



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
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June 29, 2006

MEMORANDUM

TO: The Honorable John G. Morgan
Comptroller of the Treasury

FROM: Richard V. Norment 
Assistant to the Comptroller

SUBJECT: Report of Centralized Budgeting, Accounting, and Purchasing Systems;
Report on the Status of Compliance with GASB 34; Report of Counties
Attaining the GFOA Certificate for Excellence in Financial Reporting; and
the Report of Counties With Centralized Cafeteria Systems - Year Ended
June 30, 2005

The attached report summarizes for the year ended June 30, 2005, (1) Tennessee counties with centralized systems for budgeting, accounting, and purchasing, (2) status of compliance with GASB 34 by Tennessee Counties; (3) counties attaining the certificate of achievement for excellence in financial reporting awarded by the GFOA, and (4) counties with centralized cafeteria systems.

If you need any additional information or have any questions regarding this report, please let me know.

Attachments

Exhibit A

**TENNESSEE COUNTY GOVERNMENTS
SUMMARY OF CENTRALIZED SYSTEMS FOR
BUDGETING, ACCOUNTING, AND PURCHASING
FOR THE YEAR ENDED JUNE 30, 2005**

INCLUDES ALL DEPARTMENTS AND AGENCIES:

Legislative Authority	<u>Number of Counties</u>		
	Budgeting	Accounting	Purchasing
1957 Fiscal Control Act	5	5	3
1981 Financial Management Act	16	16	16
1993 Budget Law	3	0	0
Private Act/Charter	4	3	8
Total	<u>28</u>	<u>24</u>	<u>27</u>

**INCLUDES COUNTY MAYORS AND HIGHWAY
DEPARTMENTS ONLY:**

Legislative Authority	<u>Number of Counties</u>		
	Budgeting	Accounting	Purchasing
1957 Fiscal Control Act	8	8	8
1981 Financial Management Act	1	1	1
Private Act/Charter	5	5	5
County Resolution	1	1	1
Total	<u>15</u>	<u>15</u>	<u>15</u>
Grand Total	<u>43</u>	<u>39</u>	<u>42</u>

**TENNESSEE COUNTY GOVERNMENTS
CENTRALIZED SYSTEMS BY COUNTY FOR
BUDGETING, ACCOUNTING, AND PURCHASING
FOR THE YEAR ENDED JUNE 30, 2005**

INCLUDES ALL DEPARTMENTS AND AGENCIES:

	Population			
	2000 Census	Budgeting	Accounting	Purchasing
A. 1957 Fiscal Control Act				
1. Anderson	71,330	X	X	X
2. Blount	105,823	X (1)	X	(2)
3. Johnson	17,499	X	X	(2)
4. Loudon	39,086	X	X	X
5. Roane	51,910	X	X	X
B. 1981 Financial Management Act				
1. Campbell	39,854	X	X	X
2. Carter	56,742	X	X	X
3. Cumberland	48,602	X	X	X
4. Fentress	16,625	X	X	X
5. Franklin	39,270	X	X	X
6. Henderson	25,522	X	X	X
7. Hickman	22,295	X	X	X
8. Lincoln	31,340	X	X	X
9. McMinn	49,015	X	X	X
10. Monroe	38,961	X	X	X
11. Morgan	19,757	X	X	X
12. Rhea	28,400	X	X	X
13. Robertson	54,433	X	X	X
14. Scott	21,127	X	X	X
15. Weakley	34,895	X	X	X
16. White	23,102	X	X	X
C. 1993 Budget Law				
1. Decatur	11,731	X		
2. Hardin	25,578	X		
3. McNairy	24,653	X		
D. Private Act/Charter				
1. DeKalb	17,423			X
2. Hardeman	28,105			X
3. Hawkins	53,563		(3)	X
4. Knox	382,032	X	X	X
5. Madison	91,837			X
6. Meigs	11,086	(4)	(4)	X
7. Rutherford	182,023	X	X	
8. Sullivan	153,048	(5)	(5)	X
9. Sumner (6)	130,449	X	X	X
10. Williamson	126,638	X	(7)	(7)

**TENNESSEE COUNTY GOVERNMENTS
CENTRALIZED SYSTEMS BY COUNTY FOR
BUDGETING, ACCOUNTING, AND PURCHASING
FOR THE YEAR ENDED JUNE 30, 2005**

INCLUDES COUNTY MAYORS/HIGHWAY DEPARTMENTS ONLY:

	Population			
	2000 Census	Budgeting	Accounting	Purchasing
A. 1957 Fiscal Control Act				
1. Cheatham	35,912	X	X	(8)
2. Cocke	33,565	X	X	X
3. Coffee	48,014	X	X	X
4. Greene	62,909	X	X	X
5. Lawrence	39,926	X	X	X
6. Montgomery	134,768	X	X	X
7. Overton	20,118	X	X	X
8. Polk	16,050			X
9. Washington	107,198	X	X	X
B. 1981 Financial Management Act				
1. Wilson (9)	88,809	X	X	X
C. Private Act/Charter				
1. Carroll	29,475			X
2. Davidson	569,891	X	X	X
3. Hamilton	307,896	X	X	X
4. Marshall	26,767	X	X	X
5. Maury	69,498	X	X	(2)
6. Shelby	897,472	X	X	X
D. County Resolution				
1. Hamblen (10)	58,128	X	X	X

Footnotes:

- (1) Blount County has also adopted the Local Budgeting Law of 1993. In the event of a conflict between this law and the County Budgeting Law of 1957, the provisions of the Local Budgeting Law of 1993 shall not supersede those of the 1957 Budgeting Law, except that the provisions of Section 5-12-210, Tennessee Code Annotated, shall supersede any other law. Section 5-12-210, TCA, provides for the adoption of a budget tax rate and appropriating resolution.
- (2) Purchasing is governed by the 1957 Fiscal Control Acts but only includes the Offices of County Mayor and Highway Department.

**TENNESSEE COUNTY GOVERNMENTS
CENTRALIZED SYSTEMS BY COUNTY FOR
BUDGETING, ACCOUNTING, AND PURCHASING
FOR THE YEAR ENDED JUNE 30, 2005**

- (3) Accounting is governed by a private act but only includes the Offices of County Mayor and Highway Department.
- (4) Accounting and budgeting are governed by a private act but only include the Offices of County Mayor and Highway Department.
- (5) Accounting and budgeting are governed by the 1957 Fiscal Control Acts but only include the Offices of County Mayor and Highway Department.
- (6) During the 2002-03 year, Sumner County adopted a private act providing for a centralized accounting, budgeting and purchasing system for all funds administered by the Offices of County Mayor, Director of Schools, and Highway Superintendent. This act also provides that the School Department and/or Highway Department may perform any of the accounting, purchasing, or budgeting functions for their departments with the approval of the County Commission.
- (7) Accounting and purchasing are governed by the 1957 Fiscal Control Acts but only include the Offices of County Mayor and Highway Department.
- (8) Purchasing is governed by a private act but only includes the Offices of County Mayor and Highway Department.
- (9) Effective July 1, 1995, the Wilson County School Department was removed from the provisions of the County Financial Management Act of 1981.
- (10) During the 2002-03 year, the county mayor and County Commission entered into a formal contract establishing a centralized accounting, budgeting, and purchasing system under the direction of a Finance Office for all funds administered by the Offices of County Mayor and Highway Superintendent.

Notes:

The Metropolitan Charter of Moore County provides for a centralized system of accounting, budgeting, and purchasing; however, a centralized system had not been implemented as of June 30, 2005.

During the 2004-05 year, Blount County and Madison County adopted the provisions of the 1981 Financial Management Act. The counties plan on implementing the act effective July 1, 2005.

EXHIBIT C

**STATUS OF COMPLIANCE WITH GASB 34
BY TENNESSEE COUNTIES
FOR THE YEAR ENDED JUNE 30, 2005**

County	County Complied With GASB 34	Schools Complied With GASB 34	County Operates Under a Centralized System
1. Anderson	Yes	Yes	Yes - 57 Acts
2. Bedford	No	Yes	No
3. Benton	Yes	Yes	No
4. Bledsoe	No	No	No
5. Blount	Yes	Yes	Yes - 81 Acts
6. Bradley	Yes	Yes	No
7. Campbell	No	No	Yes - 81 Acts
8. Cannon	No	No	No
9. Carroll	Yes	Yes	No
10. Carter	No	No	Yes - 81 Acts
11. Cheatham	Yes	No	No
12. Chester	No	No	No
13. Claiborne	No	No	No
14. Clay	No	Yes	No
15. Cocke	No	Yes	No
16. Coffee	No	No	No
17. Crockett	No	Yes	No
18. Cumberland	No	No	Yes - 81 Acts
19. Davidson	Yes	Yes	No
20. Decatur	Yes	Yes	No
21. DeKalb	No	No	No
22. Dickson	Yes	Yes	No
23. Dyer	Yes	Yes	No
24. Fayette	Yes	Yes	No
25. Fentress	No	No	Yes - 81 Acts
26. Franklin	Yes	Yes	Yes - 81 Acts

EXHIBIT C

**STATUS OF COMPLIANCE WITH GASB 34
BY TENNESSEE COUNTIES
FOR THE YEAR ENDED JUNE 30, 2005 (Cont.)**

County	County Complied With GASB 34	Schools Complied With GASB 34	County Operates Under a Centralized System
27. Gibson	No	No	No
28. Giles	No	No	No
29. Grainger	Yes	Yes	No
30. Greene	Yes	Yes	No
31. Grundy	No	No	No
32. Hamblin	Yes	Yes	No
33. Hamilton	Yes	Yes	No
34. Hancock	No	Yes	No
35. Hardeman	No	No	No
36. Hardin	Yes	Yes	No
37. Hawkins	No	Yes	No
38. Haywood	No	Yes	No
39. Henderson	Yes	Yes	Yes - 81 Acts
40. Henry	Yes	Yes	No
41. Hickman	No	No	Yes - 81 Acts
42. Houston	Yes	Yes	No
43. Humphreys	No	No	No
44. Jackson	No	No	No
45. Jefferson	Yes	Yes	No
46. Johnson	Yes	Yes	Yes - 57 Acts
47. Knox	Yes	Yes	Yes - Private Act
48. Lake	No	No	No
49. Lauderdale	Yes	Yes	No
50. Lawrence	No	No	No
51. Lewis	No	No	No
52. Lincoln	Yes	Yes	Yes - 81 Acts
53. Loudon	Yes	Yes	Yes - 57 Acts

EXHIBIT C

**STATUS OF COMPLIANCE WITH GASB 34
BY TENNESSEE COUNTIES
FOR THE YEAR ENDED JUNE 30, 2005 (Cont.)**

County	County Complied With GASB 34	Schools Complied With GASB 34	County Operates Under a Centralized System
54. Macon	No	Yes	No
55. Madison	Yes	Yes	No
56. Marion	No	No	No
57. Marshall	No	No	No
58. Maury	Yes	Yes	No
59. McMinn	Yes	Yes	Yes - 81 Acts
60. McNairy	No	No	No
61. Meigs	No	Yes	No
62. Monroe	Yes	Yes	Yes - 81 Acts
63. Montgomery	Yes	Yes	No
64. Moore	Yes	Yes	No
65. Morgan	Yes	Yes	Yes - 81 Acts
66. Obion	Yes	Yes	No
67. Overton	No	No	No
68. Perry	No	No	No
69. Pickett	No	Yes	No
70. Polk	No	No	No
71. Putnam	No	No	No
72. Rhea	Yes	Yes	Yes - 81 Acts
73. Roane	Yes	Yes	Yes - 57 Acts
74. Robertson	Yes	Yes	Yes - 81 Acts
85. Rutherford	Yes	Yes	No
86. Scott	Yes	Yes	Yes - 81 Acts
77. Sequatchie	No	Yes	No
78. Sevier	Yes	Yes	No
79. Shelby	Yes	Yes	No
80. Smith	No	No	No

EXHIBIT C

**STATUS OF COMPLIANCE WITH GASB 34
BY TENNESSEE COUNTIES
FOR THE YEAR ENDED JUNE 30, 2005 (Cont.)**

County	County Complied With GASB 34	Schools Complied With GASB 34	County Operates Under a Centralized System
81. Stewart	No	Yes	No
82. Sullivan	Yes	Yes	No
83. Sumner	Yes	Yes	Yes - Private Act
84. Tipton	Yes	Yes	No
85. Trousdale	No	No	No
86. Unicoi	Yes	Yes	No
87. Union	Yes	Yes	No
88. Van Buren	No	Yes	No
89. Warren	No	No	No
90. Washington	Yes	Yes	No
91. Wayne	No	No	No
92. Weakley	Yes	Yes	Yes - 81 Acts
93. White	No	No	Yes - 81 Acts
94. Williamson	Yes	Yes	No
95. Wilson	Yes	Yes	No

Footnotes:

- Several counties operated under a system of partial centralization that include a centralized system of accounting, budgeting, and purchasing for the primary government. In addition, Decatur, Hardin, McNairy, Rutherford, and Williamson Counties have a system of centralized budgeting that included both the primary government and the schools.

EXHIBIT C

**STATUS OF COMPLIANCE WITH GASB 34
BY TENNESSEE COUNTIES
FOR THE YEAR ENDED JUNE 30, 2005 (Cont.)**

Analysis of the Data:

Compliance With GASB 34 - All 95 Counties

	Counties	Schools
Complied	50 or 53%	62 or 65%
Failed to Comply	45 or 47%	33 or 35%

Centralized Systems (23 counties)

Complied	17 or 74%
Failed to Comply	6 or 26%

Non-centralized Systems (72 counties)

Complied	32 or 45%
Failed to Comply	26 or 36%
Partially Complied	14 or 19%

EXHIBIT D

**TENNESSEE COUNTIES ACHIEVING THE
CERTIFICATE OF ACHIEVEMENT FOR
EXCELLENCE IN FINANCIAL REPORTING
FOR THE YEAR ENDED JUNE 30, 2005**

County

1. Anderson
2. Blount
3. Bradley
4. Davidson
5. Greene
6. Hamilton
7. Knox
8. Rutherford
9. Shelby

**ALPHABETICAL LIST OF COUNTIES
WITH CENTRALIZED CAFETERIA SYSTEMS
FOR THE YEAR ENDED JUNE 30, 2005**

- | | |
|-----------------|-----------------|
| 1. Anderson | 38. Lauderdale |
| 2. Bedford | 39. Lawrence |
| 3. Bledsoe | 40. Lewis |
| 4. Blount | 41. McNairy |
| 5. Bradley | 42. Madison |
| 6. Campbell | 43. Marion |
| 7. Cannon | 44. Marshall |
| 8. Carroll * | 45. Maury |
| 9. Carter | 46. Meigs |
| 10. Cheatham | 47. Monroe |
| 11. Chester | 48. Montgomery* |
| 12. Clay | 49. Moore |
| 13. Cocke | 50. Morgan |
| 14. Coffee | 51. Obion |
| 15. Crockett | 52. Overton |
| 16. Cumberland | 53. Perry |
| 17. DeKalb | 54. Pickett |
| 18. Dickson | 55. Polk |
| 19. Dyer | 56. Putnam |
| 20. Fayette | 57. Rhea |
| 21. Fentress | 58. Roane |
| 22. Franklin | 59. Scott |
| 23. Giles | 60. Sequatchie |
| 24. Grainger | 61. Sevier |
| 25. Greene | 62. Smith |
| 26. Hamblen | 63. Stewart |
| 27. Hancock | 64. Sullivan * |
| 28. Hardin | 65. Sumner * |
| 29. Hawkins | 66. Tipton |
| 30. Haywood | 67. Unicoi |
| 31. Henry | 68. Union |
| 32. Hickman | 69. Van Buren |
| 33. Houston | 70. Warren |
| 34. Humphreys | 71. Weakley |
| 35. Jackson | 72. White |
| 36. Jefferson * | 73. Williamson |
| 37. Johnson | 74. Wilson |

* Centralized through General Purpose School Fund