medicare	319	
Total County Attorney		25,010
Election Commission		
County Official/Administrative Officer	$ 55,576	
Assistant(s)	26,614	
Election Commission	4,800	
Election Workers	11,462	
Social Security	5,640	

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
General Government (Cont.)		
Election Commission (Cont.)		
State Retirement	$ 4,956	
Employer Medicare	1,319	
Communication	1,601	
Legal Notices, Recording, and Court Costs	3,609	
Maintenance and Repair Services - Office Equipment	2,677	
Postal Charges	3,988	
Travel	2,853	
Office Supplies	2,535	
Other Supplies and Materials	4,923	
Data Processing Equipment	11,497	
Furniture and Fixtures	926	
Total Election Commission		$ 144,976
Register of Deeds		
County Official/Administrative Officer	$ 61,751	
Assistant(s)	33,820	
Deputy(ies)	30,140	
Social Security	7,794	
State Retirement	7,146	
Employer Medicare	1,823	
Communication	1,508	
Dues and Memberships	670	
Maintenance and Repair Services - Office Equipment	4,697	
Postal Charges	1,982	
Travel	1,831	
Office Supplies	3,073	
Total Register of Deeds		156,235
Development		
Other Contracted Services	$ 29,280	
Total Development		29,280
County Buildings		
Custodial Personnel	$ 50,948	
Other Salaries and Wages	6,699	
Social Security	2,269	
State Retirement	2,418	
Employer Medicare	795	
Maintenance and Repair Services - Buildings	115,641	
Maintenance and Repair Services - Equipment	19,505	

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
General Government (Cont.)		
County Buildings (Cont.)		
Rentals	$ 7,800	
Utilities	65,291	
Other Supplies and Materials	19,037	
Building and Contents Insurance	143,904	
Judgments	50,000	
Workers' Compensation Insurance	65,000	
Total County Buildings		$ 549,307
Other General Administration		
Building Improvements	$ 11,797	
Total Other General Administration		11,797
Preservation of Records		
Supervisor/Director	$ 29,373	
Other Salaries and Wages	8,570	
Social Security	2,341	
State Retirement	1,110	
Employer Medicare	547	
Communication	2,724	
Other Supplies and Materials	8,293	
Total Preservation of Records		52,958
Finance		
Accounting and Budgeting		
County Official/Administrative Officer	$ 61,751	
Assistant(s)	83,340	
Social Security	8,996	
State Retirement	8,160	
Employer Medicare	2,104	
Accounting Services	10,872	
Advertising	1,681	
Communication	4,592	
Postal Charges	7,597	
Travel	2,047	
Other Contracted Services	1,823	
Office Supplies	11,372	
Data Processing Equipment	14,645	
Office Equipment	2,175	
Total Accounting and Budgeting		221,155

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Finance (Cont.)		
Property Assessor's Office		
County Official/Administrative Officer	$ 61,751	
Assistant(s)	50,679	
Deputy(ies)	30,140	
Board and Committee Members Fees	2,259	
Social Security	8,817	
State Retirement	7,786	
Employer Medicare	2,062	
Communication	1,464	
Data Processing Services	850	
Dues and Memberships	1,250	
Postal Charges	1,093	
Travel	1,290	
Other Contracted Services	7,355	
Office Supplies	2,594	
In Service/Staff Development	1,334	
Office Equipment	180	
Total Property Assessor's Office		$ 180,904
Reappraisal Program		
Secretary(ies)	$ 22,205	
Social Security	1,377	
Employer Medicare	322	
Data Processing Services	3,687	
Office Supplies	720	
Total Reappraisal Program		28,311
County Trustee's Office		
County Official/Administrative Officer	$ 61,751	
Assistant(s)	29,839	
Deputy(ies)	30,140	
Social Security	7,528	
State Retirement	7,206	
Employer Medicare	1,761	
Advertising	212	
Communication	1,246	
Dues and Memberships	676	
Postal Charges	4,505	
Travel	1,002	
Office Supplies	1,163	
Data Processing Equipment	11,399	

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Finance (Cont.)		
County Trustee's Office (Cont.)		
Office Equipment	$ 700	
Total County Trustee's Office		$ 159,128
County Clerk's Office		
County Official/Administrative Officer	$ 61,751	
Assistant(s)	83,384	
Deputy(ies)	29,874	
Social Security	10,851	
State Retirement	10,328	
Employer Medicare	2,538	
Communication	1,941	
Dues and Memberships	426	
Postal Charges	2,328	
Office Supplies	3,646	
Data Processing Equipment	4,873	
Total County Clerk's Office		211,940
Administration of Justice		
Circuit Court		
County Official/Administrative Officer	$ 61,751	
Assistant(s)	133,066	
Deputy(ies)	30,140	
Social Security	13,715	
State Retirement	13,565	
Medical Insurance	1,200	
Employer Medicare	3,208	
Communication	3,770	
Dues and Memberships	426	
Maintenance and Repair Services - Office Equipment	4,668	
Postal Charges	12,012	
Travel	437	
Office Supplies	15,152	
Data Processing Equipment	53,028	
Office Equipment	973	
Total Circuit Court		347,111
General Sessions Court		
Judge(s)	$ 141,031	
Secretary(ies)	32,676	
Social Security	8,671	

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Administration of Justice (Cont.)		
General Sessions Court (Cont.)		
State Retirement	$ 10,474	
Employer Medicare	2,519	
Communication	1,580	
Dues and Memberships	1,029	
Travel	1,822	
Office Supplies	2,077	
Total General Sessions Court		$ 201,879
Drug Court		
Other Salaries and Wages	$ 4,680	
Social Security	290	
State Retirement	282	
Employer Medicare	68	
Contracts with Government Agencies	11,597	
Other Supplies and Materials	709	
Total Drug Court		17,626
Chancery Court		
County Official/Administrative Officer	$ 61,751	
Assistant(s)	14,552	
Deputy(ies)	30,140	
Social Security	6,599	
State Retirement	5,541	
Employer Medicare	1,543	
Communication	910	
Dues and Memberships	536	
Postal Charges	6,500	
Office Supplies	4,649	
Data Processing Equipment	5,030	
Office Equipment	5,131	
Total Chancery Court		142,882
Judicial Commissioners		
County Official/Administrative Officer	$ 43,111	
Social Security	2,673	
Employer Medicare	625	
Other Supplies and Materials	2,056	
Total Judicial Commissioners		48,465

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Administration of Justice (Cont.)		
Other Administration of Justice		
Other Salaries and Wages	$ 1,900	
Jury and Witness Expense	11,357	
Total Other Administration of Justice		$ 13,257
Public Safety		
Sheriff's Department		
County Official/Administrative Officer	$ 67,927	
Deputy(ies)	942,362	
Secretary(ies)	29,183	
Other Salaries and Wages	22,000	
Social Security	66,700	
State Retirement	60,813	
Medical Insurance	1,569	
Employer Medicare	15,599	
Dues and Memberships	1,530	
Maintenance and Repair Services - Vehicles	18,467	
Other Contracted Services	6,792	
Gasoline	121,055	
Uniforms	7,784	
Other Supplies and Materials	30,436	
In Service/Staff Development	1,407	
Other Charges	4,943	
Data Processing Equipment	17,067	
Law Enforcement Equipment	24,186	
Motor Vehicles	49,999	
Total Sheriff's Department		1,489,819
Special Patrols		
Other Salaries and Wages	$ 72,527	
Social Security	4,497	
State Retirement	3,195	
Employer Medicare	1,052	
Communication	1,068	
Office Supplies	159	
Other Supplies and Materials	1,159	
Other Charges	14,194	
Total Special Patrols		97,851
Traffic Control		
Overtime Pay	$ 17,620	

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Public Safety (Cont.)		
Traffic Control (Cont.)		
Social Security	$ 1,093	
State Retirement	1,063	
Employer Medicare	256	
Law Enforcement Equipment	5,000	
Total Traffic Control		$ 25,032
Jail		
Supervisor/Director	$ 15,315	
Guards	791,398	
Clerical Personnel	29,183	
Cafeteria Personnel	19,482	
Other Salaries and Wages	18,616	
Social Security	55,837	
State Retirement	51,641	
Employer Medicare	12,581	
Communication	16,125	
Contracts with Other Public Agencies	2,780	
Janitorial Services	275	
Maintenance Agreements	16,080	
Medical and Dental Services	210,387	
Food Supplies	294,524	
Uniforms	3,909	
Utilities	177,669	
Other Supplies and Materials	39,133	
In Service/Staff Development	7,630	
Law Enforcement Equipment	3,326	
Total Jail		1,765,891
Juvenile Services		
Other Salaries and Wages	$ 42,048	
Social Security	2,607	
State Retirement	2,536	
Employer Medicare	610	
Communication	410	
Travel	2,600	
Office Supplies	198	
Total Juvenile Services		51,009
Fire Prevention and Control		
Contracts with Government Agencies	$ 25,000	

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Public Safety (Cont.)		
Fire Prevention and Control (Cont.)		
Contributions	$ 113,708	
Other Supplies and Materials	2,153	
Total Fire Prevention and Control		$ 140,861
Civil Defense		
Contracts with Private Agencies	$ 4,500	
Other Supplies and Materials	12,796	
Other Capital Outlay	181	
Total Civil Defense		17,477
Rescue Squad		
Contributions	$ 9,000	
Total Rescue Squad		9,000
County Coroner/Medical Examiner		
Medical Personnel	$ 45,439	
Total County Coroner/Medical Examiner		45,439
Other Public Safety		
Contracts with Other Public Agencies	$ 100,000	
Road Signs	3,876	
Other Capital Outlay	126,921	
Total Other Public Safety		230,797
Public Health and Welfare		
Local Health Center		
Other Salaries and Wages	$ 3,526	
Social Security	219	
Employer Medicare	51	
Communication	2,227	
Contracts with Government Agencies	39,080	
Maintenance and Repair Services - Buildings	12,342	
Travel	2,024	
Utilities	12,274	
Other Supplies and Materials	1,937	
Other Charges	2,077	
Building Improvements	142	
Total Local Health Center		75,899

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Public Health and Welfare (Cont.)		
Rabies and Animal Control		
Part-time Personnel	$ 3,335	
Other Salaries and Wages	22,336	
Social Security	1,592	
State Retirement	1,347	
Employer Medicare	372	
Communication	1,408	
Other Contracted Services	10,859	
Other Supplies and Materials	7,826	
Other Construction	10,109	
Total Rabies and Animal Control		$ 59,184
Ambulance/Emergency Medical Services		
County Official/Administrative Officer	$ 40,609	
Paraprofessionals	567,088	
Part-time Personnel	84,558	
Overtime Pay	77,870	
Other Salaries and Wages	42,436	
Social Security	50,034	
State Retirement	42,361	
Medical Insurance	2,308	
Employer Medicare	11,701	
Communication	6,462	
Dues and Memberships	2,610	
Laundry Service	3,656	
Maintenance and Repair Services - Buildings	10,215	
Maintenance and Repair Services - Vehicles	22,128	
Postal Charges	132	
Other Contracted Services	7,550	
Diesel Fuel	60,270	
Drugs and Medical Supplies	62,802	
Office Supplies	4,820	
Uniforms	6,735	
Utilities	8,129	
In Service/Staff Development	9,676	
Motor Vehicles	65,963	
Other Equipment	12,753	
Total Ambulance/Emergency Medical Services		1,202,866
Crippled Children Services		
Contracts with Government Agencies	$ 55	
Total Crippled Children Services		55

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Public Health and Welfare (Cont.)		
Other Local Health Services		
Contracts with Government Agencies	$ 1,120	
Total Other Local Health Services		$ 1,120
General Welfare Assistance		
Pauper Burials	$ 7,180	
Total General Welfare Assistance		7,180
Other Local Welfare Services		
Other Charges	$ 675	
Total Other Local Welfare Services		675
Sanitation Education/Information		
Other Salaries and Wages	$ 28,772	
Social Security	1,784	
State Retirement	1,203	
Employer Medicare	417	
Rentals	1,900	
Kindergarten Textbooks	9,031	
Other Supplies and Materials	308	
Total Sanitation Education/Information		43,415
Social, Cultural, and Recreational Services		
Senior Citizens Assistance		
County Official/Administrative Officer	$ 36,404	
Other Salaries and Wages	64,288	
Social Security	6,243	
State Retirement	5,506	
Employer Medicare	1,460	
Communication	1,955	
Contributions	800	
Maintenance and Repair Services - Buildings	338	
Postal Charges	462	
Other Contracted Services	4,169	
Utilities	22,701	
Building and Contents Insurance	2,260	
Total Senior Citizens Assistance		146,586
Libraries		
Librarians	$ 41,344	
Clerical Personnel	74,843	

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Social, Cultural, and Recreational Services (Cont.)		
Libraries (Cont.)		
Social Security	$ 7,204	
State Retirement	4,443	
Employer Medicare	1,685	
Communication	4,714	
Janitorial Services	3,958	
Maintenance Agreements	5,035	
Postal Charges	2,419	
Printing, Stationery, and Forms	300	
Library Books/Media	12,852	
Office Supplies	1,356	
Utilities	22,636	
In Service/Staff Development	779	
Building Improvements	5,622	
Data Processing Equipment	13,094	
Total Libraries		$ 202,284
Parks and Fair Boards		
Other Contracted Services	$ 15,722	
Other Supplies and Materials	5,358	
Other Construction	59,028	
Total Parks and Fair Boards		80,108
Other Social, Cultural, and Recreational		
Contributions	$ 28,000	
Total Other Social, Cultural, and Recreational		28,000
Agriculture and Natural Resources		
Agriculture Extension Service		
Salary Supplements	$ 48,325	
Other Fringe Benefits	11,262	
Communication	2,593	
Contributions	6,000	
Utilities	6,009	
Data Processing Equipment	3,609	
Office Equipment	743	
Total Agriculture Extension Service		78,541
Forest Service		
Other Contracted Services	$ 2,000	
Total Forest Service		2,000

(Continued)

Exhibit K-8

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

General Fund (Cont.)		
Agriculture and Natural Resources (Cont.)		
Soil Conservation		
Secretary(ies)	$ 18,753	
Social Security	1,163	
State Retirement	1,131	
Employer Medicare	272	
Contributions	250	
Total Soil Conservation		$ 21,569
Other Operations		
Tourism		
Other Charges	$ 6,000	
Total Tourism		6,000
Industrial Development		
Contributions	$ 30,000	
Other Supplies and Materials	2,126	
Other Charges	11,423	
Site Development	679,708	
Other Construction	173,238	
Total Industrial Development		896,495
Housing and Urban Development		
Other Construction	$ 44,203	
Total Housing and Urban Development		44,203
Airport		
Contributions	$ 5,000	
Maintenance Agreements	28,000	
Total Airport		33,000
Veterans' Services		
Supervisor/Director	$ 23,374	
Other Salaries and Wages	5,491	
Social Security	1,784	
State Retirement	1,420	
Employer Medicare	417	
Communication	1,733	
Contributions	8,000	
Postal Charges	266	
Travel	750	
Office Supplies	1,195	

(Continued)

Exhibit K-8

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

General Fund (Cont.)			
Other Operations (Cont.)			
Veterans' Services (Cont.)			
Data Processing Equipment	$ 976		
Total Veterans' Services		$ 45,406	
Other Charges			
Supervisor/Director	$ 42,263		
Mechanic(s)	59,586		
Clerical Personnel	23,371		
Social Security	7,729		
State Retirement	7,551		
Medical Insurance	1,223		
Employer Medicare	1,807		
Communication	1,432		
Other Contracted Services	10,017		
Equipment Parts - Heavy	71,048		
Garage Supplies	37,964		
Lubricants	9,772		
Office Supplies	1,091		
Small Tools	4,049		
Tires and Tubes	30,822		
Utilities	11,052		
Other Equipment	8,055		
Total Other Charges		328,832	
Contributions to Other Agencies			
Contributions	$ 23,622		
Other Contracted Services	15,060		
Total Contributions to Other Agencies		38,682	
Employee Benefits			
Unemployment Compensation	$ 30,000		
Total Employee Benefits		30,000	
Miscellaneous			
Trustee's Commission	$ 110,000		
Total Miscellaneous		110,000	
Total General Fund			$ 10,112,588

(Continued)

Exhibit K-8

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

Local Purpose Tax Fund			
Other Operations			
Miscellaneous			
Trustee's Commission	$ 585		
Total Miscellaneous		$ 585	
Total Local Purpose Tax Fund			$ 585
Drug Control Fund			
Public Safety			
Drug Enforcement			
Confidential Drug Enforcement Payments	$ 29,750		
Other Supplies and Materials	8,452		
Law Enforcement Equipment	2,897		
Total Drug Enforcement		$ 41,099	
Other Operations			
Miscellaneous			
Trustee's Commission	$ 631		
Total Miscellaneous		631	
Total Drug Control Fund			41,730
Constitutional Officers - Fees Fund			
General Government			
Other General Administration			
Constitutional Officers' Operating Expenses	$ 1,095		
Total Other General Administration		$ 1,095	
Total Constitutional Officers - Fees Fund			1,095
Highway/Public Works Fund			
Highways			
Administration			
County Official/Administrative Officer	$ 67,927		
Accountants/Bookkeepers	28,573		
Secretary(ies)	24,595		
Other Salaries and Wages	421		
Social Security	7,490		
State Retirement	7,327		
Employer Medicare	1,752		
Dues and Memberships	2,595		
Maintenance and Repair Services - Office Equipment	81		

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)		
Highways (Cont.)		
Administration (Cont.)		
Postal Charges	$ 65	
Office Supplies	1,005	
Other Charges	5,166	
Total Administration		$ 146,997
Highway and Bridge Maintenance		
Foremen	$ 49,678	
Equipment Operators - Heavy	240,856	
Equipment Operators - Light	214,672	
Truck Drivers	23,953	
Laborers	33,647	
Other Salaries and Wages	6,988	
Social Security	34,965	
State Retirement	33,962	
Medical Insurance	11,004	
Employer Medicare	8,165	
Other Contracted Services	11,094	
Asphalt - Hot Mix	320,153	
Asphalt - Liquid	16,049	
General Construction Materials	1,508	
Pipe - Metal	2,162	
Road Signs	5,121	
Salt	8,173	
Gravel and Chert	25,277	
Total Highway and Bridge Maintenance		1,047,427
Operation and Maintenance of Equipment		
Contracts with Other Public Agencies	$ 75,000	
Maintenance and Repair Services - Equipment	12,465	
Maintenance and Repair Services - Vehicles	634	
Diesel Fuel	79,234	
Gasoline	62,413	
Total Operation and Maintenance of Equipment		229,746
Other Charges		
Communication	$ 2,133	
Travel	1,075	
Electricity	3,081	
Water and Sewer	159	
Trustee's Commission	16,627	

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)			
Highways (Cont.)			
Other Charges (Cont.)			
Vehicle and Equipment Insurance	$ 40,000		
Workers' Compensation Insurance	37,000		
Total Other Charges		$ 100,075	
Capital Outlay			
Communication Equipment	$ 600		
Highway Equipment	82,256		
State Aid Projects	183,865		
Other Construction	107,011		
Total Capital Outlay		373,732	
Total Highway/Public Works Fund			$ 1,897,977
General Debt Service Fund			
Principal on Debt			
General Government			
Principal on Bonds	$ 468,750		
Principal on Notes	208,857		
Total General Government		$ 677,607	
Highways and Streets			
Principal on Notes	$ 134,000		
Total Highways and Streets		134,000	
Education			
Principal on Bonds	$ 561,250		
Total Education		561,250	
Interest on Debt			
General Government			
Interest on Bonds	$ 216,719		
Interest on Notes	24,981		
Total General Government		241,700	
Highways and Streets			
Interest on Notes	$ 2,573		
Total Highways and Streets		2,573	
Education			
Interest on Bonds	$ 231,141		
Total Education		231,141	

(Continued)

Exhibit K-8

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

General Debt Service Fund (Cont.)			
Other Debt Service			
General Government			
Trustee's Commission	$ 17,178		
Other Debt Service	1,978		
Total General Government		$ 19,156	
Total General Debt Service Fund			$ 1,867,427
Total Governmental Funds - Primary Government			$ 13,921,402

Exhibit K-9

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

General Purpose School Fund		
Instruction		
Regular Instruction Program		
Teachers	$ 9,106,275	
Career Ladder Program	84,500	
Career Ladder Extended Contracts	68,560	
Homebound Teachers	18,115	
Educational Assistants	496,592	
Certified Substitute Teachers	110,000	
Non-certified Substitute Teachers	100,000	
Social Security	590,082	
State Retirement	860,274	
Medical Insurance	1,381,420	
Unemployment Compensation	14,375	
Employer Medicare	138,016	
Maintenance and Repair Services - Equipment	14,149	
Instructional Supplies and Materials	313,343	
Textbooks	318,613	
Fee Waivers	7,237	
Other Charges	53,416	
Regular Instruction Equipment	174,893	
Total Regular Instruction Program		$ 13,849,860
Special Education Program		
Teachers	$ 1,100,509	
Career Ladder Program	23,000	
Homebound Teachers	8,000	
Educational Assistants	83,355	
Other Salaries and Wages	32,123	
Certified Substitute Teachers	320	
Non-certified Substitute Teachers	1,575	
Social Security	74,208	
State Retirement	107,443	
Medical Insurance	142,877	
Employer Medicare	17,505	
Instructional Supplies and Materials	3,915	
Total Special Education Program		1,594,830
Vocational Education Program		
Teachers	$ 465,488	
Career Ladder Program	4,000	
Non-certified Substitute Teachers	1,332	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)				
Instruction (Cont.)				
Vocational Education Program (Cont.)				
Social Security	$	27,963		
State Retirement		42,527		
Medical Insurance		83,850		
Employer Medicare		6,538		
Maintenance and Repair Services - Equipment		3,500		
Travel		750		
Instructional Supplies and Materials		20,000		
Total Vocational Education Program			$	655,948
Adult Education Program				
Teachers	$	28,620		
Other Salaries and Wages		7,359		
Social Security		958		
State Retirement		588		
Employer Medicare		522		
Instructional Supplies and Materials		29,554		
Total Adult Education Program				67,601
Support Services				
Attendance				
Supervisor/Director	$	57,185		
Career Ladder Program		1,000		
Social Security		3,433		
State Retirement		5,266		
Medical Insurance		5,650		
Employer Medicare		803		
Travel		500		
Total Attendance				73,837
Health Services				
Medical Personnel	$	39,700		
Other Salaries and Wages		77,897		
Social Security		6,916		
State Retirement		8,299		
Medical Insurance		9,542		
Employer Medicare		1,618		
Travel		1,533		
Drugs and Medical Supplies		3,455		
Other Supplies and Materials		20,155		

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Health Services (Cont.)		
Other Charges	$ 115	
Total Health Services		$ 169,230
Other Student Support		
Career Ladder Program	$ 6,000	
Guidance Personnel	136,301	
Clerical Personnel	17,924	
Social Security	9,956	
State Retirement	14,635	
Medical Insurance	17,500	
Employer Medicare	2,317	
Evaluation and Testing	12,915	
Other Contracted Services	76,084	
Total Other Student Support		293,632
Regular Instruction Program		
Supervisor/Director	$ 133,975	
Career Ladder Program	9,000	
Career Ladder Extended Contracts	5,600	
Librarians	328,760	
Instructional Computer Personnel	47,500	
Educational Assistants	13,743	
Other Salaries and Wages	21,513	
Social Security	33,744	
State Retirement	48,189	
Medical Insurance	60,000	
Employer Medicare	7,892	
Travel	3,643	
Other Contracted Services	49	
Library Books/Media	53,802	
In Service/Staff Development	8,911	
Total Regular Instruction Program		776,321
Special Education Program		
Supervisor/Director	$ 63,320	
Career Ladder Program	1,000	
Clerical Personnel	10,757	
Social Security	4,444	
State Retirement	6,470	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Special Education Program (Cont.)		
Medical Insurance	$ 8,410	
Employer Medicare	1,039	
Travel	982	
Total Special Education Program		$ 96,422
Vocational Education Program		
Supervisor/Director	$ 27,117	
Secretary(ies)	19,554	
Social Security	2,842	
State Retirement	3,633	
Medical Insurance	3,000	
Employer Medicare	665	
Travel	123	
In Service/Staff Development	3,828	
Total Vocational Education Program		60,762
Adult Programs		
Supervisor/Director	$ 50,730	
Career Ladder Program	1,000	
Clerical Personnel	3,000	
Social Security	3,017	
State Retirement	4,862	
Medical Insurance	8,032	
Employer Medicare	740	
Travel	1,049	
Other Contracted Services	7,200	
Other Supplies and Materials	332	
In Service/Staff Development	2,064	
Total Adult Programs		82,026
Other Programs		
On-Behalf Payments to OPEB	$ 140,114	
Total Other Programs		140,114
Board of Education		
Board and Committee Members Fees	$ 16,140	
In-Service Training	14,727	
Social Security	1,000	
Medical Insurance	1,200	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Board of Education (Cont.)		
Employer Medicare	$ 235	
Payments to Retirees	71,438	
Audit Services	6,000	
Dues and Memberships	8,608	
Liability Insurance	32,655	
Premiums on Corporate Surety Bonds	1,881	
Trustee's Commission	123,131	
Workers' Compensation Insurance	131,857	
Criminal Investigation of Applicants - TBI	5,760	
Total Board of Education		$ 414,632
Director of Schools		
County Official/Administrative Officer	$ 86,910	
Career Ladder Program	1,000	
Social Security	5,374	
State Retirement	7,865	
Medical Insurance	5,816	
Employer Medicare	1,257	
Communication	4,100	
Dues and Memberships	1,955	
Postal Charges	2,200	
Travel	558	
Total Director of Schools		117,035
Office of the Principal		
Principals	$ 504,980	
Career Ladder Program	9,000	
Accountants/Bookkeepers	42,542	
Career Ladder Extended Contracts	2,800	
Assistant Principals	298,814	
Secretary(ies)	140,000	
Other Salaries and Wages	18,527	
Social Security	61,474	
State Retirement	85,019	
Medical Insurance	77,047	
Employer Medicare	14,377	
Communication	15,323	
Dues and Memberships	1,250	
Total Office of the Principal		1,271,153

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Fiscal Services		
Supervisor/Director	$ 39,736	
Secretary(ies)	23,469	
Clerical Personnel	23,469	
Social Security	4,764	
State Retirement	5,226	
Medical Insurance	3,600	
Employer Medicare	1,114	
Contributions	13,000	
Maintenance and Repair Services - Equipment	2,220	
Office Supplies	5,173	
In Service/Staff Development	634	
Total Fiscal Services		$ 122,405
Operation of Plant		
Custodial Personnel	$ 610,412	
Other Salaries and Wages	2,606	
Social Security	37,545	
State Retirement	34,658	
Medical Insurance	8,476	
Employer Medicare	8,781	
Other Contracted Services	116,400	
Electricity	677,626	
Natural Gas	122,811	
Water and Sewer	62,138	
Other Supplies and Materials	75,746	
Boiler Insurance	5,360	
Building and Contents Insurance	97,632	
Total Operation of Plant		1,860,191
Maintenance of Plant		
Maintenance Personnel	$ 161,292	
Social Security	9,986	
State Retirement	9,332	
Medical Insurance	1,200	
Employer Medicare	2,335	
Pest Control	5,597	
Other Contracted Services	18,311	
Other Supplies and Materials	146,000	
Other Charges	190	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Maintenance of Plant (Cont.)		
Maintenance Equipment	$ 51,417	
Total Maintenance of Plant		$ 405,660
Transportation		
Supervisor/Director	$ 46,689	
Mechanic(s)	67,933	
Bus Drivers	450,000	
Other Salaries and Wages	29,350	
Social Security	36,237	
State Retirement	36,086	
Medical Insurance	7,456	
Employer Medicare	8,475	
Communication	2,804	
Medical and Dental Services	2,479	
Tow-in Services	450	
Other Contracted Services	298	
Diesel Fuel	193,115	
Garage Supplies	4,633	
Gasoline	45,423	
Lubricants	8,923	
Tires and Tubes	13,616	
Vehicle Parts	53,720	
Vehicle and Equipment Insurance	30,144	
In Service/Staff Development	1,000	
Other Charges	2,153	
Transportation Equipment	183,402	
Total Transportation		1,224,386
Operation of Non-Instructional Services		
Community Services		
Supervisor/Director	$ 36,480	
Educational Assistants	6,013	
Social Security	2,783	
State Retirement	3,305	
Medical Insurance	5,645	
Employer Medicare	448	
Travel	628	
Other Supplies and Materials	3,309	
Other Charges	1,016	
Total Community Services		59,627

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)			
Operation of Non-Instructional Services (Cont.)			
Early Childhood Education			
Teachers	$ 166,120		
Educational Assistants	55,200		
Social Security	13,390		
State Retirement	18,350		
Medical Insurance	35,580		
Employer Medicare	3,130		
Instructional Supplies and Materials	9,530		
Total Early Childhood Education		$ 301,300	
Capital Outlay			
Regular Capital Outlay			
Contributions	$ 78,000		
Other Contracted Services	10,194		
Building Improvements	929,412		
Total Regular Capital Outlay		1,017,606	
Principal on Debt			
Education			
Debt Service Contribution to Primary Government	$ 22,842		
Total Education		22,842	
Total General Purpose School Fund			$ 24,677,420
School Federal Projects Fund			
Instruction			
Regular Instruction Program			
Teachers	$ 937,800		
Educational Assistants	240,949		
Social Security	71,151		
State Retirement	98,074		
Medical Insurance	103,030		
Unemployment Compensation	3,401		
Employer Medicare	18,014		
Instructional Supplies and Materials	155,811		
Regular Instruction Equipment	79,128		
Total Regular Instruction Program		$ 1,707,358	
Special Education Program			
Teachers	$ 92,395		

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)		
Instruction (Cont.)		
Special Education Program (Cont.)		
Educational Assistants	$ 335,281	
Speech Pathologist	43,470	
Other Salaries and Wages	320	
Social Security	27,968	
State Retirement	33,237	
Medical Insurance	30,342	
Unemployment Compensation	3,481	
Employer Medicare	6,531	
Other Contracted Services	45,859	
Instructional Supplies and Materials	38,685	
Special Education Equipment	84,593	
Total Special Education Program		$ 742,162
Vocational Education Program		
Other Supplies and Materials	$ 5,642	
Vocational Instruction Equipment	54,351	
Total Vocational Education Program		59,993
Support Services		
Other Student Support		
Guidance Personnel	$ 324,314	
Bus Drivers	72	
Other Salaries and Wages	77,807	
Social Security	22,687	
State Retirement	34,642	
Medical Insurance	65,379	
Employer Medicare	5,319	
Travel	5,000	
Other Contracted Services	1,500	
In Service/Staff Development	1,036	
Other Charges	19,831	
Total Other Student Support		557,587
Regular Instruction Program		
Supervisor/Director	$ 115,968	
Clerical Personnel	10,730	
Other Salaries and Wages	92,135	
In-Service Training	980	
Social Security	9,606	

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)			
Support Services (Cont.)			
Regular Instruction Program (Cont.)			
State Retirement	$ 11,959		
Medical Insurance	11,871		
Employer Medicare	3,089		
Travel	3,926		
Other Supplies and Materials	11,558		
In Service/Staff Development	47,934		
Total Regular Instruction Program		$ 319,756	
Special Education Program			
Psychological Personnel	$ 141,232		
Assessment Personnel	5,131		
Social Security	8,153		
State Retirement	12,781		
Medical Insurance	25,987		
Employer Medicare	1,907		
Maintenance and Repair Services - Equipment	2,160		
Travel	8,033		
In Service/Staff Development	2,000		
Other Charges	60		
Total Special Education Program		207,444	
Vocational Education Program			
Travel	$ 200		
Other Supplies and Materials	1,725		
Total Vocational Education Program		1,925	
Transportation			
Bus Drivers	$ 36,973		
Social Security	2,261		
State Retirement	2,080		
Medical Insurance	1,080		
Employer Medicare	529		
Contracts with Parents	1,320		
Transportation Equipment	543		
Total Transportation		44,786	
Total School Federal Projects Fund			$ 3,641,011

(Continued)

Exhibit K-9

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

Central Cafeteria Fund			
Operation of Non-Instructional Services			
Food Service			
Supervisor/Director	$ 42,230		
Clerical Personnel	21,510		
Cafeteria Personnel	670,054		
Temporary Personnel	22,000		
Other Salaries and Wages	4,000		
Social Security	45,347		
State Retirement	37,799		
Medical Insurance	12,750		
Unemployment Compensation	2,199		
Employer Medicare	10,692		
Communication	4,758		
Maintenance and Repair Services - Equipment	35,803		
Transportation - Other than Students	57,056		
Travel	510		
Food Preparation Supplies	85,630		
Food Supplies	794,295		
USDA - Commodities	117,332		
Other Supplies and Materials	69,911		
In Service/Staff Development	3,253		
Other Charges	25,000		
Food Service Equipment	65,759		
Total Food Service		$ 2,127,888	
Total Central Cafeteria Fund			$ 2,127,888
Total Governmental Funds - White County School Department			$ 30,446,319

Exhibit K-10

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

	Business-type Activities - Enterprise Fund Solid Waste Disposal Fund
Revenues	
Operating Revenues	
Charges for Current Services	
Solid Waste Disposal Fees	$ 1,158,114
Other Local Revenues	
Sale of Recycled Materials	84,780
Miscellaneous Refunds	1,945
Sale of Equipment	17,878
Total Operating Revenues	$ 1,262,717
Nonoperating Revenues	
Other Local Revenues	
Other State Grants	$ 43,245
Total Nonoperating Revenues	$ 43,245
Total Revenues	$ 1,305,962
Expenses	
Operating Expenses	
Public Health and Welfare	
Landfill Operation and Maintenance	
Supervisor/Director	$ 46,544
Other Salaries and Wages	361,224
Social Security	21,711
State Retirement	15,070
Medical Insurance	1,846
Employer Medicare	5,833
Other Fringe Benefits	929
Communication	6,365
Maintenance and Repair Service - Equipment	100,676
Travel	1,457
Permits	161,505
Other Contracted Services	34,472
Diesel Fuel	133,233
Gasoline	30,362
Lubricants	16,333
Office Supplies	2,478
Utilities	22,436
Other Supplies and Materials	39,441
Building and Contents Insurance	17,000
Trustee's Commission	12,553
Workers' Compensation Insurance	15,000
Depreciation	90,509
Landfill Closure/Postclosure Care Costs	18,000
Other Charges	1,814
Data Processing Equipment	400
Site Development	43,698
Other Equipment	21,874
Total Operating Expenses	$ 1,222,763
Nonoperating Expenses	
General Government	
Interest on Notes	$ 27,728
Total Nonoperating Expenses	$ 27,728
Total Expenses	$ 1,250,491

Exhibit K-11

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

	Cities - Sales Tax Fund
Cash Receipts	
Local Option Sales Tax	$ 1,585,128
Cash Disbursements	
Remittance of Revenues Collected	$ 1,569,277
Trustee's Commission	15,851
Total Cash Disbursements	$ 1,585,128
Excess of Cash Receipts Over (Under) Cash Disbursements	$ 0
Cash Balance, July 1, 2011	0
Cash Balance, June 30, 2012	$ 0

SINGLE AUDIT SECTION

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

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

September 26, 2012

White County Executive and
Board of County Commissioners
White County, Tennessee

To the County Executive and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of White County, Tennessee, as of and for the year ended June 30, 2012, which collectively comprise White County's basic financial statements and have issued our report thereon dated September 26, 2012. Our report on the aggregate discretely presented component units financial statements was qualified due to not including the financial statements of the White County Emergency Communications District, which were not available from other auditors as of the date of this report. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a material weakness: 12.01.

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies: 12.02, 12.03, 12.04, and 12.05.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether White County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

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

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

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

Very truly yours,

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

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

INDEPENDENT AUDITOR'S REPORT

September 26, 2012

White County Executive and
Board of County Commissioners
White County, Tennessee

To the County Executive and Board of County Commissioners:

We have audited White County's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. White County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of White County's management. Our responsibility is to express an opinion on White County's compliance based on our audit.

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

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

In our opinion, White County complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

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

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

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

Schedule of Expenditures of Federal Awards

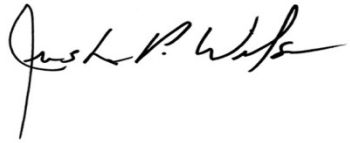
We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of White County as of and for the year ended June 30, 2012, and have issued our report thereon dated September 26, 2012. Our report on the aggregate discretely presented component units financial statements was qualified due to not including the financial statements of the White County Emergency Communications District, which were not available from other auditors as of the date of this report. Our audit was performed for the purpose of forming our opinions on the financial statements as a whole. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the

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

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

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

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury

JPW/yu

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Passed-through Entity Identifying Number	Expenditures	
U.S. Department of Agriculture:				
Passed-through State Department of Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	N/A	$ 363,708	
National School Lunch Program	10.555	N/A	1,119,277	(3)
National School Lunch Program - School Snacks	10.555	N/A	35,156	(3)
Fresh Fruits and Vegetables Program	10.582	N/A	32,148	
Passed-through State Department of Agriculture:				
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	117,332	(3)
Total U.S. Department of Agriculture			$ 1,667,621	
U.S. Department of Housing and Urban Development:				
Passed-through State Department of Economic and Community Development:				
Community Development Block Grants/State's Program	14.228	GG-11-34903-00	$ 286,153	
Passed-through State Housing Development Agency:				
Home Investment Partnerships Program	14.239	GG-07-24235-00	36,034	
Total U.S. Department of Housing and Urban Development:			$ 322,187	
U.S. Department of Labor:				
Passed-through Upper Cumberland Human Resource Agency:				
WIA Youth Activities	17.259	(2)	$ 11,000	
Institutue of Museum and Library Services:				
Passed-through Tennessee Secretary of State:				
Grants to States	45.310	(2)	$ 1,600	
U.S. Department of Education:				
Passed-through State Department of Labor and Workforce Development:				
Adult Education - State Grant Program	84.002	(2)	$ 99,429	
Passed-through State Department of Education:				
Title I Grants to Local Educational Agencies	84.010	N/A	1,201,744	
Special Education Cluster:				
Special Education - Grants to States	84.027	N/A	932,959	
Special Education - Preschool Grants	84.173	N/A	118,508	
Career and Technical Education - Basic Grants to States	84.048	N/A	70,218	
Safe and Drug-free Schools and Communities - National Programs	84.184	(2)	259	
Twenty-first Century Community Learning Centers	84.287	(2)	310,034	
Education Technology Cluster:				
Education Technology State Grants	84.318	(2)	758	
Education Technology State Grants - Recovery Act	84.386	(2)	1,069	
Rural Education	84.358	(2)	88,545	
Improving Teacher Quality State Grants	84.367	(2)	176,262	
College Access Challenge Grant Program	84.378	(2)	14,984	
State Fiscal Stabilization Fund - Race-to-the-Top				
Incentive Grants, Recovery Act	84.395	(2)	326,855	
Federal Jobs Fund	84.410	(2)	423,338	
Total U.S. Department of Education			$ 3,764,962	
Total Expenditures of Federal Awards			$ 5,767,370	

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
State Grants			
Adult Education - State Department of Labor and Workforce Development	N/A	(2)	$ 33,061
Drug Grant Programs - State Office of Criminal Justice Programs	N/A	(2)	20,000
Voluntary Pre-K for Tennessee - State Department of Education	N/A	(2)	301,292
FastTrack Infrastructure Development Program - State Department of Economic and Community Development	N/A	GG-11-33486-00	637,093
Coordinated School Health Improvement - State Department of Education	N/A	(2)	95,082
High Schools That Work - State Department of Education	N/A	(2)	4,000
Internet Connectivity - State Department of Education	N/A	(2)	14,055
Safe Schools Act - State Department of Education	N/A	(2)	21,500
Statewide Student Management System - State Department of Education	N/A	(2)	10,358
Art Student Ticket Subsidy - State Art Commission	N/A	(2)	1,700
Family Resource Center - State Department of Education	N/A	(2)	29,612
Juvenile Justice - State Commission on Children and Youth	N/A	(2)	9,000
Litter Grant - State Department of Transportation	N/A	(2)	48,368
Local Health Services - State Department of Health	N/A	(4)	6,739
Waste Tire Grant - State Department of Environment and Conservation	N/A	(2)	18,245
Recycling Equipment Grant - State Department of Environment and Conservation	N/A	GG-11-35173	25,000
Highway Safety Grant - State Department of Transportation	N/A	(2)	14,373
Total State Grants			$ 1,289,478

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

(1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
(2) Information not available.
(3) Total for CFDA No. 10.555 is $1,271,765.
(4) GG-11-131874: $928; Z-12-43626-00: $5,811.

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

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

OFFICE OF FINANCE DIRECTOR

Finding Number	Page Number	Subject
11.02	147	A material audit adjustment was required in the Solid Waste Disposal Fund for proper financial statement presentation

OFFICE OF REGISTER

Finding Number	Page Number	Subject
11.04	148	Multiple employees operated from the same cash drawer

WHITE COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2012

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the aggregate discretely presented component units is qualified. Our report on the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information is unqualified.

2. The audit of the financial statements of White County disclosed significant deficiencies in internal control. One of these deficiencies was considered to be a material weakness.

3. The audit disclosed no instances of noncompliance that are material to the financial statements of White County.

4. The audit disclosed no significant deficiencies in internal control over major programs.

5. An unqualified opinion was issued on compliance for major programs.

6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.

7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555), Community Development Block Grants/State's Program (CFDA No. 14.228), Title I Grants to Local Educational Agencies (CFDA No. 84.010), Twenty-first Century Community Learning Centers (CFDA No. 84.287), 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. White 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 former finance director provided written responses on certain findings, which are included in this report. Other management officials did not provide responses for inclusion in this report.

OFFICE OF FINANCE DIRECTOR

FINDING 12.01 **A MATERIAL AUDIT ADJUSTMENT WAS REQUIRED IN THE SOLID WASTE DISPOSAL FUND FOR PROPER FINANCIAL STATEMENT PRESENTATION**
(Internal Control – Material Weakness Under *Government Auditing Standards*)

At June 30, 2012, the general ledger account balance for closure/postclosure care costs in the Solid Waste Disposal Fund was not materially correct, and an audit adjustment of $688,067 was required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require White County to have adequate internal controls over the maintenance of its accounting records. Therefore, the county's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. Although it is permissible for us, as the external auditors, to assist the county in preparing its financial statements, it is a strong indicator of a material weakness in internal controls if the county has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes. This deficiency is the result of management's failure to correct the finding noted in the prior-year audit report. We presented an audit adjustment to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

White County should have appropriate processes in place to ensure that its general ledgers are materially correct.

MANAGEMENT'S RESPONSE – FORMER FINANCE DIRECTOR MARK FARLEY

As of June 30, 2012, the White County Finance Office had not received the engineer's latest estimate as to useful life. When the engineer released the most recent estimate, it disclosed that the useful life had dropped dramatically. Our financial reports were based on the most relevant information available.

AUDITOR'S COMMENT

The engineer's report used by auditors to calculate the material adjustment was supplied by management upon request and was dated April 11, 2012.

FINDING 12.02 **THE SOLID WASTE DISPOSAL FUND HAD A DEFICIT IN UNRESTRICTED NET ASSETS**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The Solid Waste Disposal Fund had a deficit of $334,063 in unrestricted net assets at June 30, 2012. This deficit primarily resulted from the recognition of a liability of $957,113 for future costs associated with closing the county's landfill and monitoring the landfill for 30 years after closure. Generally accepted accounting principles and state statutes require that such costs be reflected in the financial statements.

RECOMMENDATION

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

FINDING 12.03 **THE SOLID WASTE ACCOUNTING SOFTWARE DID NOT IDENTIFY THE USER WHO PROCESSED TRANSACTIONS**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

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

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – FORMER FINANCE DIRECTOR MARK FARLEY

We concur.

OFFICES OF COUNTY CLERK AND REGISTER

FINDING 12.04 **MULTIPLE EMPLOYEES OPERATED FROM THE SAME CASH DRAWER**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

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

RECOMMENDATION

Management should assign each employee their own cash drawer.

OFFICE OF SHERIFF

FINDING 12.05 **COMMISSARY BANK STATEMENTS WERE NOT RECONCILED WITH GENERAL LEDGER ACCOUNTS**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Bank statements for the commissary account were not reconciled with the general ledger during the year examined. Sound business practices require the reconciliation of bank statements with general ledger accounts on a current basis to ensure that all cash collections and disbursements are recorded in the accounting records accurately. The failure to currently reconcile bank statements with the general ledger allows errors to remain undiscovered and uncorrected. We performed substantive audit procedures to ensure that the balance in the commissary bank account was not materially misstated at year-end. This deficiency is the result of a lack of management oversight.

RECOMMENDATION

Bank statements should be reconciled with the general ledger monthly, and any errors discovered should be corrected promptly.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs for federal awards.

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

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