

COMPREHENSIVE ANNUAL FINANCIAL REPORT

ANDERSON COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2005

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Anderson County, Tennessee*

This financial report is available at www.comptroller.state.tn.us

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Audit Highlights

Comprehensive Annual Financial Report
Anderson County, Tennessee
For the Year Ended June 30, 2005

Scope

We have audited the basic financial statements of Anderson County as of and for the year ended June 30, 2005.

Results

Our report on Anderson County's financial statements was unqualified.

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

Findings

The following are summaries of the audit findings:

OFFICES OF COUNTY MAYOR, DIRECTOR OF ACCOUNTS AND BUDGETS, AND PROBATION

- ◆ The Probation Office had internal control weaknesses.

OFFICES OF COUNTY MAYOR, DIRECTOR OF ACCOUNTS AND BUDGETS, AND DENTAL CLINIC

- ◆ The offices had internal control weaknesses in accounting for Dental Clinic collections.

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ The School Federal Projects Fund had a fund deficit of \$72,026 at June 30, 2005. This fund deficit occurred because School Department personnel had not requested reimbursement of grant funds on a timely basis.

*State of Tennessee
Comptroller of the Treasury
Department of Audit
Division of County Audit*

INTRODUCTORY SECTION

October 25, 2005

Board of County Commissioners
Citizens of Anderson County

Dear Commissioners and Citizens:

We are pleased to submit to you the Comprehensive Annual Financial Report of Anderson County, Tennessee for the year ended June 30, 2005. This report was prepared by the County's Accounts and Budgets Office in conjunction with the County's independent auditors, State of Tennessee Office of the Comptroller of the Treasury – Department of Audit – Division of County Audit.

The financial reporting entity (the government) includes all the funds of the primary government (i.e., the County) as well as its component units. Component units are legally separate entities for which the primary government is financially accountable. Component units are discretely presented to emphasize they are legally separate from the primary government and to differentiate their financial position, results of operations and cash flows from those of the primary government. The Anderson County Board of Education (the Board) and the Anderson County Emergency Communications District (the District) are reported as discretely presented component units. For more information regarding the reporting entity, please see the notes to the financial statements.

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentations, including all disclosures, rests with the County. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds, and account groups of the County and its component units. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

Anderson County's financial statements have been audited by the County's independent auditors, the State of Tennessee's Office of the Comptroller of the Treasury, Department

of Audit, Division of County Audit. The goal of the independent audit was to provide reasonable assurance that the financial statements of Anderson County for the fiscal year ended June 30, 2005, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Anderson County's financial statements for the fiscal year ended June 30, 2005, are fairly presented in conformity with generally accepted accounting principles. The independent auditor's report is presented as the first component of the financial section of this report.

The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Information related to the single audit includes a schedule of expenditures of federal awards and state grants, schedule of findings and recommendations, auditor's report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with Government Auditing Standards and auditor's report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133.

Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statement in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Anderson County's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The County is located in the eastern portion of the state. To the north, Campbell and Morgan Counties border the County. The County's southern border consists of Knox and Loudon Counties. To the immediate west lies Roane County. To the east, adjacent counties are Union, Sevier and Jefferson. Anderson County occupies a land area of approximately 345 square miles and serves a population of 72,244.

The County has operated under a County Mayor – County Commission form of government since September 1, 1980. Policymaking and legislative authority is vested in the County Mayor (the executive branch of the County) and the County Commission (the legislative branch of the County). The County Commission is responsible for, among other things, passing resolutions, adopting the budget and appointing committees. The County Mayor is responsible for, among other things, carrying out the policies and

resolutions of the County Commission, overseeing the day-to-day operations of the government, and appointing the heads of many of the County's departments.

Anderson County Government continues to strive to provide essential services that enhance the quality of life for families throughout Anderson County. This requires detailed planning and the implementation of a number of initiatives and programs that include a wide range of services from emergency management planning to expanding needed infrastructure to run water and sewer to new and existing homes throughout Anderson County. Anderson County also is financially accountable for a legally separate school district, which is reported separately within its financial statements. Additional information on this legally separate entity along with the County's other discretely presented component units can be found in Note I. A. in the notes of the financial statements.

The annual budget serves as the foundation for Anderson County's financial planning and control. All agencies of Anderson County are required to submit requests for appropriation to the Budget Office and these requests are used as the starting point for developing a proposed budget. A proposed budget is presented to the Budget Committee for review prior to May 1. The Budget Committee is required to hold a public hearing on the proposed budget and to adopt a final budget by no later than May 15. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., sheriff). Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented as part of the required supplementary information for the governmental funds. For other governmental funds with appropriated annual budgets, this comparison is presented in the combining and individual fund subsection of this report. Please see the Table of Contents for specific page numbers.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Anderson County operates.

Local economy. Because of its central location in the eastern United States, the County is adjacent to thousands of industrial and commercial customers in a concentrated eight-state area. It is within 500 miles of approximately one-third of the population of the United States. Over fifty-nine percent of our industrial mix is in the commercial area, which includes transportation, public utilities, wholesale and retail trade, insurance and real estate, finance, and service industries. Among the County's largest employers are BWXT-Y12, UT Batelle, and Methodist Medical Center.

BWXT-Y12 and UT Batelle, with combined employment of over 8,000 are major contractors for two of the U.S. Department of Energy (DOE) facilities located in Oak

Ridge. These DOE facilities are vital to the nation's scientific research and development, environmental remediation and weapons disarmament and the development of alternative types of energy and materials. Great effort is being exerted to diversify the industrial base by recruiting private industry. A great deal of growth has taken place in the County's five major industrial parks: Eagle Bend, East Anderson, Carden Farms, I-75 and Commerce Park located in Oak Ridge. These industrial parks have several acres available for planned industrial and commercial development. The County is also on the northern end of a high technology corridor along the Pellissippi Parkway, which connects parts of Anderson, Knox and Blount counties.

Economic outlook. A recent economic analysis ranked the East Tennessee area tops in entrepreneurship and quality of life against fourteen other mid sized technology intensive economies. Anderson County continues to expand due to its combination of elements vital to fostering growth and development. This combination of favorable elements, which includes good jobs and precision workers, mild climate, cost of living more than forty percent below the national average, lowest overall tax burden in the U.S., and violent crime below the national average offers the perfect opportunity for business and individual success. The positive trends of low interest rates, increased government spending and good consumer spending will enable Anderson County to remain an attractive location for future economic development.

The County is continuing to stress steady growth. Since 1980, development in the County has been influenced by the fluctuation in interest rates as well as national economic trends. Since 1990, there has been a constant amount of new commercial development that has occurred throughout the County. The primary concentration of growth has been the eastern portion of the County along Interstate 75. The County and the City of Clinton are continuing to develop a 250-acre industrial park off of highway 61 near I-75. These efforts have and will continue to expand job opportunities and broaden the tax base.

Recent surveys indicate that although government funded operations are still a strong factor in the local economy, service and manufacturing related employment are also important. One of the area's strengths is its high percentage of precision craft and repair workers and technicians. Over forty percent of our population is in the prime labor work force age group of twenty-five to fifty-four. The improving diversification of the County's labor force has been credited as the primary contributing factor to the area's relatively low unemployment rate.

Risk management. The County has a comprehensive risk management and self-insurance program for claims for employee health insurance. The County accounts for this activity in an internal service fund where resources are accumulated to meet potential losses. In addition, the County carries commercial insurance for general liability and property and casualty. The Board of Education participates in the public entity risk pool for health insurance and workers' compensation.

Cash management policies and practices. The County Trustee is charged with maximizing returns on the County's funds, and complying with State law regarding investments that help ensure the protection of these funds. Cash temporarily idle during the year was invested in certificates of deposit and the State of Tennessee Local Government Investment Pool.

The County's investment policy is to minimize credit and market risk while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by federal depository insurance or collateralized through the State Bank Collateral Pool. The investments held by the County and the Board at June 30, 2004 was classified in the lowest credit risk as defined by the Governmental Accounting Standards Board (GASB).

Pension and other post-employment benefits. Most Anderson County employees are enrolled in the Tennessee Consolidated Retirement System (TCRS), an agent multiple-employer public retirement system that acts as a common investment and administrative agent for political subdivisions in the state. It is the policy of the Board of Trustees of the TCRS to fund pension benefits by actuarially determined contributions which are actuarial accrued liability cost, so that sufficient assets will be available to pay benefits when due. For more information on the status of expected pension benefits see the notes of the financial statements.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Anderson County Government for its comprehensive annual financial report for the fiscal year ended June 30, 2004. This was the ninth consecutive year that the government has achieved this prestigious award. In order to be awarded a certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirement.

The Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Also, Anderson County received the GFOA's Award for Outstanding Achievement in Popular Annual Financial Reporting for its annual condensed financial report. In order to receive this award, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

Board of County Commissioners and
Citizens of Anderson County
October 25, 2005
Page 6

Acknowledgements. The preparation of the CAFR was accomplished through the dedicated service of the Accounts and Budgets Department employees. We express our appreciation to all those who contributed to its preparation. We also express our appreciation to the County Commissioners for their interest, support, and leadership in the financial operations of the County.

Sincerely,

Gail D. Cook, CPA, CGFM
Director of Accounts and Budgets

Rex A. Lynch,
Anderson County Mayor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Anderson County,
Tennessee

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



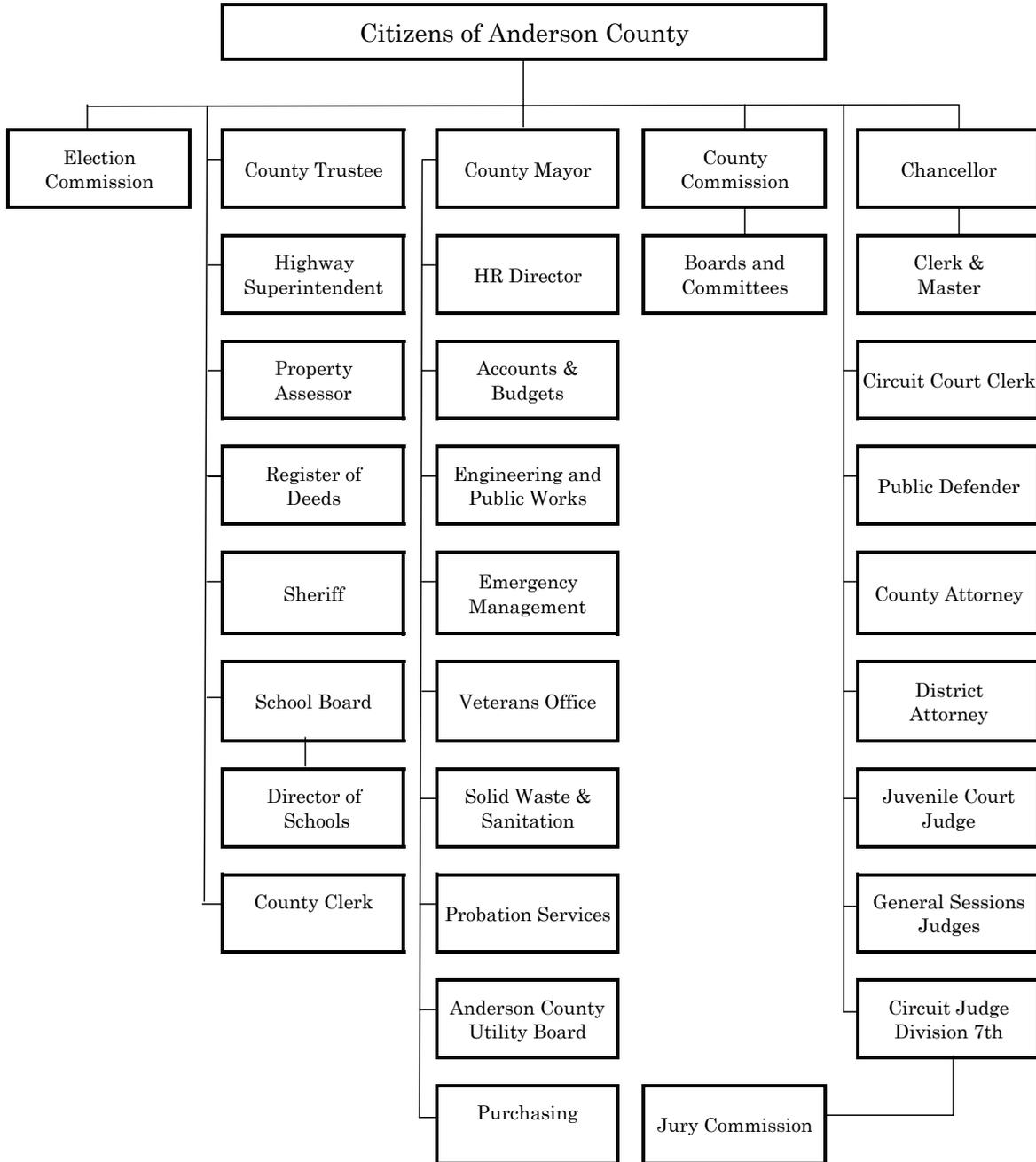
Nancy L. Ziehl

President

Jeffrey R. Emer

Executive Director

Anderson County, Tennessee Organization Chart



Anderson County Officials

June 30, 2005

Officials:

Rex Lynch, County Mayor
Gary L. Long, Highway Superintendent
V. L. Stonecipher, Director of Schools
Patsy Stair-Lomeli, Trustee
Vernon Long, Assessor of Property
Jeff Cole, County Clerk
Barry Pelizzari, Circuit and General Sessions Courts Clerk
Steve R. Queener, Clerk and Master
Tim Shelton, Register of Deeds
Bill White, Sheriff
Pamela Cotham, Purchasing Agent
Gail D. Cook, Director of Accounts and Budgets

Board of County Commissioners:

James M. Cox, Chairman	Myron Iwanski
Mark Alderson	Harold Jernigan
Jerry A. Creasey	Zenith R. Rose
Larry Dickens	Avery Johnson
Warren D. Haun	David O. Bolling
Chuck Fritts	Rodney Archer
John Alley	Scott Gillenwaters
Jerry White	Kathy Moore

Board of Education:

Dr. John Burrell, Chairman	Dail Cantrell
Ron Hagans	Jim Zitzman
Gail Martin	Wanda McCrosky
Arthur Nelson	
Greg Crawford	

FINANCIAL SECTION



**STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-0269
PHONE (615) 401-7841**

INDEPENDENT AUDITOR'S REPORT

October 7, 2005

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

To the County Mayor and Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Anderson County, Tennessee, as of and for the year ended June 30, 2005, which collectively comprise Anderson County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Anderson County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented Anderson County Emergency Communications District, which represent .98 percent and .42 percent, respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Anderson County Emergency Communications District, is based on the report of the other auditors.

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

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented

component units, each major fund, and the aggregate remaining fund information of Anderson County, Tennessee, as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 7, 2005, on our consideration of Anderson 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.

As described in Note V.B., Anderson County has implemented Governmental Accounting Standards Board Statement No. 40, Deposit and Investment Risk Disclosures, which modifies the county's disclosures for custodial credit risk and adds disclosures about other types of risk.

The management's discussion and analysis on pages 17 through 30 and the budgetary comparison information on pages 95 through 99 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Anderson County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the debt service funds, combining and individual fund financial statements of the Anderson County School Department (a discretely presented component unit), miscellaneous schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the debt service funds, combining and individual fund financial statements of the Anderson County School Department (a discretely presented component unit), and the miscellaneous schedules have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements, and accordingly, we express no opinion on them.

Very truly yours,



John G. Morgan
Comptroller of the Treasury

JGM/yu

**Anderson County, Tennessee
Management's Discussion and Analysis
For the Year Ended June 30, 2005**

The management of Anderson County, Tennessee, presents this management's discussion and analysis (MD&A) of the county's financial condition and results of operations for the fiscal year ended June 30, 2005. This information should be read in conjunction with the accompanying financial statements.

This MD&A also presents an overview of the county and the Anderson County Utility Board (ACUB) Public Utility Fund, known as the primary government. Also included are the financial results of the Anderson County Board of Education which is considered a discretely presented component unit (DPCU) and is referred to as the DPCU School Department. The DPCU School Department does not issue separate financial statements.

The Anderson County Emergency Communications District (the Emergency Communications District) is also a DPCU. Readers should review the Emergency Communications District separately issued financial statements and MD&A.

The government-wide financial statements include not only the primary government but also the DPCU School Department and Emergency Communications District, which is known as the total reporting entity.

FINANCIAL HIGHLIGHTS FOR 2005

The following are key financial highlights:

- The assets of the Anderson County primary government were more than its liabilities at year-end 2005 by \$1,730,040 (net assets). The net assets are small due to the county's process of issuing debt on behalf of the DPCU School Department. The county issues general obligation debt for the DPCU School Department which is used for school projects that become DPCU School Department capital assets. The DPCU School Department then makes payments to the county from future budgets. Since the debt is issued in the county's legal name, the debt is reported as a liability of the primary government. The net assets therefore, include the expectation of the DPCU School Department to fund its portion of debt service in future years.

If the county had excluded \$28,789,107 in DPCU School Department bonds and loans payable, net of note receivable of \$3,496,897, then the county would have net assets of \$27,022,250, significantly higher than the \$1,730,040 reported.

- The Anderson County primary government net assets increased by \$5,726,402 or 170 percent during 2005. The increase is primarily attributable to:

Increase in Governmental Fund Balances	\$ 4,935,223
Net Reduction in Governmental Long-Term Debt	415,873
Reduction in Accrued Interest Payable, Employee Compensated Absences, and Other Long-Term Liabilities	369,402
Decrease in Capital Assets, Net of Current Year Depreciation	(45,268)
Other	<u>51,172</u>
Total	<u>\$ 5,726,402</u>

For more detail, see Exhibit C-4 in the basic financial statements.

- At 2005 year-end, the county's governmental funds reported combined ending fund balances of \$13,406,026, an increase of \$4,935,223 for 2005. Of the total fund balances, \$8,051,537 is unreserved and available for ongoing operations.
- At June 30, 2005, the unreserved General Fund balance was \$4,156,848 or 23.6 percent of General Fund expenditures. This demonstrates the county's fiscal discipline and will help meet unexpected emergencies and other uncertainties the county may face during the course of everyday operations.
- The DPCU School Department's net assets decreased by \$375,499 or one percent during 2005. The decrease is primarily due to:

Decrease in Governmental Fund Balances	\$ (601,727)
Increase in Capital Assets, Net of Current Year Depreciation	2,933,156
Net Increases in Long-Term Debt	(2,768,430)
Other	<u>61,502</u>
Total	<u>\$ 375,499</u>

For more detail, see Exhibit J-4 of the combining and individual fund financial statements and schedules.

- At 2005 year-end, the DPCU School Department's governmental funds reported combined ending fund balances of \$3,062,889, a decrease of \$601,727 for 2005. Of the total fund balances, \$590,805 is unreserved.

OVERVIEW OF THE ANNUAL FINANCIAL STATEMENTS

The county's Comprehensive Annual Financial Report (CAFR) is comprised of the following:

1. Introductory Section
2. Financial Section
 - Independent Auditor's Report
 - Management's Discussion and Analysis

- Government-Wide Financial Statements
 - Fund Financial Statements
 - Notes to the Financial Statements
 - Required Supplementary Information and Related Notes
 - Combining and Individual Fund Financial Statements and Schedules
3. Statistical Section
 4. Single Audit Section

Introductory Section. This section includes a roster of county’s and DPCU School Department’s officials, organization chart, and letter of transmittal.

Financial Section. This section includes the unqualified opinion of the county’s and School Department’s independent external auditors, the Comptroller of the Treasury, Division of County Audit. Also included is the Management’s Discussion and Analysis (MD&A) which serves as an introduction to the basic financial statements.

Basic Financial Statements. The basic financial statements consists of the following:

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the county’s and School Department’s finances in a manner similar to a private-sector business.

The statement of net assets presents information on all the county’s and DPCU School Department’s assets and liabilities with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the county and DPCU School Department is improving or deteriorating.

The statement of activities presents information showing how the county’s and DPCU School Department’s net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the county and DPCU School Department that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The governmental activities of the county and DPCU School Department include the following:

- General Government
- Finance
- Administration of Justice
- Public Safety

- Public Health and Welfare
- Social, Cultural and Recreation
- Agriculture and Natural Resources
- Other Operations
- Highways
- Education
- Public Utilities
- Interest and Other Debt Service Costs

The business-type activities of the county consist of utility services provided by the ACUB Public Utility Fund.

The government-wide financial statements can be found on Exhibits A and B of the basic financial statements.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Anderson County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the county can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The county maintains 13 individual governmental funds. Information is presented separately in the governmental fund balance sheets and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, General Debt Service Fund, Rural Debt Service Fund, and Education Debt Service Fund, all of which are considered to be major funds. Data from the other nine governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the combining and individual fund financial statements and schedules.

The DPCU School Department maintains five individual governmental funds. The General

Purpose School Fund and the Education Capital Projects Fund are both considered major funds with the remaining three funds combined into a single, aggregated amount with detail provided in the combining and individual fund financial statements and schedules.

To demonstrate compliance with the budget, a budgetary comparison statement has been provided for the General Fund as Exhibits F-1. Budgetary comparison statements for the county's non-major budgeted funds, the Debt Service Funds, and the DPCU School Department's funds are provided in the combining and individual fund financial statements and schedules.

Governmental fund financial statements can be found as Exhibits C-1 through C-4 in the basic financial statements.

Proprietary Funds. Proprietary funds are used to account for activities where the emphasis is placed on net income determination. The county maintains two different types of proprietary funds – enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The county has one enterprise fund to account for water and wastewater operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the county's various functions. The county uses an internal service fund to account for the employee health insurance activities. Because internal service funds predominantly benefit governmental rather than business-type functions, their assets and liabilities have been included with governmental activities in the government-wide financial statements.

The county's enterprise fund, ACUB Public Utility Fund, is a major fund and is reported separately in the government-wide and fund financial statements. The internal service fund is combined within the governmental activities in the government-wide statements and is presented separately in the fund financial statements.

The proprietary fund financial statements can be found as Exhibits D-1 through D-3 in the basic financial statements.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. The county's fiduciary funds consist of the Cities Sales Tax Fund, School Average Daily Attendance Tax Funds, and the Constitutional Officers-Agency Fund. Fiduciary funds are not reflected in the government-wide financial statements because the county cannot use these funds to finance its operations.

The fiduciary fund financial statements can be found as Exhibits E-1 and E-2 in the basic financial statements.

Notes to the Financial Statements. The notes provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements.

Combining and Individual Fund Financial Statements and Schedules. In addition to the basic financial statements and accompanying notes, this report also presents combining and individual fund statements and schedules. Also included are the financial

statements of the DPCU Anderson County School Department.

Statistical Section. This includes selected historical financial data and is presented on a ten year basis if available and is unaudited.

Single Audit Section. This includes the auditor’s reports on the county’s and the DPCU School Department’s internal controls and compliance including an opinion on major federal award programs. This section also includes a schedule of the expenditures of federal and state awards programs for the county and DPCU School Department.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets (deficits) may serve over time as a useful indicator of a government’s financial position. The county’s assets exceeded its liabilities by \$1.73 million and the DPCU School Department had net assets of \$37.4 million. This is due to the county’s process of issuing debt on behalf of the School Department for building construction and improvements. The DPCU School Department “owns” the capital asset, but the county is obligated to pay the debt.

At year-end 2005, the county’s and DPCU School Department’s statement of net assets consisted of the following:

ANDERSON COUNTY STATEMENT OF NET ASSETS

	<u>Anderson County Government</u>	
	<u>2005</u>	<u>2004</u>
Assets		
Cash, Inventories and Investments	\$ 10,361,202	\$ 8,281,864
Receivables - Net	15,420,810	14,407,060
Prepaid Items and Other	3,916,727	942,815
Capital Assets – Net	<u>17,126,421</u>	<u>17,410,055</u>
Total Assets	<u>\$ 46,825,160</u>	<u>\$ 41,041,794</u>
Liabilities		
Current Liabilities	\$ 15,123,219	\$ 13,877,644
Noncurrent Liabilities	<u>41,365,952</u>	<u>42,135,864</u>
Total Liabilities	<u>\$ 56,489,171</u>	<u>\$ 56,013,508</u>
Net Assets (Deficit)		
Invested in Capital Assets, Net of Related Debt	\$ 4,795,772	\$ 3,677,748
Restricted	3,144,003	1,921,329
Unrestricted	<u>(17,603,786)</u>	<u>(20,570,791)</u>
Total Net Assets (Deficit)	<u>\$ (9,664,011)</u>	<u>\$ (14,971,714)</u>

ANDERSON COUNTY
STATEMENT OF NET ASSETS

	DPCU School Department	
	2005	2004
Assets		
Cash, Inventories and Investments	\$ 4,824,614	\$ 3,861,460
Receivables - Net	15,039,175	14,048,065
Prepaid Items and Other	94,196	96,333
Capital Assets – Net	39,679,093	36,745,937
Total Assets	\$ 59,637,078	\$ 54,751,795
Liabilities		
Current Liabilities	\$ 16,066,231	\$ 13,554,066
Noncurrent Liabilities	6,202,638	3,454,021
Total Liabilities	\$ 22,268,869	\$ 17,008,087
Net Assets (Deficit)		
Invested in Capital Assets, Net of Related Debt	\$ 32,720,901	\$ 33,690,430
Restricted	1,358,615	1,327,169
Unrestricted	2,288,693	2,726,109
Total Net Assets (Deficit)	\$ 37,368,209	\$ 37,743,708

ANDERSON COUNTY
STATEMENT OF NET ASSETS

	Business-Type Activities	
	2005	2004
Assets		
Cash and Investments	\$ 1,286,412	\$ 1,306,571
Receivables - Net	165,799	147,828
Capital Assets – Net	11,346,446	11,000,362
Total Assets	\$ 12,798,657	\$ 12,454,761
Liabilities		
Current Liabilities	\$ 111,439	\$ 142,266
Noncurrent Liabilities	1,293,167	1,337,143
Total Liabilities	\$ 1,404,606	\$ 1,479,409

Net Assets (Deficit)

Invested in Capital Assets, Net of Related Debt	\$ 10,053,279	\$ 9,663,218
Unrestricted	<u>1,340,772</u>	<u>1,312,134</u>
Total Net Assets (Deficit)	<u>\$ 11,394,051</u>	<u>\$ 10,975,352</u>

By far, the largest portion of the county's, DPCU School Department's, and ACUB's net assets reflects its investment in capital assets (e.g., land, buildings, water lines, machinery and equipment), less any related debt used to acquire those assets that are still outstanding. The county, DPCU School Department and ACUB use these capital assets to provide services; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate long-term debt.

The unrestricted net assets may be used to meet the obligations to employees and creditors and to help fund next year's budget.

During 2004, the county's, DPCU School Department's, and ACUB's net assets changed due to the following:

ANDERSON COUNTY
STATEMENT OF ACTIVITIES

	<u>Anderson County Government</u>	
	<u>2005</u>	<u>2004</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 9,260,057	\$ 8,754,724
Operating Grants and Contributions	3,174,796	3,426,740
Capital Grants and Contributions	292,704	352,265
General Revenues:		
Local Taxes	14,981,121	14,648,896
State and Federal - Unrestricted	3,081,497	3,707,744
Investment Income	276,969	203,825
Miscellaneous	(49,095)	74,167
Transfers to Business Type Activities	(238,366)	0
Total Revenues	<u>\$ 30,877,873</u>	<u>\$ 31,168,361</u>
Expenses		
General Government	\$ 3,043,074	\$ 2,958,476
Finance	2,353,548	2,264,600
Administration of Justice	2,396,649	2,487,842
Public Safety	6,550,593	6,525,846
Public Health and Welfare	5,490,734	4,821,032
Social, Cultural and Recreation	290,638	274,330

Agricultural and Natural Resources	158,093	160,814
Other Operations	\$ 784,386	\$ 950,493
Highways	2,830,170	3,965,497
Interest and Other Debt Service Costs	<u>1,672,285</u>	<u>1,865,601</u>
Total Expenses	\$ <u>25,570,170</u>	\$ <u>26,274,531</u>
Increase (Decrease) in Net Assets	\$ 5,307,703	\$ 4,893,830
Net Assets (Deficit), Beginning of Year	<u>(14,971,714)</u>	<u>(19,865,544)</u>
Net Assets(Deficit), End of Year	\$ <u>(9,664,011)</u>	\$ <u>(14,971,714)</u>

ANDERSON COUNTY
STATEMENT OF ACTIVITIES

	<u>DPCU School Department</u>	
	<u>2005</u>	<u>2004</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 1,413,479	\$ 1,375,527
Operating Grants and Contributions	8,730,331	7,794,539
Capital Grants and Contributions	-	244,755
General Revenues:		
Local Taxes	17,861,685	17,013,796
State and Federal - Unrestricted	24,244,749	24,242,587
Investment Income	116,867	56,922
Miscellaneous	<u>50,598</u>	<u>34,524</u>
Total Revenues	\$ <u>52,417,709</u>	\$ <u>50,762,650</u>
Expenses		
Education	\$ <u>52,793,208</u>	\$ <u>51,664,059</u>
Total Expenses	\$ <u>52,793,208</u>	\$ <u>51,664,059</u>
Increase (Decrease) in Net Assets	\$ (375,499)	\$ (901,409)
Net Assets (Deficit), Beginning of Year	<u>37,743,708</u>	<u>38,645,117</u>
Net Assets(Deficit), End of Year	\$ <u>37,368,209</u>	\$ <u>37,743,708</u>

ANDERSON COUNTY
STATEMENT OF ACTIVITIES

	Business-Type Activities	
	2005	2004
Revenues		
Program Revenues:		
Charges for Services	\$ 1,818,137	\$ 1,719,379
Capital Grants and Contributions	425,000	423,375
General Revenues:		
Investment Income	7,034	3,776
Transfer from Governmental Activities	238,366	-
Total Revenues	\$ 2,488,537	\$ 2,146,530
Expenses		
Public Utilities	\$ 2,069,838	\$ 1,962,176
Total Expenses	\$ 2,069,838	\$ 1,962,176
Increase (Decrease) in Net Assets	\$ 418,699	\$ 184,354
Net Assets (Deficit), Beginning of Year	10,975,352	10,790,998
Net Assets(Deficit), End of Year	\$ 11,394,051	\$ 10,975,352

Governmental Activities. Governmental type activities provided by the county are primarily public safety 26 percent, public health and welfare 21 percent, and highways 11 percent. The DPCU School Department provides public education for children in grades Kindergarten through 12 who are residents of Anderson County.

The county's main source of revenues is from local taxes which consist of property and local option sales taxes (49%), and charges for services (30%). The DPCU School Department's main source of funding is provided by state and federal funding (46%) and local taxes which consist of property and local option sales tax (34%).

Business Type Activities (BTA). The BTA of the county is water service provided by the ACUB Public Utility Fund which serves 4,008 customers in the rural areas of the county. Approximately 80 percent of ACUB's revenues are from charges for services.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The county's investment in capital assets for its governmental activities as of June 30, 2005, amounts to \$17.1 million (net of accumulated depreciation). This investment in capital assets includes land, building and improvements, equipment, roads, streets, bridges, and construction in progress. The DPCU School Department's investment in capital assets for its governmental activities as of June 30, 2005, amounts to \$39.7 million (net of accumulated depreciation).

Note IV.C. (Capital Assets) provides capital asset activity during the 2005 fiscal year. During 2005, the county added several capital assets including seven vehicles for the Sheriff's Department, two new ambulances, and continued work on a new Health Department facility. The DPCU School Department started several capital projects. These included renovations at Andersonville Elementary School, Dutch Valley Elementary School, Clinton High School, Anderson County High School, Norwood Elementary School, and Claxton Elementary School.

Long-Term Debt. At the end of the 2005 fiscal year, the county had total general obligation bonds, loans payable, capital outlay notes, and capital leases outstanding of \$41.2 million. During 2005, the county issued \$300,000 in capital outlay notes to finance renovation of a county owned building. The county also drew down \$3,344,356 of \$10.1 million in other loans issued in fiscal year 2004 to finance various school capital projects.

The DPCU School Department had total outstanding debt at the end of the 2005 fiscal year in the amount of \$5.6 million. The outstanding School Department debt includes a note payable to the primary government of \$3.5 million.

The total outstanding debt at the end of fiscal year 2005 for ACUB is \$1.26 million. ACUB issued \$87,245 in PBA loan agreement in 2005 to finance the construction of a water tank.

In addition to the above debt, county long-term obligations include compensated absences and other long-term liabilities. Addition information on the county's long-term liabilities can be found in Note IV. I. of this report. Note I. D. 6. discusses compensated absences.

The county's most recent bond rating from Moody's Investor Services was A1 and A+ from Standard and Poor's for the 2001 general obligation and rural elementary and high school refunding issue.

FINANCIAL ANALYSIS OF FUND FINANCIAL STATEMENTS

As previously discussed, the county and the DPCU School Department use fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the county and the DPCU School Department governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources.

Such information is useful in assessing the county's and the DPCU School Department's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of 2005, the county's governmental funds reported combined ending fund balances of \$13.4 million, an increase of \$4.9 million when compared to year-end 2004. Approximately \$8.1 million is unreserved fund balances which is available for future appropriations. The reserved fund balances of \$5.3 million at June 30, 2005, are for unexpended restricted revenues and reserves for inventories, notes receivable long-term, and encumbrances.

net assets of \$10.1 million invested in capital assets net of related debt, which are not available to fund future operations.

The Employee Health Insurance Fund net assets of \$38,697 are available for claims and related employee health insurance costs in future years.

The proprietary fund financial statements can be found as Exhibits D-1 through D-3 in the basic financial statements.

GENERAL FUND BUDGETARY HIGHLIGHTS

The difference between the original budget and the final amended budgeted expenditures for the General Fund was \$3.8 million.

The General Fund increase of \$3,890,284 was allocated to:

General Government	\$ 631,426
Finance	66,077
Administration of Justice	71,485
Public Safety	1,456,413
Public Health and Welfare	202,791
Debt Service - Principal and Interest	146,815
Capital Projects	1,111,980
Other Operations	<u>203,297</u>
Total	<u>\$3,890,284</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

During the preparation of the FY 2006 budget, the following major assumptions were used.

- Assessed property values, the basis of property tax revenues, will increase by 2 percent.
- Salaries and wages for employees will increase by three percent.
- Health benefit costs will increase by 10 percent and no benefit changes will be made to the plan.
- The June 2005 unemployment rate in Anderson County was 5.8 percent which compared favorably with the state rate of 6.3 percent.
- During 2005, the General Fund unreserved fund balance increased by \$156,123 to \$4,156,848. The county appropriated \$301,570 of the unreserved fund balance in the FY 2006 budget for capital projects.
- During FY 2005, the county reduced outstanding debt on bonds and loans payable by \$220,233 to a total outstanding balance of \$40,383,107. The county has reduced long-term debt over the last five years by \$7,841,377 or 16 percent.

REQUESTS FOR INFORMATION

This MD&A and accompanying financial statements and notes are designed to provide our citizens, parents, students, employees, creditors and regulatory agencies with an overview of the county's finances. If you have any questions or need additional information, you may contact:

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865-457-6254 (fax)
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BASIC FINANCIAL STATEMENTS

Exhibit A

Anderson County, Tennessee
Statement of Net Assets
June 30, 2005

	Primary Government			Component Units	
	Governmental	Business-type	Total	Anderson	Emergency
	Activities	Activities		School	Communications
				Department	District
<u>ASSETS</u>					
Cash	\$ 542,834	\$ 900	\$ 543,734	\$ 10,284	\$ 207,598
Equity in Pooled Cash and Investments	9,770,600	950,978	10,721,578	4,731,330	0
Inventories	31,917	0	31,917	83,000	0
Investments	15,851	0	15,851	0	0
Accounts Receivable	1,931,953	227,325	2,159,278	36,839	35,186
Allowance for Uncollectible	(327,292)	(59,405)	(386,697)	0	0
Due from Other Governments	972,584	0	972,584	1,568,908	0
Internal Balances	2,121	(2,121)	0	0	0
Due from Primary Government	0	0	0	949,998	0
Due from Component Units	49,897	0	49,897	0	0
Property Taxes Receivable	13,220,443	0	13,220,443	12,894,259	0
Allowance for Uncollectible Property Taxes	(428,896)	0	(428,896)	(410,829)	0
Prepaid Items	50,385	0	50,385	94,196	2,690
Note Receivable - Long-term	3,496,897	0	3,496,897	0	0
Restricted Assets:					
Revenue Bond Future Debt Service Account	0	334,534	334,534	0	0
Unamortized Debt Issuance Cost	369,445	0	369,445	0	0
Capital Assets					
Assets Not Depreciated:					
Land	1,259,590	124,149	1,383,739	632,487	0
Construction in Progress	1,480,066	0	1,480,066	4,151,668	0
Assets Net of Accumulated Depreciation:					
Buildings and Improvements	7,477,626	0	7,477,626	33,861,191	0
Water and Sewer Facilities	0	11,222,297	11,222,297	0	0
Other Capital Assets	1,985,881	0	1,985,881	1,033,747	346,599
Infrastructure - Roads, Streets, and Bridges	4,923,258	0	4,923,258	0	0
Total Assets	\$ 46,825,160	\$ 12,798,657	\$ 59,623,817	\$ 59,637,078	\$ 592,073

(Continued)

Exhibit A

Anderson County, Tennessee
Statement of Net Assets (cont.)

	Primary Government			Component Units	
	Governmental	Business-type	Total	Anderson	Emergency
	Activities	Activities		School	Communica-
				Department	tions
				District	
<u>LIABILITIES</u>					
Accounts Payable	\$ 413,029	\$ 15,138	\$ 428,167	\$ 1,051,871	\$ 685
Accrued Payroll	127,648	7,641	135,289	4,529	0
Accrued Interest Payable	309,301	972	310,273	36,264	0
Payroll Deductions Payable	352,324	17,065	369,389	553,464	0
Contracts Payable	422,699	0	422,699	1,966,937	0
Retainage Payable	46,459	0	46,459	299,547	0
Due to Primary Government	0	0	0	49,897	0
Due to Component Units	949,998	0	949,998	0	0
Due to State of Tennessee	848	8,862	9,710	0	0
Deferred Revenue - Property Taxes	12,404,930	0	12,404,930	12,102,854	0
Other Current Liabilities	95,983	61,761	157,744	868	0
Noncurrent Liabilities:					
Due within one Year	4,566,770	105,692	4,672,462	816,410	0
Due in more than One Year	36,799,182	1,187,475	37,986,657	5,386,228	0
Total Liabilities	\$ 56,489,171	\$ 1,404,606	\$ 57,893,777	\$ 22,268,869	\$ 685
<u>NET ASSETS</u>					
Invested in Capital Assets, net of related debt	\$ 4,795,772	\$ 10,053,279	\$ 14,849,051	\$ 33,720,901	\$ 0
Invested in Capital Assets Restricted for:	0	0	0	0	346,599
Highway	1,740,500	0	1,740,500	0	0
Debt Service	797,035	0	797,035	0	0
Other Purposes	606,468	0	606,468	1,358,615	0
Unrestricted	(17,603,786)	1,340,772	(16,263,014)	2,288,693	244,789
Total Net Assets (Deficit)	\$ (9,664,011)	\$ 11,394,051	\$ 1,730,040	\$ 37,368,209	\$ 591,388

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

Exhibit B

Anderson County, Tennessee
 Statement of Activities
 For the Year Ended June 30, 2005

Functions/Programs	Net (Expense) Revenues and Changes in Net Assets									
	Program Revenues					Primary Government			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activity	Total	Anderson County School Department	Emergency Communications District	
<u>Primary Government:</u>										
Governmental Activities:										
General Government	\$ 3,043,074	\$ 1,026,912	\$ 54,872	\$ 1,500	\$ (1,959,790)	\$ 0	\$ (1,959,790)	\$ 0	\$ 0	
Finance	2,353,548	1,754,221	21,844	0	(577,483)	0	(577,483)	0	0	
Administration of Justice	2,396,649	1,802,240	35,683	0	(558,726)	0	(558,726)	0	0	
Public Safety	6,550,593	503,359	205,117	56,610	(5,785,507)	0	(5,785,507)	0	0	
Public Health and Welfare	5,490,734	3,847,134	731,925	91,949	(819,726)	0	(819,726)	0	0	
Social, Cultural, and Recreational Services	290,638	53,712	111,652	6,400	(118,874)	0	(118,874)	0	0	
Agricultural and Natural Resources	158,093	0	0	0	(158,093)	0	(158,093)	0	0	
Other Operations	784,386	0	0	0	(784,386)	0	(784,386)	0	0	
Highways	2,830,170	272,479	2,013,703	136,245	(407,743)	0	(407,743)	0	0	
Debt Service:										
Interest on Long-term Debt	1,543,338	0	0	0	(1,543,338)	0	(1,543,338)	0	0	
Other Debt Service	128,947	0	0	0	(128,947)	0	(128,947)	0	0	
Total Governmental Activities	\$ 25,570,170	\$ 9,260,057	\$ 3,174,796	\$ 292,704	\$ (\$12,842,613)	\$ 0	\$ (12,842,613)	\$ 0	\$ 0	
Business-type Activities										
Water and Sewer	\$ 2,069,838	\$ 1,818,137	\$ 0	\$ 425,000	\$ 0	\$ 173,299	\$ 173,299	\$ 0	\$ 0	
Total Business-type Activity	\$ 2,069,838	\$ 1,818,137	\$ 0	\$ 425,000	\$ 0	\$ 173,299	\$ 173,299	\$ 0	\$ 0	
Total Primary Government	\$ 27,640,008	\$ 11,078,194	\$ 3,174,796	\$ 717,704	\$ (12,842,613)	\$ 173,299	\$ (12,669,314)	\$ 0	\$ 0	
<u>Component Units:</u>										
Anderson County School Department	\$ 52,793,208	\$ 1,413,479	\$ 8,730,331	\$ 0	\$ 0	\$ 0	\$ 0	\$ (42,649,398)	\$ 0	
Emergency Communications District	183,241	219,390	0	0	0	0	0	0	36,149	
Total Component Units	\$ 52,976,449	\$ 1,632,869	\$ 8,730,331	\$ 0	\$ 0	\$ 0	\$ 0	\$ (42,649,398)	\$ 36,149	

(Continued)

Exhibit B

Anderson County, Tennessee
Statement of Activities (Cont.)

	Net (Expense) Revenues and Changes in Net Assets				
	Primary			Component Units	
	Government			Anderson	Emergency
	Governmental	Business-type	Total	School	Communica-
Activities	Activity		Department	tions	
				District	
General Revenues:					
Property Taxes	\$ 12,735,886	\$ 0	\$ 12,735,886	\$ 12,753,988	\$ 0
Sales Taxes	805,743	0	805,743	4,931,352	0
Other Taxes	1,439,492	0	1,439,492	176,345	0
Grants and Contributions not restricted to specific programs	3,081,497	0	3,081,497	24,244,749	0
Unrestricted Investment Income	276,969	7,034	284,003	116,867	1,200
Miscellaneous	49,095	0	49,095	50,598	0
Transfers	(238,366)	238,366	0	0	0
Total General Revenues and transfers	\$ 18,150,316	\$ 245,400	\$ 18,395,716	\$ 42,273,899	\$ 1,200
Change in Net Assets	\$ 5,307,703	\$ 418,699	\$ 5,726,402	\$ (375,499)	\$ 37,349
Net Assets, July 1, 2004	(14,971,714)	10,975,352	(3,996,362)	37,743,708	554,039
Net Assets, June 30, 2005	\$ (9,664,011)	\$ 11,394,051	\$ 1,730,040	\$ 37,368,209	\$ 591,388

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

Exhibit C-1

Anderson County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2005

	Major Funds				Nonmajor Funds	Total Govern- mental Funds
	General	General Debt Service	Rural Debt Service	Education Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>						
Cash	\$ 40,950	\$ 0	\$ 0	\$ 0	\$ 358,255	\$ 399,205
Equity in Pooled Cash and Investments	5,479,696	1,123,278	283,052	1,373,002	1,511,572	9,770,600
Inventories	9,917	0	0	0	22,000	31,917
Accounts Receivable	948,944	37,044	750,812	89,057	106,096	1,931,953
Allowance for Uncollectibles	(327,292)	0	0	0	0	(327,292)
Due from Other Governments	463,614	0	0	0	508,970	972,584
Due from Other Funds	180,138	0	172,004	52,302	454,904	859,348
Due from Component Units	5,900	0	26,384	0	17,613	49,897
Property Taxes Receivable	9,810,042	2,405,994	49,450	954,957	0	13,220,443
Allowance for Uncollectible Property Taxes	(312,426)	(76,925)	(1,428)	(38,117)	0	(428,896)
Prepaid Items	0	2,933	0	47,452	0	50,385
Notes Receivable - Long-Term	0	0	2,468,419	1,028,478	0	3,496,897
Total Assets	\$ 16,299,483	\$ 3,492,324	\$ 3,748,693	\$ 3,507,131	\$ 2,979,410	\$ 30,027,041
<u>LIABILITIES AND FUND BALANCES</u>						
<u>Liabilities</u>						
Accounts Payable	\$ 206,834	\$ 0	\$ 0	\$ 0	\$ 206,195	\$ 413,029
Accrued Payroll	112,335	0	0	0	15,313	127,648
Payroll Deductions Payable	290,386	0	0	0	40,129	330,515
Contracts Payable	259,160	0	0	0	163,539	422,699
Retainage Payable	46,459	0	0	0	0	46,459
Due to Other Funds	464,200	182,690	0	160,000	337	807,227
Due to Component Units	0	110,153	750,812	89,033	0	949,998
Due to State of Tennessee	848	0	0	0	0	848
Other Current Liabilities	25,200	0	0	0	0	25,200
Deferred Revenue - Current Property Taxes	9,208,340	2,257,528	46,378	892,684	0	12,404,930
Deferred Revenue - Delinquent Property Taxes	250,115	61,856	1,531	21,063	0	334,565
Other Deferred Revenues	501,392	0	0	0	234,696	736,088
Health Insurance Payments	10,172	0	0	0	0	10,172
Retirement Contribution Payments	11,637	0	0	0	0	11,637
Total Liabilities	\$ 11,387,078	\$ 2,612,227	\$ 798,721	\$ 1,162,780	\$ 660,209	\$ 16,621,015

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor	Total
	General	General Debt Service	Rural Debt Service	Education Debt Service	Other Governmental Funds	
<u>LIABILITIES AND FUND BALANCES (Cont.)</u>						
<u>Fund Balances</u>						
Reserved for Encumbrances	\$ 569,601	\$ 20,000	\$ 20,000	\$ 20,000	\$ 990,038	\$ 1,619,639
Reserved for Alcohol and Drug Treatment	47,238	0	0	0	0	47,238
Reserved for Litigation Tax - Office of Public Defender	30,932	0	0	0	0	30,932
Reserved for Drug Court	9,556	0	0	0	0	9,556
Reserved for Sexual Offender Registration	1,080	0	0	0	0	1,080
Reserved for Computer System - Register	5,614	0	0	0	0	5,614
Reserved for Automation Purposes - General Sessions Court	9,979	0	0	0	0	9,979
Reserved for Automation Purposes - Chancery Court	1,532	0	0	0	0	1,532
Reserved for Automation Purposes - Sheriff	18,439	0	0	0	0	18,439
Reserved for Inventory	9,917	0	0	0	22,000	31,917
Reserved for Long-Term Notes Receivable	0	0	2,468,419	1,028,478	0	3,496,897
Reserved for Other General Purposes	51,669	0	0	0	29,997	81,666
Unreserved, Reported In:						
General Fund	4,156,848	0	0	0	0	4,156,848
Special Revenue Funds	0	0	0	0	1,277,166	1,277,166
Debt Service Funds	0	860,097	461,553	1,295,873	0	2,617,523
Total Fund Balances	<u>\$ 4,912,405</u>	<u>\$ 880,097</u>	<u>\$ 2,949,972</u>	<u>\$ 2,344,351</u>	<u>\$ 2,319,201</u>	<u>\$ 13,406,026</u>
Total Liabilities and Fund Balances	<u>\$ 16,299,483</u>	<u>\$ 3,492,324</u>	<u>\$ 3,748,693</u>	<u>\$ 3,507,131</u>	<u>\$ 2,979,410</u>	<u>\$ 30,027,041</u>

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

Anderson County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
June 30, 2005

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)		\$	13,406,026
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			17,126,421
(2) Certain earned amounts are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			1,070,653
(3) An internal service fund is used by management to charge the cost of employee health insurance to individual funds. The assets and liabilities are included in governmental activities in the statement of net assets.			38,697
(4) Debt issuance costs are expensed when paid in the governmental funds. The unamortized portion of these charges is reflected on the statement of net assets.			369,445
(5) Interest costs of long-term debt are expensed when due in the governmental funds. Interest costs incurred as of the balance sheet date are accrued in the statement of net assets.			(309,301)
(6) Long-term liabilities, including other loans payable, are not due and payable in the current period and therefore are not reported in the governmental funds.			
Notes payable	\$	835,474	
Other loans payable		15,628,236	
Capitalized leases payable		16,889	
General bonded debt payable		24,754,871	
Less: Deferred charge on refunding (to be amortized as interest expense)		(751,302)	
Compensated absences		552,024	
Other long-term liabilities		329,760	
			<u>(41,365,952)</u>
Net assets (deficit) of governmental activities (Exhibit A)		\$	<u>(9,664,011)</u>

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

Exhibit C-3

Anderson County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2005

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	General Debt Service	Rural Debt Service	Education Debt Service	Other Govern- mental Funds	
<u>Revenues</u>						
Local Taxes	\$ 11,990,265	\$ 2,396,688	\$ 71,408	\$ 930,936	\$ 583,967	\$ 15,973,264
Licenses and Permits	312,175	0	0	0	0	312,175
Fines, Forfeitures, and Penalties	398,470	0	0	0	95,659	494,129
Charges for Current Services	3,933,262	0	0	0	2,294,794	6,228,056
Other Local Revenues	517,406	92,542	12,005	36,396	305,235	963,584
Fees Received from County Officials	1,323,177	0	0	0	0	1,323,177
State of Tennessee	1,223,316	0	0	0	2,215,401	3,438,717
Federal Government	198,156	0	0	0	32,952	231,108
Other Governments and Citizens Groups	44,355	0	1,311,006	710,801	108,666	2,174,828
Total Revenues	\$ 19,940,582	\$ 2,489,230	\$ 1,394,419	\$ 1,678,133	\$ 5,636,674	\$ 31,139,038
<u>Expenditures</u>						
Current:						
General Government	\$ 2,838,105	\$ 0	\$ 0	\$ 0	\$ 329,457	\$ 3,167,562
Finance	1,469,799	0	0	0	823,412	2,293,211
Administration of Justice	1,465,231	0	0	0	864,895	2,330,126
Public Safety	6,267,691	0	0	0	72,966	6,340,657
Public Health and Welfare	3,800,333	0	0	0	1,463,748	5,264,081
Social, Cultural, and Recreational Services	3,000	0	0	0	284,399	287,399
Agricultural and Natural Resources	153,674	0	0	0	0	153,674
Other Operations	687,368	0	0	0	90,382	777,750
Highways	0	0	0	0	2,470,425	2,470,425
Debt Service:						
Principal	141,830	1,559,810	1,084,042	1,259,547	15,000	4,060,229
Interest	4,978	648,328	419,751	457,025	4,013	1,534,095
Other Debt Service	0	62,939	4,909	22,363	0	90,211
Capital Projects	778,751	0	0	0	0	778,751
Total Expenditures	\$ 17,610,760	\$ 2,271,077	\$ 1,508,702	\$ 1,738,935	\$ 6,418,697	\$ 29,548,171
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,329,822	\$ 218,153	\$ (114,283)	\$ (60,802)	\$ (782,023)	\$ 1,590,867
<u>Other Financing Sources (Uses)</u>						
Notes Issued	\$ 300,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 300,000
Other Loans Issued	0	0	2,319,533	1,024,823	0	3,344,356

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor	Total
	General	General Debt Service	Rural Debt Service	Education Debt Service	Other Govern- mental Funds	
<u>Other Financing Sources (Uses) (Cont.)</u>						
Transfers In	\$ 0	\$ 79,221	\$ 0	\$ 16,202	\$ 1,713,582	\$ 1,809,005
Transfers Out	(2,014,215)	0	0	0	(94,790)	(2,109,005)
Total Other Financing Sources (Uses)	\$ (1,714,215)	\$ 79,221	\$ 2,319,533	\$ 1,041,025	\$ 1,618,792	\$ 3,344,356
Net Change in Fund Balances	\$ 615,607	\$ 297,374	\$ 2,205,250	\$ 980,223	\$ 836,769	\$ 4,935,223
Fund Balance, July 1, 2004	4,296,798	582,723	744,722	1,364,128	1,482,432	8,470,803
Fund Balance, June 30, 2005	\$ 4,912,405	\$ 880,097	\$ 2,949,972	\$ 2,344,351	\$ 2,319,201	\$ 13,406,026

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

Anderson 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, 2005

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)		\$	4,935,223
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives and reported as depreciation expense. The amount that capital outlays differs from depreciation is itemized as follows:			
Add: Capital outlays in the current period	\$	1,216,978	
Less: Current year depreciation		<u>(1,262,246)</u>	(45,268)
(2) Effect of donating capital assets to business-type activity fund is to decrease net assets of the governmental funds			(238,366)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
For the year ended June 30, 2005	\$	1,070,653	
For the year ended June 30, 2004		<u>(1,093,873)</u>	(23,220)
(4) The issuance of long-term debt (e.g., notes, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.			
Less: Notes issued	\$	(300,000)	
Less: Other loan proceeds issued		(3,344,356)	
Add: Principal payment on notes		363,810	
Add: Principal payment on other loans		1,188,350	
Add: Principal payment on capitalized leases		131,830	
Add: Principal payment on bonds		<u>2,376,239</u>	415,873
(5) Governmental funds report the effect of issuance costs, premiums, discounts, and similar items related to long-term debt issuance when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This adjustment reflects amounts expensed during the year recorded in the statement of activities.			
Less: Deferred charge on refunding amortized during year	\$	(93,145)	
Less: Debt Issuance cost amortized during year		<u>(38,736)</u>	(131,881)
(6) 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	\$	83,902	
Change in compensated absences		(56,500)	
Change in other long-term liabilities		<u>342,000</u>	369,402

(Continued)

Exhibit C-4

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

(7) The internal service fund is used by management to charge the cost of employee health benefits to individual funds. The net revenue (expense) of certain activities of the internal service fund is reported with governmental activities in the statement of activities	\$ <u>25,940</u>
Change in net assets of governmental activities (Exhibit B)	\$ <u><u>5,307,703</u></u>

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

Anderson County, Tennessee
Statement of Net Assets
Proprietary Funds
June 30, 2005

	Business-type Activities- Enterprise Fund Public Utility Fund	Governmental Activities- Internal Service Fund Employee Health Insurance Fund
<u>ASSETS</u>		
Current Assets:		
Cash	\$ 900	\$ 143,629
Equity in Pooled Cash and Investments	950,978	0
Investments	0	15,851
Accounts Receivable	227,325	0
Allowance for Uncollectibles	(59,405)	0
Total Current Assets	<u>\$ 1,119,798</u>	<u>\$ 159,480</u>
Noncurrent Assets:		
Restricted Assets:		
Revenue Bond Future Debt Service Account	\$ 334,534	\$ 0
Capital Assets:		
Assets not Depreciated:		
Land	124,149	0
Assets Net of Accumulated Depreciation:		
Water and Sewer Facilities	11,222,297	0
Total Noncurrent Assets	<u>\$ 11,680,980</u>	<u>\$ 0</u>
Total Assets	<u>\$ 12,800,778</u>	<u>\$ 159,480</u>
<u>LIABILITIES</u>		
Current Liabilities:		
Accounts Payable	\$ 15,138	\$ 0
Accrued Payroll	7,641	0
Accrued Interest Payable	972	0
Payroll Deductions Payable	17,065	0
Due to State of Tennessee	8,862	0
Due to Other Funds	2,121	50,000
Other Current Liabilities	61,761	70,783
Current Portion of Long-term Liabilities	105,692	0
Total Current Liabilities	<u>\$ 219,252</u>	<u>\$ 120,783</u>
Noncurrent Liabilities:		
Due in more than One Year	<u>\$ 1,187,475</u>	<u>\$ 0</u>
Total Noncurrent Liabilities	<u>\$ 1,187,475</u>	<u>\$ 0</u>
Total Liabilities	<u>\$ 1,406,727</u>	<u>\$ 120,783</u>
<u>NET ASSETS</u>		
Invested in Capital Assets, net of related debt	\$ 10,053,279	\$ 0
Unrestricted	1,340,772	38,697
Net Assets	<u>\$ 11,394,051</u>	<u>\$ 38,697</u>

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

Anderson County, Tennessee
Statement of Revenues, Expenses, and Changes
in Net Assets
Proprietary Funds
For the Year Ended June 30, 2005

	Business-type Activities- Enterprise Fund	Governmental Activities- Internal Service Fund Employee Health Insurance Fund
<u>Operating Revenues</u>		
Charges for Services	\$ 1,818,137	\$ 1,639,072
Total Operating Revenue	<u>\$ 1,818,137</u>	<u>\$ 1,639,072</u>
<u>Operating Expenses</u>		
Salaries and Benefits	\$ 482,423	\$ 0
Contractual Services	10,268	0
Board and Committee Member Fees	9,590	0
Fringe Benefits	126,732	0
Communication	10,932	0
Dues and Memberships	8,485	0
Water Purchased from Other Local Utilities	30,832	0
Crushed Stone	3,339	0
Chemicals	27,364	0
Utilities	126,767	0
Water Treatment Charges	287,468	0
Maintenance and Repair Services - Building	90	0
Maintenance and Repair Services - Equipment	110,808	0
Maintenance and Repair Services - Vehicles	11,225	0
Equipment and Machinery Parts	3,928	0
Gasoline and Diesel Fuel	26,388	0
Rental Expense	1,404	0
Travel	1,862	0
Supplies and Materials	81,658	0
Depreciation	440,697	0
Insurance	71,779	0
Trustee's Commission	19,037	0
Workers' Compensation Insurance	22,642	0
Postal Charges	14,891	2,000
Office Supplies	5,076	0
Uniforms	6,665	0
Other Charges	51,285	0
Accounting Services	3,222	0

(Continued)

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

	Business-type Activities-	Governmental Activities-
	Enterprise Fund	Internal Service Fund
	Public Utility Fund	Employee Health Insurance Fund
<u>Operating Expenses (Cont.)</u>		
Consultants	\$ 0	\$ 12,000
Medical and Dental Service	0	1,397,872
Other Contracted Services	0	88,502
Excess Risk Insurance	0	411,179
Other Equipment	10,606	0
Printing and Forms	0	2,000
Total Operating Expenses	<u>\$ 2,007,463</u>	<u>\$ 1,913,553</u>
Operating Income (Loss)	<u>\$ (189,326)</u>	<u>\$ (274,481)</u>
<u>Nonoperating Revenues (Expenses)</u>		
Investment Income	\$ 7,034	\$ 421
Interest on Bonds	(53,761)	0
Interest on Notes	(2,267)	0
Interest on Other Loans Payable	(6,347)	0
Total Nonoperating Revenues (Expenses)	<u>\$ (55,341)</u>	<u>\$ 421</u>
Income (Loss) Before Contributions and Transfers	\$ (244,667)	\$ (274,060)
Capital Contributions - Developers	425,000	
Capital Contributions - Primary Government	238,366	
Transfers In (Out)	0	300,000
Change in Net Assets	<u>\$ 418,699</u>	<u>\$ 25,940</u>
Net Assets, July 1, 2004	<u>10,975,352</u>	<u>12,757</u>
Net Assets, June, 30, 2005	<u>\$ 11,394,051</u>	<u>\$ 38,697</u>

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

Anderson County, Tennessee
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2005

	Business-type Activities Enterprise Fund Public Utility Fund	Governmental Activities Internal Service Fund Employee Health Insurance Fund
<u>Cash Flows from Operating Activities</u>		
Receipts from customers and users	\$ 1,801,388	\$ 0
Receipts for self insurance premiums	0	1,639,072
Payments to vendors	(992,327)	0
Payments to employees	(479,535)	0
Payments for fringe benefits	(126,732)	0
Payments to fiscal agents	0	(100,502)
Payments to insurers	0	(411,179)
Payments for claims	0	(1,409,891)
Payments for administrative costs	0	(4,000)
Net cash provided by (used in) operating activities	<u>\$ 202,794</u>	<u>\$ (286,500)</u>
<u>Cash Flows from Capital and Related Financing Activities</u>		
Proceeds from capital debt (other loan proceeds)	\$ 87,245	\$ 0
Acquisition and construction of capital assets	(123,415)	0
Principal paid on bonds	(52,902)	0
Interest paid on bonds	(53,761)	0
Principal paid on notes	(59,319)	0
Interest paid on notes	(2,522)	0
Principal paid on other loans payable	(19,000)	0
Interest paid on other loans payable	(6,347)	0
Net cash provided (used) by capital and related financing activities	<u>\$ (230,021)</u>	<u>\$ 0</u>
<u>Cash Flows from Noncapital Financing Activities</u>		
Transfers from other funds	\$ 0	\$ 350,000
Net cash provided (used) by noncapital financing activities	<u>\$ 0</u>	<u>\$ 350,000</u>
<u>Cash Flows from Investing Activities</u>		
Interest on investments	\$ 7,068	\$ 98
Net cash provided by (used in) investing activities	<u>\$ 7,068</u>	<u>\$ 98</u>
Increase (decrease) in cash and cash equivalents	\$ (20,159)	\$ 63,598
Cash and cash equivalents, July 1, 2004	<u>1,306,571</u>	<u>80,031</u>
Cash and cash equivalents, June 30, 2005	<u>\$ 1,286,412</u>	<u>\$ 143,629</u>

(Continued)

Anderson County, Tennessee
Statement of Cash Flows
Proprietary Funds (Cont.)

	Business-type Activities	Governmental Activities
	Enterprise Fund	Internal Service Fund
	Public Utility Fund	Employee Health Insurance Fund
<u>Reconciliation of Net Operating Income (Loss)</u>		
<u>to Net Cash Provided By (Used In) Operating Activities</u>		
Operating Income (Loss)	\$ (189,326)	\$ (274,481)
Adjustments to reconcile net operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	440,697	0
Changes in Assets and Liabilities:		
(Increase) decrease in current receivables	(31,055)	0
Increase (decrease) in allowance for uncollectibles	12,090	0
Increase (decrease) in accounts payable	(35,676)	0
Increase (decrease) in accrued payroll	(16,177)	0
Increase (decrease) in payroll deductions	16,699	0
Increase (decrease) in due to other funds	960	50,000
Increase (decrease) in due to State of Tennessee	114	0
Increase (decrease) in other current liabilities	4,468	(62,019)
Net cash provided by (used in) operating activities	<u>\$ 202,794</u>	<u>\$ (286,500)</u>
<u>Reconciliation of Cash and Cash Equivalents with Statement of</u>		
<u>Net Assets</u>		
Cash per Net Assets	\$ 900	\$ 143,629
Equity in Pooled Cash and Investments per Net Assets	950,978	0
Revenue Bond Future Debt Service Account per Net Assets	334,534	0
Cash and cash equivalents, June 30, 2005	<u>\$ 1,286,412</u>	<u>\$ 143,629</u>
<u>Noncash Investing, Capital, and Financing Activities:</u>		
Contributions of Capital Assets from Developers	\$ 425,000	\$ 0
Contributions of Capital Assets from Primary Government	238,366	0

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

Exhibit E-1

Anderson County, Tennessee
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2005

	Other Employee Benefit Trust Fund	
	<u>Flexible Benefit Fund</u>	<u>Agency Funds</u>
<u>ASSETS</u>		
Cash	\$ 3,519	\$ 1,873,226
Equity in Pooled Cash and Investments	0	45,630
Due from Other Governments	0	1,774,876
Taxes Receivable	0	8,815,368
Allowance for Uncollectible Taxes	0	<u>(280,870)</u>
Total Assets	<u>\$ 3,519</u>	<u>\$ 12,228,230</u>
<u>LIABILITIES</u>		
Due to Other Taxing Units	\$ 0	\$ 10,355,004
Due to Litigants, Heirs, and Others	0	<u>1,873,226</u>
Total Liabilities	<u>\$ 0</u>	<u>\$ 12,228,230</u>
<u>NET ASSETS</u>		
Funds Held in Trust For Employees	<u>\$ 3,519</u>	
Net Assets	<u>\$ 3,519</u>	

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

Anderson County, Tennessee
Statement of Changes in Fiduciary Net Assets
Fiduciary Fund
For the Year Ended June 30, 2005

	Other Employee Benefit Trust Fund <hr/> Flexible Benefit Fund <hr/>
<u>ADDITIONS</u>	
Plan Member Contributions	\$ 11,018
Total Additions	<u>\$ 11,018</u>
<u>DEDUCTIONS</u>	
Employee Benefits:	
Other Fringe Benefits	\$ 9,889
Total Deductions	<u>\$ 9,889</u>
Change in Net Assets	\$ 1,129
Net Assets, July 1, 2004	<u>2,390</u>
Net Assets, June 30, 2005	<u><u>\$ 3,519</u></u>

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

ANDERSON COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2005

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Anderson 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 Anderson County:

A. Reporting Entity

Anderson County is a public municipal corporation governed by an elected 16-member board. As required by GAAP, these financial statements present Anderson 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.

Blended Component Units – There are no legally separate component units of Anderson County that meet the criteria for being reported as part of the primary government by the blending method.

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 Anderson County School Department operates the public school system in the county, and the voters of Anderson 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. Also, 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 Anderson County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Anderson County, and the Anderson 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 approval of the County Commission.

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

in the table of contents. Complete financial statements of the Anderson County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Anderson County Emergency Communications District
101 South Main Street, Suite 440
Clinton, Tennessee 37716

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. 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 Anderson 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. All revenues from fines, forfeitures, and penalties are classified as charges for services of the Administration of Justice function.

Anderson County issues all debt for the discretely presented Anderson County School Department. Net debt issues (\$3,344,356) were issued for the benefit of the School Department during the year ended June 30, 2005.

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds and fiduciary fund financial statements. 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 Anderson 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. Anderson County reports two proprietary funds: one enterprise fund and one internal service fund. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds and the 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 internal service fund and the fiduciary funds in total are reported in a single column by fund type.

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. Anderson County considers grant 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 debt service funds for payments to be made early in the following year.

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

forfeitures, and penalties are not susceptible to accrual since they are not measurable (reasonably estimable). All other revenue items are considered to be measurable and available only when the county receives cash.

Proprietary fund and fiduciary fund financial statements are reported using the economic resources 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.

Anderson 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.

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

Rural Debt Service Fund – This fund accounts for the retirement of bonds, other loans, and most notes issued for the construction and renovations of the county’s elementary schools.

Education Debt Service Fund – This fund accounts for the retirement of bonds, other loans, and most notes issued for the construction and renovations of the county’s middle and high schools.

Anderson County reports the following major enterprise fund:

Public Utility Fund – This fund is used to account for operations of the county’s water and sewage treatment facilities.

Additionally, Anderson County reports the following fund types:

Special Revenue Funds – These funds account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

Internal Service Fund – The Employee Health Insurance Fund is used to account for the self-insured employee health program.

Other Employee Benefit Trust Fund – The Flexible Benefit fund is used to account for operations of the flexible benefits program for county employees.

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

The discretely presented Anderson 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.

Education Capital Projects Fund – The Education Capital Projects Fund is used primarily to account for building construction and renovations.

Additionally, the Anderson County School Department reports the following fund types:

Special Revenue Funds – These funds account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

Other Employee Benefit Trust Fund – The Flexible Benefit Fund is used to account for the operations of the flexible benefits program for School Department employees.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both 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 business-type activities and enterprise funds, subject to this same limitation. The government 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 two proprietary funds, an enterprise fund and an internal service fund. 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 from users. Operating expenses for the enterprise fund include salaries, purchase of supplies and materials, and depreciation of capitalized assets. The principal operating revenue of the county's internal service fund is self-insurance premiums. Operating expenses for the internal service funds include medical claims, excess risk insurance, and administrative charges.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted revenues first, then unrestricted resources as they are needed.

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

For purposes of the statement of cash flows, cash includes cash on hand, demand deposits, equity in pooled cash and investments, cash equivalents and the restricted asset revenue bond future debt service account. Cash equivalents are short-term, highly liquid investments with original maturities of three months or less.

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; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; the county's own legally issued bonds or notes; the State Treasurer's Investment Pool; and repurchase agreements.

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Anderson 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. Income from these investments is credited to various funds based on legal requirements of the budget adopted by the County Commission, with the General Fund and the debt service funds being assigned the majority of the income. Anderson County and the Anderson County School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit and investments in the State Treasurer's Investment Pool are reported at cost. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7

allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

2. **Receivables and Payables**

Activity between funds for unremitted current collections outstanding at the end of the fiscal year is referred to as due to/from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

All ambulance and property taxes receivables are shown net of an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 1.7 percent of total taxes levied. The allowance for uncollectibles for ambulance service receivables is comprised of estimated amounts for write-offs involving Medicare and Medicaid and estimated amounts of other collections based on history of the source of receipt (i.e., insurance companies and private citizens).

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

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

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current fiscal year. These property taxes receivable are presented on the balance sheet with offsetting deferred revenue to reflect amounts not available as of June 30. Property taxes collected within 30 days of year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court

for collection are not included in taxes receivable since they are neither measurable nor available.

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

3. Inventories and Prepaid Items

Inventories consist of expendable supplies held for consumption, are valued at cost on the first-in, first-out basis, and are offset by a reserve of fund balance in the governmental funds to indicate that amounts are not available for appropriation.

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

4. Restricted Assets

Certain resources set aside for the repayment of enterprise fund revenue bonds are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The Revenue Bond Future Debt Service account is used to report resources set aside to comply with those covenants.

5. 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 applicable governmental or business-type columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or more and an estimated useful life exceeding one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

<u>Assets</u>	<u>Years</u>
Building and Improvements	20- 50
Other Capital Assets	5 - 20
Infrastructure	25 - 40

6. Compensated Absences

It is the county's and School Department's policies to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since Anderson County does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide statements for the county and the discretely presented School Department. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements. Vacation benefits are accrued when earned in the enterprise (Public Utility) fund.

7. Long-term Obligations

In the government-wide financial statements, and proprietary fund types 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 payable is reported net of the applicable debt premium or discount. 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 fund types recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not

withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

8. Net Assets and Fund Equity

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

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

As of June 30, 2005, Anderson County had \$28,789,107 in outstanding debt for capital purposes of the discretely presented Anderson County School Department. The debt is a liability of Anderson County but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Anderson County has incurred a liability, significantly decreasing its unrestricted net assets with no corresponding increase in the county's capital assets. The Anderson County School Department has committed to fund a portion of this debt from its operating funds. See Note IV. B, Notes Receivable, for additional details of that commitment.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a

specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

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 \$606,468, with the restrictions being for: (1) Courthouse and Jail (\$115,677), (2) Public Library (\$77,595), (3) Solid Waste (\$30,560), (4) Drug Control (\$88,777), (5) District Attorney General (\$20,894), (6) Tourism (\$63,060), and (7) various unexpended restricted revenues in the General Fund (\$209,905). For the discretely presented Anderson County School Department, the account balance in Restricted for Other Purposes (\$1,358,615) consists of restrictions for various state and federal assistance programs, including the School Lunch and Breakfast Program (\$698,752), day care companion programs (\$224,972), School Federal Projects (\$188,760), and restricted career ladder and BEP classroom funds (\$246,131).

The account Reserved for Other General Purposes in the General Fund (\$51,669) consists of unexpended performance bond forfeiture (\$24,550), and unexpended grant funds to be used for law enforcement, juvenile, and local health department purposes (\$27,119). The account Reserved for Other General Purpose in the nonmajor governmental funds (\$29,997) consists of amounts reserved for Library (\$13,526) and Drug Control (\$16,471).

The account Other Local Education Reserves in the General Purpose School Fund (\$83,986) consists of E-Rate technology funds.

The account Other Federal Reserves in the School Department consists of various unexpended funds received under federal grant programs.

Management has designated a portion (\$418,699) of the unreserved fund balances of the General Fund for the following purposes:

Inmate commissary	\$	67,503
EMS equipment		83,200
County buildings		9,183
TIIPS grant-county matching share		16,859
Bridge project		148,000
Health Department		93,954

Management has also designated a portion of the unreserved fund balances of the discretely presented Anderson County School Department's General Purpose School Fund for use toward the Student Resource Officer Program (\$280,763) and Debt Service Payments (\$375,000).

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 to the government-wide statement of net assets.

Discretely Presented Anderson County School Department

The discretely presented Anderson County School Department's Exhibit J-2 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds to 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 Anderson County School Department

The discretely presented Anderson County School Department's Exhibit J-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.

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. **Excess of Expenditures over Appropriations**

Discretely Presented Anderson County School Department

Expenditures exceeded appropriations in the Education Principal (\$36,299) and Education – Interest (\$14,352) major appropriation categories (the legal level of control) of the General Purpose School Fund. Such overexpenditures

are a violation of state statutes. These overexpenditures were funded by greater than anticipated revenues and/or available fund balance.

B. Deficit Fund Equity

Discretely Presented Anderson County School Department

The School Federal Projects Fund had a deficit unreserved fund balance of \$72,026 on June 30, 2005. This deficit occurred because reimbursements for certain grant expenditures were not requested in a timely manner. The related revenues are expected to be recognized in the following year.

The Education Capital Projects Fund had a deficit unreserved fund balance of \$3,006,067 on June 30, 2005. This deficit resulted from the recognition of liabilities of \$2,288,393 and from the unperformed portions of construction contracts in the amount of \$1,729,221 being reserved as encumbrances. Funding for the liabilities and encumbrances will be provided through loan proceeds that have already been authorized but that were undrawn as of June 30, 2005. See note IV.I. for a discussion of those loans.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Anderson County and the Anderson 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 and Investments reflected on the balance sheets or statements of net assets represent 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. Public fund accounts covered by the pool are considered to be insured for purposes of custodial credit risk exposure.

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; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; 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 director of Local Finance 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 market value of the securities on the day of purchase.

Investment Balances. As of June 30, 2005, Anderson County had the following investments carried at fair value or cost. Pooled investments reported in the following table are held in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Anderson County and the discretely presented Anderson County School Department since both pool their deposits and investments through the county trustee. Nonpooled investments represent amounts held in the Employee Health Insurance Fund (an Internal Service Fund).

POOLED INVESTMENTS

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value Or Cost</u>
State Treasurer's Investment Pool	Daily	<u>\$ 499,361</u>
Total		<u><u>\$ 499,361</u></u>

NONPOOLED INVESTMENTS

Investment	Maturities	Fair Value Or Cost
State Treasurer's Investment Pool	Daily	\$ <u>15,851</u>
Total		\$ <u>15,851</u>

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

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Anderson County has no investment policy that would further limit its investment choices. As of June 30, 2005, Anderson County's investment in the State Treasurer's Investment Pool was unrated.

B. Notes Receivable – Long-term

Anderson County entered into an agreement with the discretely presented Anderson County School Department whereby the primary government has borrowed funds and loaned the proceeds to the School Department. The School Department has agreed to repay the primary government for principal and interest requirements on this debt. Long-term notes receivable are reflected in the primary government's Rural Debt Service Fund and Education Debt Service Fund for future principal amounts due from the School Department. These notes receivable are offset with reserved fund balance to indicate that the amounts are not available for appropriation.

C. Capital Assets

Capital asset activity for the year ended June 30, 2005, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-04	Increases	Decreases	Balance 6-30-05
Capital Assets Not Depreciated:				
Land	\$ 1,241,590	\$ 18,000	\$ 0	\$ 1,259,590
Construction in Progress	1,358,941	552,611	431,486	1,480,066
Total Capital Assets Not Depreciated	<u>\$ 2,600,531</u>	<u>\$ 570,611</u>	<u>\$ 431,486</u>	<u>\$ 2,739,656</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 12,175,676	\$ 208,717	\$ 0	\$ 12,384,393
Roads, Streets, and Bridges	41,608,772	235,440	0	41,844,212
Other Capital Assets	6,017,384	395,330	68,849	6,343,865
Total Capital Assets Depreciated	<u>\$ 59,801,832</u>	<u>\$ 839,487</u>	<u>\$ 68,849</u>	<u>\$ 60,572,470</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 4,617,008	\$ 289,759	\$ 0	\$ 4,906,767
Roads, Streets, and Bridges	36,461,284	459,670	0	36,920,954
Other Capital Assets	3,914,016	512,817	68,849	4,357,984
Total Accumulated Depreciation	<u>\$ 44,992,308</u>	<u>\$ 1,262,246</u>	<u>\$ 68,849</u>	<u>\$ 46,185,705</u>
Total Capital Assets Depreciated, Net	<u>\$ 14,809,524</u>	<u>\$ (422,759)</u>	<u>\$ 0</u>	<u>\$ 14,386,765</u>
Governmental Activities Capital Assets, Net	<u>\$ 17,410,055</u>	<u>\$ 147,852</u>	<u>\$ 431,486</u>	<u>\$ 17,126,421</u>

Business-type Activities:

	Balance 7-1-04	Increases	Ending 6-60-05
Capital Assets Not Depreciated:			
Land	\$ 124,149	\$ 0	\$ 124,149
Total Capital Assets Not Depreciated	<u>\$ 124,149</u>	<u>\$ 0</u>	<u>\$ 124,149</u>
Capital Assets Depreciated:			
Water and Sewer Facilities	\$ 16,687,145	\$ 786,782	\$ 17,473,927
Total Capital Assets Depreciated	<u>\$ 16,687,145</u>	<u>\$ 786,782</u>	<u>\$ 17,473,927</u>
Less Accumulated Depreciation For:			
Water and Sewer Facilities	\$ 5,810,932	\$ 440,698	\$ 6,251,630
Total Accumulated Depreciation	<u>\$ 5,810,932</u>	<u>\$ 440,698</u>	<u>\$ 6,251,630</u>
Total Capital Assets Depreciated, Net	<u>\$ 10,876,213</u>	<u>\$ 346,084</u>	<u>\$ 11,222,297</u>
Business-type Activities Capital Assets, Net	<u>\$ 11,000,362</u>	<u>\$ 346,084</u>	<u>\$ 11,346,446</u>

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

Governmental Activities:

General Government	\$ 244,604
Finance	23,779
Administration of Justice	10,753
Public Safety	248,714
Public Health and Welfare	125,751

Governmental Activities (Cont.):

Social, Cultural, and Recreational	\$	3,284
Agriculture and Natural Resources		939
Other General Government		5,288
Highways, including depreciation of infrastructure assets		<u>599,134</u>

Total Depreciation Expense - Governmental-type Activities	\$	<u>1,262,246</u>
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Business-type Activities:

Water and Sewer	\$	<u>440,698</u>
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Total Depreciation Expense - Business-type Activities	\$	<u>440,698</u>
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Discretely Presented Anderson County School Department

Governmental Activities:

	Balance 7-1-04	Increases	Decreases	Balance 6-30-05
Capital Assets Not Depreciated:				
Land	\$ 632,487	\$ 0	\$ 0	\$ 632,487
Construction in Progress	<u>29,991</u>	<u>4,121,677</u>	0	<u>4,151,668</u>
Total Capital Assets Not Depreciated	<u>\$ 662,478</u>	<u>\$ 4,121,677</u>	\$ 0	<u>\$ 4,784,155</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	\$ 56,890,042	\$ 0	\$ 0	\$ 56,890,042
Other Capital Assets	<u>2,732,682</u>	<u>290,757</u>	5,000	<u>3,018,439</u>
Total Capital Assets Being Depreciated	<u>\$ 59,622,724</u>	<u>\$ 290,757</u>	\$ 5,000	<u>\$ 59,908,481</u>

Governmental Activities (Cont.):

	Balance 7-1-04	Increases	Decreases	Balance 6-30-05
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 21,831,175	\$ 1,197,676	\$ 0	\$ 23,028,851
Other Capital Assets	1,708,090	281,602	5,000	1,984,692
Total Accumulated Depreciation	\$ 23,539,265	\$ 1,479,278	\$ 5,000	\$ 25,013,543
Total Capital Assets Depreciated, Net	\$ 36,083,459	\$ (1,188,521)	\$ 0	\$ 34,894,938
Governmental Activities Capital Assets, Net	\$ 36,745,937	\$ 2,933,156	\$ 0	\$ 39,679,093

Depreciation expense totaling \$1,479,278 was charged by the discretely presented Anderson County School Department.

D. Construction Commitments

Primary Government

At June 30, 2005, the county had various uncompleted construction contracts totaling \$214,626 in the General Fund. Funding has been provided for these future expenditures.

Additionally, The Highway Department had various uncompleted construction contracts totaling \$744,444 for road paving projects. Funding for these future expenditures is expected to be provided from state grants and available fund balance.

Discretely Presented Anderson County School Department

At June 30, 2005, the School Department had various uncompleted construction and renovation contracts of \$1,729,221 in the Education Capital Projects Fund. Funding for these future expenditures will be provided through public building authority loan proceeds.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2005, is as follows:

Due to/from other funds:

Primary Government:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	General Debt Service	\$ 130,010
"	Employee Health Insurance	50,000
"	Nonmajor governmental	128
Rural Debt Service	General Debt Service	12,004
"	Education Debt Service	160,000
Education Debt Service	General	16,202
"	General Debt Service	36,100
Nonmajor governmental	General	447,998
"	General Debt Service	4,576
"	Public Utility	2,121
"	Nonmajor governmental	<u>209</u>
Total		<u>\$ 859,348</u>

Discretely Presented Anderson County School Department:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Purpose School	Nonmajor governmental	\$ 70,741
Nonmajor governmental	"	5,458
"	General Purpose School	<u>3,414</u>
Total		<u>\$ 79,613</u>

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

Due to/from primary government and component units:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
Component Unit- School Department	Primary Government- General Debt Service	\$ 110,153
"	Rural Debt Service	750,812
"	Education Debt Service	89,033
Primary Government- General	Component Unit- School Department	5,900
Rural Debt Service	"	26,384
Nonmajor governmental	"	<u>17,613</u>
Total		<u><u>\$ 999,895</u></u>

Interfund Transfers:

Interfund transfers for the year ended June 30, 2005, consisted of the following amounts:

Primary Government:

<u>Transfers Out</u>	<u>Transfers In</u>			
	General Debt Service Fund	Education Debt Service Fund	Employee Health Insurance Fund	Nonmajor Governmental Funds
General Fund	\$ 0	\$ 16,202	\$ 300,000	\$ 1,698,013
Nonmajor Governmental	<u>79,221</u>	<u>0</u>	<u>0</u>	<u>15,569</u>
Total	<u><u>\$ 79,221</u></u>	<u><u>\$ 16,202</u></u>	<u><u>\$ 300,000</u></u>	<u><u>\$ 1,713,582</u></u>

Discretely Presented Anderson County School Department:

<u>Transfers Out</u>	<u>Transfers In</u>	
	General Purpose School Fund	Nonmajor Governmental Fund
Nonmajor governmental funds	<u>\$ 175,973</u>	<u>\$ 173,680</u>
Total	<u><u>\$ 175,973</u></u>	<u><u>\$ 173,680</u></u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the General Fund to

finance various programs accounted for in accordance with budgetary authorizations.

F. Payables

Most payables are disaggregated on the face of the financial statements. The balance in the account Other Current Liabilities (\$95,983) in the governmental activities on the statement of net assets consists of \$70,783 of self-insurance claims in the internal service fund, and \$25,200 of performance bonds held in the General Fund. In the business-type activities, the balance (\$61,761) in this liability consists primarily of customers' deposits (\$43,978).

The balance in the account retainage payable (\$46,459) in the governmental activities and (\$299,547) in the discretely presented component unit, Anderson County School Department, on the statement of net assets represents amounts withheld from payments made to contractors on construction projects to ensure contract performance.

G. Income from Operating Lease Commitments

Anderson County leases space in the Robert Jolley Administration Building and the Daniel Arthur Rehabilitation Center to various tenants under operating lease agreements. The carrying value of the leased properties was \$1,556,133 at June 30, 2005. The original cost was \$2,733,349 and accumulated depreciation was \$1,177,216. Total lease revenues for these operating leases for the year ended June 30, 2005, were \$227,104. The future minimum lease payments under existing leases are as follows:

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Amount</u>
2006	\$ 214,039
2007	96,412
2008	<u>82,365</u>
Total	<u>\$ 392,816</u>

H. Capital Leases

Anderson County and the discretely presented Anderson County School Department entered into several lease agreements as lessee for financing the acquisition or use of capital assets. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date.

The assets acquired through capital leases outstanding at June 30, 2005, consist of the following:

	<u>Governmental Activities</u>	
	<u>Primary Government</u>	<u>School Department</u>
Building and Improvements	\$ 0	\$ 1,706,296
Equipment and Vehicles	130,808	191,984
	<u>\$ 130,808</u>	<u>\$ 1,898,280</u>
Less: Accumulated Depreciation	(43,259)	(232,054)
Total	<u>\$ 87,549</u>	<u>\$ 1,666,226</u>

Future minimum payments under capital leases consisted of the following at June 30, 2005:

Anderson County

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Primary Government</u>	<u>School Department</u>
2006	\$ 17,546	\$ 160,252
2007	0	109,708
2008	0	109,708
2009	0	109,708
2010	0	109,708
2011-2015	0	548,542
2016-2020	0	548,542
2021-2024	0	328,189
Total Minimum Lease Payments	<u>\$ 17,546</u>	<u>\$ 2,024,357</u>
Less: Amount Representing Interest	(657)	(1,138,130)
Present Value of Minimum Payments	<u>\$ 16,889</u>	<u>\$ 886,227</u>

During the 2003-04 year, the School Department entered into a 20-year agreement for the lease of a building for its daycare and head start programs. The lease is required to be capitalized under generally accepted accounting principles because the present value of minimum lease payments (using the School Department's incremental borrowing rate) exceeds 90 percent of the fair value of the asset. Under the agreement the School Department made advance payments totaling \$749,060 to decrease its future lease obligations. The School Department has an option to extend the lease for two five-year terms. The lease carries an implicit interest rate of 11.4 percent, and title does not transfer at the end of the lease.

I. Long-term Debt

Primary Government

General Obligation Bonds, Notes and Other Loans

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

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. Debt obligations outstanding at June 30, 2005, were issued for original terms of up to 38 years for bonds, up to 12 years for notes, and 20 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt.

General obligation bonds, capital outlay notes and other loans outstanding as of June 30, 2005, are as follows:

Type	Interest Rate	Original Amount	Balance 6-30-05
General Government Refunding Bonds	3 to 5 %	\$ 13,605,000	\$ 10,070,000
Rural School Bonds	3.4 to 5.5	10,850,000	550,000
Rural School Refunding Bonds	2 to 5	16,035,000	14,030,000
Rural Development Water and Sewer Bonds	4.875	110,000	104,871
Capital Outlay Notes	4.4 to 6	2,675,000	835,474
Other Loans Payable	Variable	24,733,000	15,628,236

During the prior year, Anderson County entered into loan agreements with the Montgomery County Public Building Authority. These loan agreements provide for the authority to make \$10,100,000 available for loan to Anderson County on an as-needed basis for school construction. As of June 30, 2005, Anderson County had drawn \$3,662,647 and loaned this amount to the discretely presented School Department. Anderson County plans to draw the remainder of these loans as capital projects progress. These funds then will be loaned to the Anderson County School Department, as discussed in footnote IV.B.

The following table summarizes loan agreements outstanding at June 30, 2005:

Description	Original Amount of Loan Agreement	Outstanding Principal 6-30-05	Interest Type	Interest Rates as of 6-30-05	Other Fees
<u>Montgomery County Public Building Authority</u>					
Industrial Development	\$ 1,700,000	\$ 1,524,000	Variable	2.30%	0.38%
Rural Elementary School	6,000,000 (1)	2,468,419	Variable	2.28	0.38
Rural High School	4,100,000 (2)	1,028,478	Variable	2.28	0.38
<u>City of Clarksville Public Building Authority</u>					
Rural School Refunding	5,746,000	4,805,120	Variable	2.28	0.38
Rural High School Refunding	7,187,000	<u>5,802,219</u>	Variable	2.28	0.38
		<u>\$ 15,628,236</u>			

(1) \$3,428,331 of this amount had not been drawn as of June 30, 2005.

(2) \$3,009,022 of this amount had not been drawn as of June 30, 2005.

The annual requirements to amortize all bonds, notes, other loans, and leases outstanding as of June 30, 2005, including interest are presented in the following table. The interest rates on the public building authority loan agreements are tax-exempt variable rates determined by the remarketing agent daily or weekly depending on the particular program. In addition, the county pays various other fees (trustee fees, debt remarketing fees, etc.) in connection with these loans. Interest payments and other fees included in the table for the variable rate issues are computed based on the rates in effect at June 30, 2005.

Year Ending June 30	Bonds		Notes	
	Principal	Interest	Principal	Interest
2006	\$ 2,461,300	\$ 989,982	\$ 313,808	\$ 35,019
2007	2,561,365	893,038	186,666	19,730
2008	2,601,433	802,776	55,000	12,249
2009	2,491,505	698,733	55,000	9,936
2010	2,581,580	598,767	45,000	7,906
2011-2015	9,639,161	1,425,747	180,000	17,212
2016-2020	2,341,684	199,321	0	0
2021-2025	14,902	17,018	0	0
2026-2030	19,006	12,914	0	0
2031-2035	24,240	7,680	0	0
2036-2039	18,695	1,519	0	0
Total	\$ 24,754,871	\$ 5,647,495	\$ 835,474	\$ 102,052

Year Ending June 30	Other Loans			Capital Leases	
	Principal	Interest	Other Fees	Principal	Interest
2006	\$ 1,250,350	\$ 356,629	\$ 59,387	\$ 16,889	\$ 657
2007	1,334,250	328,108	54,636	0	0
2008	1,407,250	297,673	49,566	0	0
2009	1,492,900	265,574	44,218	0	0
2010	1,633,900	231,521	38,545	0	0
2011-2015	5,913,647	668,173	111,196	0	0
2016-2020	2,461,939	123,472	20,497	0	0
2021	134,000	3,082	509	0	0
Total	\$ 15,628,236	\$ 2,274,232	\$ 378,554	\$ 16,889	657

There is \$2,617,523 available in the debt service funds to service general long-term debt. General bonded debt per capita amounted to \$141, based on the 2000 federal census for residents living inside the Oak Ridge School Districts, \$317 for residents living inside the Clinton School Districts, and \$518 for residents living outside of these school districts. Total debt per capita, including bonds, notes, other loans, and capital leases, amounted to \$209, based on the 2000 federal census for residents living inside the Oak Ridge School Districts, \$540 for residents living inside the Clinton School Districts, and \$952 for residents living outside of these school districts.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2005, was as follows:

Governmental Activities:

	Bonds	Notes
Balance, July 1, 2004	\$ 27,131,110	\$ 899,284
Additions	0	300,000
Deductions	(2,376,239)	(363,810)
Balance, June 30, 2005	<u>\$ 24,754,871</u>	<u>\$ 835,474</u>
Balance Due Within One Year	<u>\$ 2,461,300</u>	<u>\$ 313,808</u>

	Capital Leases	Other Loans
Balance, July 1, 2004	\$ 148,719	\$ 13,472,230
Additions	0	3,344,356
Deductions	(131,830)	(1,188,350)
Balance, June 30, 2005	<u>\$ 16,889</u>	<u>\$ 15,628,236</u>
Balance Due Within One Year	<u>\$ 16,889</u>	<u>\$ 1,250,350</u>

	Accrued Leave	Other Long-term Liabilities
Balance, July 1, 2004	\$ 495,524	\$ 671,760
Additions	653,552	0
Deductions	(597,052)	(342,000)
Balance, June 30, 2005	<u>\$ 552,024</u>	<u>\$ 329,760</u>
Balance Due Within One Year	<u>\$ 524,423</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2005	\$ 42,117,254
Less: Balance Due within One Year	(4,566,770)
Less: Deferred Amount on Refunding	<u>(751,302)</u>

Noncurrent Liabilities - Due in More than One Year - Exhibit A	<u>\$ 36,799,182</u>
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During the year, the discretely presented Anderson County School Department paid \$2,187,557 to the primary government to apply toward the retirement of school debt.

Other Long-term Liabilities consist of \$329,760 assessment from the State of Tennessee, Department of Environment and Conservation, Division of Super Fund (discussed in note V. D.) Deductions to Other Long-term Liabilities represent amounts spent in the current year for monitoring and remedial costs.

Compensated absences are liquidated from the individual funds from which the related salaries and wages are paid.

Defeasance of Prior Debt

During the prior year, Anderson County defeased certain outstanding general obligation bonds by placing the proceeds of new bonds into an irrevocable trust to provide for all future debt service payments on the old bonds. The trustee is empowered and required to pay all principal and interest on the defeased bonds as originally scheduled until the call date of March 1, 2006. Accordingly, the trust accounts and the defeased bonds are not included in the county's financial statements. At June 30, 2005, the following outstanding bonds are considered defeased:

	<u>Amount</u>
1998 Rural School Improvements	\$ 3,205,000
1998 Rural High School	4,470,000

Anderson County Public Utility Fund (Enterprise Fund)

Outstanding bonds, notes, and other loans of the Public Utility Fund at June 30, 2005, are as follows:

<u>Type</u>	<u>Original Amount of Issue</u>	<u>Interest Rate</u>	<u>Last Maturity Date</u>	<u>Balance 6-30-05</u>
Water Revenue and Tax Bond	\$ 1,400,000	5 %	1-1-17	\$ 694,934
Water Revenue and Tax Bond	257,000	5	7-1-25	185,869
Water Revenue and Tax Bond	105,000	6.125	6-1-24	79,321
Waterworks Construction Note	625,000	4.75	2-1-06	22,800
Capital Outlay Note	225,000	6.78	1-27-07	20,000
Public Building Authority Loan	350,000	Variable	6-25-18	290,243

During the 2002-03 year, the county entered into a loan agreement with the Public Building Authority (PBA) of the City of Clarksville, Tennessee, whereby the PBA made \$350,000 available for loan to Anderson County to provide funding for certain public works projects through the Public Utility Fund. As of June 30, 2005, Anderson County had drawn proceeds of

\$328,182 for these projects. The amounts drawn on this loan agreement are classified as Other Loans Payable in the Public Utility Fund.

Property tax revenues of Anderson County have been pledged as additional security for all debt of the Public Utility Fund. General revenues of the county would be required to retire these debt issues in the event water revenues are not sufficient to retire the debt.

The annual requirements to amortize outstanding bonds and notes of the Public Utility Fund at June 30, 2005, including interest are presented in the following table. Estimated annual requirements for the loans payable are also reflected in the table. Amounts reflected for loans payable are based on drawn and outstanding principal at June 30, 2005. Estimated interest and other fee payments are included for this loan agreement. The interest rate on the public building authority loan agreement is a tax-exempt variable rate determined by the remarketing agent daily or weekly depending on the particular program. In addition, the county pays various other fees (trustee fees, debt remarketing fees, etc.) in connection with these loans. Interest and other fee payments included in the table for the variable rate issue is computed based on the rates in effect at June 30, 2005 (2.28 and .38 percent, respectively).

Year Ending June 30	Bonds		Notes	
	Principal	Interest	Principal	Interest
2006	\$ 52,892	\$ 49,169	\$ 32,800	\$ 11,444
2007	53,324	46,487	10,000	660
2008	58,780	43,780	0	0
2009	59,261	40,799	0	0
2010	65,237	37,774	0	0
2011-2015	370,144	135,432	0	0
2016-2020	218,308	35,247	0	0
2021-2025	77,681	9,728	0	0
2026	4,497	68	0	0
Total	<u>\$ 960,124</u>	<u>\$ 398,484</u>	<u>\$ 42,800</u>	<u>\$ 12,104</u>

	Other Loans		
	Principal	Interest	Other Fees
2006	\$ 20,000	\$ 6,618	\$ 1103
2007	20,000	6,162	1027
2008	21,000	5,706	951
2009	22,000	5,227	871
2010	22,000	4,725	788
2011-2015	124,000	15,646	2608
2016-2018	61,243	2,319	387
Total	\$ 290,243	\$ 46,403	\$ 7,735

Changes in Long-term Liabilities

Long-term liability activity for the Public Utility Fund (enterprise fund) for the year ended June 30, 2005 was as follows:

Business-type Activities:

	Bonds	Notes
Balance, July 1, 2004	\$ 1,013,026	\$ 102,119
Deductions	(52,902)	(59,319)
Balance, June 30, 2005	<u>\$ 960,124</u>	<u>\$ 42,800</u>
Balance Due Within One Year	<u>\$ 52,892</u>	<u>\$ 32,800</u>
	<u>Other Loans</u>	
Balance, July 1, 2004	\$ 221,998	
Increases	87,245	
Deductions	(19,000)	
Balance, June 30, 2005	<u>\$ 290,243</u>	
Balance Due Within One Year	<u>\$ 20,000</u>	

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2005	\$ 1,293,167
Less: Balance Due within One Year	<u>(105,692)</u>
Noncurrent Liabilities - Due in More than One Year - Exhibit A	<u>\$ 1,187,475</u>

Discretely Presented Anderson County School Department

Capital Outlay Notes

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

Capital outlay notes are direct obligations and pledge the full faith and credit of the government. Debt obligations outstanding were issued for original terms of 20 years for notes. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. Capital outlay notes outstanding as of June 30, 2005, are as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Original Amount of Issue</u>	<u>Balance 6-30-05</u>
Capital Outlay Notes:			
Asbestos Removal	0 %	\$ 382,026	\$ 86,403
Renovation of Various Schools	3.5 to 6.7	5,722,000	1,488,665
Renovation of Various Schools	Variable	10,100,000 (1)	3,496,897

(1) \$6,437,353 of this amount remains available for draws as of June 30, 2005. This amount is being loaned from the primary government from funds the primary government borrowed through public building authority loan agreements.

These capital outlay notes are to be retired from the General Purpose School Fund of the discretely presented Anderson County School Department.

The annual requirements to amortize all notes and leases outstanding as of June 30, 2005, including interest, are presented in the following table:

Year Ending June 30	Notes		Leases	
	Principal	Interest	Principal	Interest
2006	\$ 520,333	\$ 142,514	\$ 63,853	\$ 96,399
2007	475,333	122,980	16,819	92,889
2008	400,333	104,609	18,840	90,868
2009	941,957	90,950	21,103	88,605
2010	1,063,833	72,526	23,638	86,070
2011-2015	1,670,176	76,577	168,263	380,279
2016-2020	0	0	296,734	251,808
2021-2024	0	0	276,977	51,212
Total	<u>\$ 5,071,965</u>	<u>\$ 610,156</u>	<u>\$ 886,227</u>	<u>\$ 1,138,130</u>

Changes in Long-term Liabilities

The following is a summary of changes in long-term liabilities for the discretely presented Anderson County School Department for the year ended June 30, 2005:

	Notes	Capitalized Leases
Balance, July 1, 2004	\$ 2,242,942	\$ 946,820
Additions	3,344,356	0
Deductions	(515,333)	(60,593)
Balance, June 30, 2005	<u>\$ 5,071,965</u>	<u>\$ 886,227</u>
Balance Due Within One Year	<u>\$ 520,333</u>	<u>\$ 63,853</u>
	Accrued Leave	
Balance, July 1, 2004	\$ 264,259	
Additions	232,609	
Deductions	(252,422)	
Balance, June 30, 2005	<u>\$ 244,446</u>	
Balance Due Within One Year	<u>\$ 232,224</u>	

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2005	\$ 6,202,638
Less: Balance Due within One Year	<u>(816,410)</u>
Noncurrent Liabilities - Due in More than One Year - Exhibit A	<u>\$ 5,386,228</u>

Compensated absences are liquidated from the individual funds from which the related salaries and wages are paid.

J. Short-term Debt

Anderson County issued revenue anticipation notes in advance of property tax and other collections and deposited the proceeds in the following funds. These notes were necessary because funds were not available to meet obligations coming due before revenues were available. Short-term debt activity for the year ended June 30, 2005, was as follows:

Fund	Balance 7-1-04	Issued	Redeemed	Balance 6-30-05
General	\$ 0	\$ 1,000,000	\$ 1,000,000	\$ 0
General Debt Service	0	500,000	500,000	0
General Purpose School	0	4,000,000	4,000,000	0

I. School Commitments

During the year ended June 30, 1986, the City of Clinton annexed an area of Anderson County and merged one of Anderson County's elementary schools into the City of Clinton School District. As part of the annexation of the school, Anderson County entered into a 20-year written agreement with the City of Clinton to provide payments to the City of Clinton Schools in annual amounts of \$69,750 from the General Purpose School Fund to defray the cost of providing educational services for county students attending South Clinton Elementary School.

V. OTHER INFORMATION

A. Risk Management

The county has chosen to establish the Employees Health Insurance Fund for risks associated with the employees' health insurance plan. The Employee Health Insurance Fund is accounted for as an internal service fund where assets are set aside for claim settlements. The county retains the risk of loss to a limit of \$50,000 per specific loss. The county has obtained a stop/loss commercial policy to cover claims beyond this liability to a limit of \$1,000,000

per year. An estimated liability for outstanding medical claims of \$70,783 has been recorded in the financial statements of the Employee Health Insurance Fund.

All full-time employees of the primary government are eligible to participate. A premium charge is allocated to each fund that accounts for full-time employees. This charge is based on actuarial estimates for the amounts needed to pay prior-year and current-year claims and to establish a reserve for catastrophe losses. This reserve amounted to \$38,697 at June 30, 2005. Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The Employee Health Insurance Fund establishes claims liabilities based on estimates of the ultimate cost of claims that have been incurred but not reported. Claims liabilities include specific, incremental claim adjustment expenditures/expenses, if any. The process used to compute claims liabilities does not necessarily result in an exact amount. Changes in the balance of claims liabilities during the past two fiscal years are as follows:

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	End of Fiscal Year Liability
2003-2004	\$ 32,767	\$ 1,459,929	\$ 1,409,894	\$ 82,802
2004-2005	82,802	1,397,872	1,409,891	70,783

The discretely presented Anderson County School Department participated in the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and quasi-governmental entities that were established for the primary purpose of providing services for or on behalf of state and local governments. In accordance with Section 8-27-207, Tennessee Code Annotated, all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. The state statute provides for the LGGIF to be self-sustaining through member premiums.

The county joined the Local Government Workers' Compensation Insurance Cooperative (LGWCIC), which is a public entity risk pool established by an association of member local governments. The county pays an annual premium to LGWCIC for its workers' compensation insurance coverage. The creation of LGWCIC provides for it to be self-sustaining through member premiums. The county continues to carry commercial insurance for other risks of loss, including general liability, property, and casualty. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The discretely presented Anderson County School Department is exposed to various risks related to general liability, property, casualty, and workers' compensation losses. The School Department decided it was more economically feasible to join a public entity risk pool as opposed to purchasing commercial insurance for general liability, property, casualty, and workers' compensation coverage. The School Department joined the Tennessee School Boards Risk Management Trust (TSB-RMT), which is a public entity risk pool established by an association of member school boards. The School Department pays annual premiums to the TSB-RMT for its general liability, property, casualty, and workers' compensation insurance coverage. The creation of TSB-RMT provides for it to be self-sustaining through member premiums.

B. Accounting Change

During the year, Anderson County adopted the provisions of Governmental Accounting Standards Board Statement No. 40, Deposit and Investment Risk Disclosures. These provisions modified the county's previous custodial risk disclosures for deposits and investments and related collateral. These provisions also added disclosures about other types of risk, including credit risk, interest rate risk, foreign currency risk, and concentrations of credit risk. Governments are also required to provide brief disclosures about their deposit and investment policies that are related to any of the risks required to be disclosed.

C. Subsequent Events

Subsequent to June 30, 2005, Anderson County issued tax anticipation notes of \$4,000,000 through a local lending institution to provide temporary operating funds for the General Debt Service Fund (\$500,000), and the General Purpose School Fund (\$3,500,000).

Subsequent to June 30, 2005, Anderson County authorized an interfund loan in the form of a revenue anticipation note of \$500,000 for the School Federal Projects Fund. Funds will be loaned from the General Purpose School Fund unreserved balance.

D. Contingent Liabilities

Anderson County declined to rezone property that a private company asserts it had a beneficial interest in. The company intended to place a quarry and asphalt plant on the property but cannot do so because of the failure to rezone. Consequently, this company has claimed that the decision of the Anderson County Commission was arbitrary and capricious and that the actions are a constitutional taking of the property. This dispute came to trial during 1999, and the court assessed damages exceeding \$5 million dollars. Those damages have since been overturned and that issue is to be re-tried and is not expected to be concluded during the calendar year 2005.

Another legal matter concerns alleged pollution at the Blockhouse Landfill site. The State of Tennessee is conducting site investigations and has declared the site a Super Fund site. The state has assessed Anderson County \$329,760 for that investigation, an amount that is reflected as other long-term liabilities in the government-wide financial statements. The majority of the planned remedial action has been concluded.

E. Change in Administration

On December 31, 2004, James E. Stewart left the Office of Director of Schools and was succeeded by Vardeman Stonecipher.

F. Retirement Commitments

Plan Description

Employees of Anderson 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 Anderson 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 www.treasury.state.tn.us. Copies of footnotes in PDF format can be accessed at <http://www.treasury.state.tn.us/tcrs/PS/>.

Funding Policy

Anderson County requires employees to contribute five percent of earnable compensation. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2005, was

5.58 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Anderson County is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2005, Anderson County’s annual pension cost of \$901,430 to TCRS was equal to the county’s required and actual contributions. The required contribution was determined as part of the July 1, 2003, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected post-retirement increases of three percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. Anderson 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, 2003, was 12 years.

Trend Information

Fiscal Year Ended	Annual Pension Cost(APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-05	\$901,430	100%	\$0
6-30-04	617,195	100	0
6-30-03	597,343	100	0

Required Supplementary Information

Schedule of Funding Progress for Anderson County

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6-30-03	\$ 32,314	\$ 33,541	\$ 1,227	96.34%	\$ 14,553	8.43%
6-30-01	29,217	30,564	1,347	95.59	13,401	10.05
6-30-99	25,301	26,193	892	96.59	12,091	7.38

SCHOOL TEACHERS

Plan Description

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

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

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2005, was 5.5 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, 2005, 2004, and 2003, were, \$1,348,467, \$826,512, and \$813,532, respectively, equal to the required contributions for each year.

G. Office of Central Accounting

Anderson County operates under provisions of the Fiscal Control Acts of 1957, which provide for a central system of accounting and budgeting covering all funds of the county. Funds were maintained in the Office of Central Accounting under the supervision of the director of accounts and budgets.

H. Purchasing Laws

Purchasing procedures for the Offices of the County Mayor, Director of Schools, and Highway Superintendent are governed by the County Purchasing Law of 1957 (Section 5-14-101, et seq., Tennessee Code Annotated (TCA)). Purchasing procedures for the Highway Department are also governed by provisions of the Uniform Road Law, Section 54-7-113, TCA. These statutes provide for a purchasing agent and require competitive bids on all purchases exceeding \$5,000, except for the Highway Department, where bids are required for all purchases exceeding \$10,000.

VI. OTHER NOTES – DISCRETELY PRESENTED ANDERSON COUNTY COMMUNICATION DISTRICT

A. DESCRIPTION OF ORGANIZATION

Emergency Communications District of Anderson County, Tennessee was created by a countywide referendum on November 6, 1990. The Anderson County Board of Commissioners appointed the district's initial Board of Directors pursuant to Tennessee Code Annotated, Section 7-86-101. The district is responsible for the installation and maintenance of the emergency communications network of Anderson County, Tennessee (Enhanced 911 Service).

The district is considered a component unit of Anderson County, Tennessee, because the Anderson County Board of Commissioners appoints a majority of the district's Board of Directors and must approve any debt issued by the district.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

The district uses the accrual basis of accounting. Revenues are recognized when earned and measurable, and expenses are recognized when the liability is incurred. The district follows all pronouncements of the Governmental Accounting Standards Board (GASB) and pronouncements of the Financial Accounting Standards Board (FASB) issued on or before November 30, 1989. The district has not elected to follow FASB pronouncements issued after November 30, 1989.

The district's resources are classified for accounting and reporting purposes into the following three net asset groups:

Invested in capital assets, net of related debt: Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.

Restricted: Net assets whose use is subject to externally imposed stipulations that can be fulfilled by actions of the district pursuant to those stipulations or that expire by the passage of time.

Unrestricted: Net assets that are not subject to externally imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of management or the Board of Directors or may otherwise be limited by contractual agreements with outside parties.

2. Accounts Receivable

Accounts receivable which are deemed uncollectible based upon a periodic review of the accounts are charged to revenue. At June 30, 2005, no allowance for uncollectible accounts was considered necessary.

3. Property and Equipment

Property and equipment is recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives, which ranges from five to twenty-five years.

4. Operating Budget

The district is required by state law to adopt an annual operating budget. The budget is prepared on the accrual basis of accounting. All appropriations lapse at the end of the year.

5. Compensated Absences

The district's full-time employees are granted vacation leave in varying amounts. In the event of termination, the employee is paid for any unused vacation leave.

C. CASH ON DEPOSIT

Cash and the certificate of deposit are stated at cost. These balances were entirely insured through the Federal Deposit Insurance Corporation or through the State of Tennessee Bank Collateral Pool. The district considers all highly liquid investments with an original maturity date of three months or less when purchased to be cash equivalents.

D. RISK MANAGEMENT

The district is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The district carries commercial insurance for all risks of loss, including general liability and workers' compensation coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

E. PROPERTY AND EQUIPMENT

Property and equipment activity for the year ended June 30, 2005, was as follows:

	Balance 7-1-04	Additions	Balance 6-30-05
Capital assets being depreciated:			
Communications equipment	\$ 285,157	\$ 59,646	\$ 344,803
Furniture and fixtures	42,467	0	42,467
Vehicle	19,425	0	19,425
Leasehold improvements	50,240	0	50,240
	<u>\$ 397,289</u>	<u>\$ 59,646</u>	<u>\$ 456,935</u>
Accumulated depreciation	(80,520)	(29,817)	(110,337)
Capital assets being Depreciated, net	<u>\$ 316,769</u>	<u>\$ 29,829</u>	<u>\$ 346,598</u>

F. LEASES

In June 2000, the district entered into a five-year lease purchase agreement for communication equipment. The final payment, in the amount of \$30,125 was paid on July 1, 2004.

The district occupies its facilities provided by Anderson County on a month-by-month basis. Anderson County provides the facilities without charge.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

Anderson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2005

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2005	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 11,990,265	\$ 0	\$ 11,990,265	\$ 11,321,969	\$ 11,369,969	\$ 620,296
Licenses and Permits	312,175	0	312,175	258,000	258,000	54,175
Fines, Forfeitures and Penalties	398,470	0	398,470	238,500	242,300	156,170
Charges for Current Services	3,933,262	0	3,933,262	3,306,697	3,685,469	247,793
Other Local Revenues	517,406	0	517,406	356,395	402,192	115,214
Fees Received from County Officials	1,323,177	0	1,323,177	1,040,000	1,040,000	283,177
State of Tennessee	1,223,316	0	1,223,316	1,158,228	1,324,790	(101,474)
Federal Government	198,156	0	198,156	12,921	1,495,544	(1,297,388)
Other Governments and Citizens Groups	44,355	0	44,355	51,784	51,784	(7,429)
Total Revenues	\$ 19,940,582	\$ 0	\$ 19,940,582	\$ 17,744,494	\$ 19,870,048	\$ 70,534
<u>Expenditures</u>						
<u>General Government</u>						
County Commission	\$ 208,980	\$ 0	\$ 208,980	\$ 213,182	\$ 221,856	\$ 12,876
Board of Equalization	2,773	0	2,773	7,650	7,650	4,877
Other Boards and Committees	201,228	0	201,228	219,914	252,255	51,027
County Mayor	152,063	0	152,063	158,453	158,353	6,290
Personnel Office	9,856	0	9,856	0	15,745	5,889
County Attorney	146,805	0	146,805	145,258	150,728	3,923
Election Commission (Including Voter Registration)	310,334	0	310,334	308,124	315,992	5,658
Register of Deeds	87,746	0	87,746	87,723	92,723	4,977
Planning	79,456	0	79,456	119,773	102,556	23,100
Engineering	110,607	0	110,607	128,860	129,100	18,493
Codes Compliance	133,736	0	133,736	140,609	140,891	7,155
County Buildings	732,176	0	732,176	764,959	781,179	49,003
Other General Administration	629,366	145,177	774,543	215,250	770,603	(3,940)
Preservation of Records	32,979	0	32,979	45,170	46,720	13,741

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2005	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Finance</u>						
Accounting and Budgeting	\$ 530,282	\$ 0	\$ 530,282	\$ 543,447	\$ 556,760	\$ 26,478
Purchasing	113,921	0	113,921	124,492	124,922	11,001
Property Assessor's Office	386,351	0	386,351	422,928	468,161	81,810
Reappraisal Program	131,190	0	131,190	126,332	137,772	6,582
County Trustee's Office	78,604	0	78,604	89,327	96,927	18,323
County Clerk's Office	140,515	0	140,515	159,612	152,887	12,372
Other Finance	88,936	0	88,936	96,490	91,276	2,340
<u>Administration of Justice</u>						
Circuit Court	154,949	0	154,949	149,404	171,628	16,679
Criminal Court	3,000	0	3,000	4,378	4,378	1,378
General Sessions Court	29,536	0	29,536	35,750	31,372	1,836
General Sessions Judge	345,760	0	345,760	353,575	353,573	7,813
Chancery Court	60,694	0	60,694	82,094	78,622	17,928
Juvenile Court	365,180	0	365,180	355,319	390,532	25,352
District Attorney General	23,329	0	23,329	23,894	24,144	815
Judicial Commissioners	883	0	883	1,694	1,694	811
Probate Court	3,560	0	3,560	4,500	4,500	940
Other Administration of Justice	102,875	0	102,875	99,970	104,369	1,494
Probation Services	375,465	0	375,465	363,240	380,491	5,026
<u>Public Safety</u>						
Sheriff's Department	2,668,047	0	2,668,047	2,638,676	2,732,309	64,262
Jail	2,490,977	0	2,490,977	2,657,824	2,673,352	182,375
Commissary	95,024	0	95,024	78,591	105,091	10,067
Civil Defense	335,876	334,200	670,076	167,707	1,469,107	799,031
Rescue Squad	20,000	0	20,000	20,000	20,000	0
Other Emergency Management	389,444	0	389,444	455,334	445,734	56,290

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2005	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Public Safety (Cont.)</u>						
County Coroner/Medical Examiner	\$ 69,057	\$ 0	\$ 69,057	\$ 57,396	\$ 77,146	\$ 8,089
Public Safety Grant Programs	8,164	0	8,164	0	9,402	1,238
Other Public Safety	191,102	0	191,102	194,569	194,369	3,267
<u>Public Health and Welfare</u>						
Local Health Center	150,232	0	150,232	198,121	199,181	48,949
Rabies and Animal Control	95,935	0	95,935	108,598	108,908	12,973
Ambulance/Emergency Medical Services	2,801,156	0	2,801,156	2,711,326	2,955,569	154,413
Dental Health Program	136,526	0	136,526	133,669	137,930	1,404
Alcohol and Drug Programs	13,500	0	13,500	0	13,500	0
Other Local Health Services	602,984	0	602,984	709,004	770,726	167,742
Appropriation to State	0	0	0	122,305	0	0
<u>Social, Cultural and Recreational Services</u>						
Parks and Fair Boards	3,000	0	3,000	0	3,000	0
<u>Agriculture & Natural Resources</u>						
Agriculture Extension Service	117,177	0	117,177	128,097	128,097	10,920
Soil Conservation	33,278	0	33,278	36,667	36,917	3,639
Other Agriculture & Natural Resources	3,219	0	3,219	0	174,893	171,674
<u>Other Operations</u>						
Industrial Development	119,105	0	119,105	117,370	118,870	(235)
Veterans' Services	17,789	0	17,789	18,245	18,245	456
Other Charges	390,424	0	390,424	370,025	393,179	2,755
Contributions to Other Agencies	37,390	0	37,390	41,500	42,000	4,610
Miscellaneous	122,660	0	122,660	132,138	132,138	9,478
<u>Principal</u>						
General Government	141,830	0	141,830	0	141,832	2

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2005	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Interest</u>						
General Government	\$ 4,978	\$ 0	\$ 4,978	\$ 0	\$ 4,983	\$ 5
<u>Capital Projects</u>						
General Administration Projects	3,456	20,993	24,449	40,000	40,000	15,551
Administration of Justice Projects	18,249	0	18,249	0	18,249	0
Public Safety Projects	0	0	0	0	30,000	30,000
Public Health and Welfare Projects	530,905	69,231	600,136	0	700,731	100,595
Public Utility Projects	208,141	0	208,141	0	245,000	36,859
Other General Government Projects	18,000	0	18,000	0	118,000	100,000
Total Expenditures	<u>\$ 17,610,760</u>	<u>\$ 569,601</u>	<u>\$ 18,180,361</u>	<u>\$ 16,728,533</u>	<u>\$ 20,618,817</u>	<u>\$ 2,438,456</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,329,822	\$ (569,601)	\$ 1,760,221	\$ 1,015,961	\$ (748,769)	\$ 2,508,990
<u>Other Financing Sources (Uses)</u>						
Notes Issued	\$ 300,000	\$ 0	\$ 300,000	\$ 0	\$ 300,000	\$ 0
Transfers In	0	0	0	0	100	(100)
Transfers Out	(2,014,215)	0	(2,014,215)	(1,236,946)	(2,279,376)	265,161
Total Other Financing Sources (Uses)	<u>\$ (1,714,215)</u>	<u>\$ 0</u>	<u>\$ (1,714,215)</u>	<u>\$ (1,236,946)</u>	<u>\$ (1,979,276)</u>	<u>\$ 265,061</u>
Net Change in Fund Balance	\$ 615,607	\$ (569,601)	\$ 46,006	\$ (220,985)	\$ (2,728,045)	\$ 2,774,051
Fund Balance, July 1, 2004	4,296,798	0	4,296,798	2,165,873	4,296,798	0
Fund Balance, June 30, 2005	<u>\$ 4,912,405</u>	<u>\$ (569,601)</u>	<u>\$ 4,342,804</u>	<u>\$ 1,944,888</u>	<u>\$ 1,568,753</u>	<u>\$ 2,774,051</u>

ANDERSON COUNTY, TENNESSEE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2005

BUDGETARY INFORMATION

The county is required by state statute to adopt annual budgets. Annual budgets are adopted for all governmental funds except the District Attorney General, Special Purpose, and Constitutional Officers – Fees Funds (special revenue funds) and the capital projects funds. 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 State Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, County Mayor, County Attorney etc.). Management may make revisions within major categories, but only the governing body 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, if any, is presented on the face of each budgetary schedule. Those differences exist due to outstanding encumbrances either at the first of the year or the end of the year. No other differences between GAAP and budgetary basis exist.

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

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

Courthouse and Jail Maintenance Fund – The Courthouse and Jail Maintenance Fund is used to account for a special tax levied by private act on litigation. The proceeds of the tax must be used to pay for improvements or maintenance on the courthouse and jail.

Public Library Fund – The Public Library Fund is used to account for transactions of the Anderson County Public Library, which is jointly funded by Anderson County, the City of Clinton, City of Oak Ridge, and Lake City.

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for all solid waste transactions for the county.

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

District Attorney General Fund – The District Attorney General Fund is used to account for revenues received for the benefit of the Office of District Attorney General.

Other Special Revenue Fund – The Other Special Revenue Fund is used to account for transactions of the Anderson County Tourism Board.

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.

Highway/Public Works Fund – The Highway/Public Works Fund is used to account for transactions of the county Highway Department.

Exhibit G-1

Anderson County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2005

	Special Revenue Funds			
	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	District Attorney General
<u>ASSETS</u>				
Cash	\$ 0	\$ 887	\$ 0	\$ 0
Equity in Pooled Cash and Investments	121,744	88,023	56,195	21,251
Inventories	0	0	0	0
Accounts Receivable	0	0	95,536	0
Due from Other Governments	0	0	52,153	0
Due from Other Funds	0	2,218	120,046	0
Due from Component Units	0	0	15,506	0
Total Assets	<u>\$ 121,744</u>	<u>\$ 91,128</u>	<u>\$ 339,436</u>	<u>\$ 21,251</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 6,067	\$ 7,532	\$ 103,447	\$ 0
Accrued Payroll	0	2,135	1,277	105
Payroll Deductions Payable	0	3,866	3,401	252
Contracts Payable	0	0	163,539	0
Due to Other Funds	0	0	176	0
Other Deferred Revenues	0	0	37,036	0
Total Liabilities	<u>\$ 6,067</u>	<u>\$ 13,533</u>	<u>\$ 308,876</u>	<u>\$ 357</u>
<u>Fund Balances</u>				
Reserved for Encumbrances	\$ 0	\$ 0	\$ 0	\$ 0
Reserved for Inventory	0	0	0	0
Reserved for Other General Purposes	0	13,526	0	0
Unreserved	115,677	64,069	30,560	20,894
Total Fund Balances	<u>\$ 115,677</u>	<u>\$ 77,595</u>	<u>\$ 30,560</u>	<u>\$ 20,894</u>
Total Liabilities and Fund Balances	<u>\$ 121,744</u>	<u>\$ 91,128</u>	<u>\$ 339,436</u>	<u>\$ 21,251</u>

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

		<u>Special Revenue Funds (Cont.)</u>			
		Other Special Revenue	Constitu - tional Officers - Fees	Highway / Public Works	Total Nonmajor Governmental Funds
<u>ASSETS</u>					
Cash		\$ 0	\$ 357,368	\$ 0	\$ 358,255
Equity in Pooled Cash and Investments		34,931	0	1,100,874	1,511,572
Inventories		0	0	22,000	22,000
Accounts Receivable		4,826	2,721	3,013	106,096
Due from Other Governments		0	0	454,685	508,970
Due from Other Funds		25,196	0	305,086	454,904
Due from Component Units		0	0	2,107	17,613
Total Assets		<u>\$ 64,953</u>	<u>\$ 360,089</u>	<u>\$ 1,887,765</u>	<u>\$ 2,979,410</u>
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable		\$ 333	\$ 0	\$ 84,549	\$ 206,195
Accrued Payroll		548	0	11,248	15,313
Payroll Deductions Payable		1,012	0	31,598	40,129
Contracts Payable		0	0	0	163,539
Due to Other Funds		0	0	161	337
Other Deferred Revenues		0	0	197,660	234,696
Total Liabilities		<u>\$ 1,893</u>	<u>\$ 0</u>	<u>\$ 325,216</u>	<u>\$ 660,209</u>
<u>Fund Balances</u>					
Reserved for Encumbrances		\$ 0	\$ 0	\$ 990,038	\$ 990,038
Reserved for Inventory		0	0	22,000	22,000
Reserved for Other General Purposes		0	0	0	29,997
Unreserved		63,060	360,089	550,511	1,277,166
Total Fund Balances		<u>\$ 63,060</u>	<u>\$ 360,089</u>	<u>\$ 1,562,549</u>	<u>\$ 2,319,201</u>
Total Liabilities and Fund Balances		<u>\$ 64,953</u>	<u>\$ 360,089</u>	<u>\$ 1,887,765</u>	<u>\$ 2,979,410</u>

Exhibit G-2

Anderson County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2005

	Special Revenue Funds				
	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Drug Control	District Attorney General
<u>Revenues</u>					
Local Taxes	\$ 24,372	\$ 0	\$ 0	\$ 0	\$ 0
Fines, Forfeitures, and Penalties	0	0	0	80,873	14,786
Charges for Current Services	0	15,447	440,338	0	0
Other Local Revenues	0	6,778	8,987	2,858	0
State of Tennessee	0	0	89,336	0	0
Federal Government	0	0	0	9,519	0
Other Governments and Citizens Groups	0	108,666	0	0	0
Total Revenues	\$ 24,372	\$ 130,891	\$ 538,661	\$ 93,250	\$ 14,786
<u>Expenditures</u>					
Current:					
General Government	\$ 82,963	\$ 0	\$ 0	\$ 0	\$ 0
Finance	0	0	0	0	0
Administration of Justice	0	0	0	0	7,697
Public Safety	0	0	0	72,803	0
Public Health and Welfare	0	0	1,463,748	0	0
Social, Cultural, and Recreational Services	0	284,399	0	0	0
Other Operations	0	0	0	0	0
Highways	0	0	0	0	0
Debt Service:					
Principal	0	0	0	0	0
Interest	0	0	0	0	0
Total Expenditures	\$ 82,963	\$ 284,399	\$ 1,463,748	\$ 72,803	\$ 7,697
Excess (Deficiency) of Revenues Over Expenditures	\$ (58,591)	\$ (153,508)	\$ (925,087)	\$ 20,447	\$ 7,089
<u>Other Financing Sources (Uses)</u>					
Transfers In	\$ 116,000	\$ 146,029	\$ 962,936	\$ 0	\$ 0
Transfers Out	0	0	(15,569)	0	0
Total Other Financing Sources (Uses)	\$ 116,000	\$ 146,029	\$ 947,367	\$ 0	\$ 0

(Continued)

Exhibit G-2

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

	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Drug Control	District Attorney General
Net Change in Fund Balances	\$ 57,409	\$ (7,479)	\$ 22,280	\$ 20,447	\$ 7,089
Fund Balance, July 1, 2004	58,268	85,074	8,280	68,330	13,805
Fund Balance, June 30, 2005	\$ 115,677	\$ 77,595	\$ 30,560	\$ 88,777	\$ 20,894

(Continued)

Exhibit G-2

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

	Special Revenue Funds (Cont.)			
	Other Special Revenue	Constitu- tional Officers - Fees	Highway / Public Works	Total Nonmajor Governmental Funds
<u>Revenues</u>				
Local Taxes	\$ 0	\$ 49,800	\$ 509,795	\$ 583,967
Fines, Forfeitures, and Penalties	0	0	0	95,659
Charges for Current Services	0	1,839,009	0	2,294,794
Other Local Revenues	10	0	286,602	305,235
State of Tennessee	4,826	0	2,121,239	2,215,401
Federal Government	0	0	23,433	32,952
Other Governments and Citizens Groups	0	0	0	108,666
Total Revenues	\$ 4,836	\$ 1,888,809	\$ 2,941,069	\$ 5,636,674
<u>Expenditures</u>				
Current:				
General Government	\$ 0	\$ 246,494	\$ 0	\$ 329,457
Finance	0	823,412	0	823,412
Administration of Justice	0	857,198	0	864,895
Public Safety	0	163	0	72,966
Public Health and Welfare	0	0	0	1,463,748
Social, Cultural, and Recreational Services	0	0	0	284,399
Other Operations	90,382	0	0	90,382
Highways	0	0	2,470,425	2,470,425
Debt Service:				
Principal	15,000	0	0	15,000
Interest	4,013	0	0	4,013
Total Expenditures	\$ 109,395	\$ 1,927,267	\$ 2,470,425	\$ 6,418,697
Excess (Deficiency) of Revenues Over Expenditures	\$ (104,559)	\$ (38,458)	\$ 470,644	\$ (782,023)
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 120,033	\$ 0	\$ 368,584	\$ 1,713,582
Transfers Out	0	0	(79,221)	(94,790)
Total Other Financing Sources (Uses)	\$ 120,033	\$ 0	\$ 289,363	\$ 1,618,792

(Continued)

Exhibit G-2

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

	Other Special Revenue	Constitu - tional - Officers - Fees	Highway / Public Works	Total Nonmajor Governmental Funds
Net Change in Fund Balances	\$ 15,474	\$ (38,458)	\$ 760,007	\$ 836,769
Fund Balance, July 1, 2004	47,586	398,547	802,542	1,482,432
Fund Balance, June 30, 2005	\$ 63,060	\$ 360,089	\$ 1,562,549	\$ 2,319,201

Exhibit G-3

Anderson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Courthouse & Jail Maintenance Fund
For the Year Ended June 30, 2005

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 24,372	\$ 21,000	\$ 21,000	\$ 3,372
Total Revenues	\$ 24,372	\$ 21,000	\$ 21,000	\$ 3,372
<u>Expenditures</u>				
<u>General Government</u>				
Building	\$ 82,963	\$ 121,000	\$ 157,000	\$ 74,037
Total Expenditures	\$ 82,963	\$ 121,000	\$ 157,000	\$ 74,037
Excess (Deficiency) of Revenues Over Expenditures	\$ (58,591)	\$ (100,000)	\$ (136,000)	\$ 77,409
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 116,000	\$ 100,000	\$ 116,000	\$ 0
Total Other Financing Sources (Uses)	\$ 116,000	\$ 100,000	\$ 116,000	\$ 0
Net Change in Fund Balance	\$ 57,409	\$ 0	\$ (20,000)	\$ 77,409
Fund Balance, July 1, 2004	58,268	58,268	58,268	0
Fund Balance, June 30, 2005	\$ 115,677	\$ 58,268	\$ 38,268	\$ 77,409

Exhibit G-4

Anderson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Public Library Fund
For the Year Ended June 30, 2005

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 15,447	\$ 11,790	\$ 11,790	\$ 3,657
Other Local Revenues	6,778	4,584	4,744	2,034
Other Governments and Citizens Groups	108,666	101,665	107,666	1,000
Total Revenues	<u>\$ 130,891</u>	<u>\$ 118,039</u>	<u>\$ 124,200</u>	<u>\$ 6,691</u>
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Libraries	\$ 284,399	\$ 264,126	\$ 298,180	\$ 13,781
Total Expenditures	<u>\$ 284,399</u>	<u>\$ 264,126</u>	<u>\$ 298,180</u>	<u>\$ 13,781</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (153,508)</u>	<u>\$ (146,087)</u>	<u>\$ (173,980)</u>	<u>\$ 20,472</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 146,029	\$ 146,029	\$ 146,029	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 146,029</u>	<u>\$ 146,029</u>	<u>\$ 146,029</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (7,479)	\$ (58)	\$ (27,951)	\$ 20,472
Fund Balance, July 1, 2004	<u>85,074</u>	<u>31,780</u>	<u>31,780</u>	<u>53,294</u>
Fund Balance, June 30, 2005	<u>\$ 77,595</u>	<u>\$ 31,722</u>	<u>\$ 3,829</u>	<u>\$ 73,766</u>

Exhibit G-5

Anderson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2005

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 440,338	\$ 447,100	\$ 401,100	\$ 39,238
Other Local Revenues	8,987	12,000	12,736	(3,749)
State of Tennessee	89,336	110,203	110,203	(20,867)
Total Revenues	<u>\$ 538,661</u>	<u>\$ 569,303</u>	<u>\$ 524,039</u>	<u>\$ 14,622</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Sanitation Management	\$ 93,071	\$ 101,744	\$ 92,558	\$ (513)
Convenience Centers	568,529	563,000	568,000	(529)
Other Waste Collection	58,751	66,746	66,746	7,995
Recycling Center	5,500	8,200	5,549	49
Landfill Operation and Maintenance	669,552	612,000	678,290	8,738
Other Waste Disposal	68,345	77,500	76,500	8,155
Total Expenditures	<u>\$ 1,463,748</u>	<u>\$ 1,429,190</u>	<u>\$ 1,487,643</u>	<u>\$ 23,895</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (925,087)</u>	<u>\$ (859,887)</u>	<u>\$ (963,604)</u>	<u>\$ 38,517</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 962,936	\$ 858,887	\$ 972,604	\$ (9,668)
Transfers Out	(15,569)	0	(16,500)	931
Total Other Financing Sources (Uses)	<u>\$ 947,367</u>	<u>\$ 858,887</u>	<u>\$ 956,104</u>	<u>\$ (8,737)</u>
Net Change in Fund Balance	\$ 22,280	\$ (1,000)	\$ (7,500)	\$ 29,780
Fund Balance, July 1, 2004	<u>8,280</u>	<u>8,280</u>	<u>8,280</u>	<u>0</u>
Fund Balance, June 30, 2005	<u>\$ 30,560</u>	<u>\$ 7,280</u>	<u>\$ 780</u>	<u>\$ 29,780</u>

Exhibit G-6

Anderson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2005

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 80,873	\$ 35,500	\$ 47,750	\$ 33,123
Other Local Revenues	2,858	500	500	2,358
Federal Government	9,519	9,000	9,000	519
Total Revenues	<u>\$ 93,250</u>	<u>\$ 45,000</u>	<u>\$ 57,250</u>	<u>\$ 36,000</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 72,803	\$ 45,000	\$ 98,716	\$ 25,913
Total Expenditures	<u>\$ 72,803</u>	<u>\$ 45,000</u>	<u>\$ 98,716</u>	<u>\$ 25,913</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 20,447</u>	<u>\$ 0</u>	<u>\$ (41,466)</u>	<u>\$ 61,913</u>
Net Change in Fund Balance	\$ 20,447	\$ 0	\$ (41,466)	\$ 61,913
Fund Balance, July 1, 2004	68,330	51,864	51,864	16,466
Fund Balance, June 30, 2005	<u>\$ 88,777</u>	<u>\$ 51,864</u>	<u>\$ 10,398</u>	<u>\$ 78,379</u>

Exhibit G-7

Anderson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Other Special Revenue Fund
For the Year Ended June 30, 2005

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 10	\$ 0	\$ 0	\$ 10
State of Tennessee	4,826	0	5,000	(174)
Total Revenues	<u>\$ 4,836</u>	<u>\$ 0</u>	<u>\$ 5,000</u>	<u>\$ (164)</u>
<u>Expenditures</u>				
<u>Other Operations</u>				
Tourism	\$ 90,382	\$ 115,863	\$ 103,818	\$ 13,436
<u>Principal</u>				
General Government	15,000	0	15,000	0
<u>Interest</u>				
General Government	4,013	0	4,045	32
Total Expenditures	<u>\$ 109,395</u>	<u>\$ 115,863</u>	<u>\$ 122,863</u>	<u>\$ 13,468</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (104,559)</u>	<u>\$ (115,863)</u>	<u>\$ (117,863)</u>	<u>\$ 13,304</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 120,033	\$ 115,830	\$ 115,830	\$ 4,203
Total Other Financing Sources (Uses)	<u>\$ 120,033</u>	<u>\$ 115,830</u>	<u>\$ 115,830</u>	<u>\$ 4,203</u>
Net Change in Fund Balance	\$ 15,474	\$ (33)	\$ (2,033)	\$ 17,507
Fund Balance, July 1, 2004	47,586	47,586	47,586	0
Fund Balance, June 30, 2005	<u><u>\$ 63,060</u></u>	<u><u>\$ 47,553</u></u>	<u><u>\$ 45,553</u></u>	<u><u>\$ 17,507</u></u>

Exhibit G-8

Anderson 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, 2005

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2005	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 509,795	\$ 0	\$ 509,795	\$ 323,000	\$ 379,000	\$ 130,795
Other Local Revenues	286,602	0	286,602	175,000	258,400	28,202
State of Tennessee	2,121,239	0	2,121,239	2,195,075	2,430,075	(308,836)
Federal Government	23,433	0	23,433	0	0	23,433
Total Revenues	\$ 2,941,069	\$ 0	\$ 2,941,069	\$ 2,693,075	\$ 3,067,475	\$ (126,406)
<u>Expenditures</u>						
<u>Highways</u>						
Administration	\$ 228,034	\$ 0	\$ 228,034	\$ 223,566	\$ 235,966	\$ 7,932
Highway and Bridge Maintenance	1,031,901	424,444	1,456,345	1,365,100	1,676,060	219,715
Operation and Maintenance of Equipment	621,312	0	621,312	519,220	719,070	97,758
Other Charges	341,067	0	341,067	248,043	348,643	7,576
Capital Outlay	248,111	565,594	813,705	505,000	893,500	79,795
Total Expenditures	\$ 2,470,425	\$ 990,038	\$ 3,460,463	\$ 2,860,929	\$ 3,873,239	\$ 412,776
Excess (Deficiency) of Revenues Over Expenditures	\$ 470,644	\$ (990,038)	\$ (519,394)	\$ (167,854)	\$ (805,764)	\$ 286,370
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 368,584	\$ 0	\$ 368,584	\$ 0	\$ 253,333	\$ 115,251
Transfers Out	(79,221)	0	(79,221)	(87,304)	(87,654)	8,433
Total Other Financing Sources (Uses)	\$ 289,363	\$ 0	\$ 289,363	\$ (87,304)	\$ 165,679	\$ 123,684

(Continued)

Exhibit G-8

Anderson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund (Cont.)

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2005	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Net Change in Fund Balance	\$ 760,007	\$ (990,038)	\$ (230,031)	\$ (255,158)	\$ (640,085)	\$ 410,054
Fund Balance, July 1, 2004	802,542	0	802,542	717,541	717,541	85,001
Fund Balance, June 30, 2005	<u>\$ 1,562,549</u>	<u>\$ (990,038)</u>	<u>\$ 572,511</u>	<u>\$ 462,383</u>	<u>\$ 77,456</u>	<u>\$ 495,055</u>

Major Governmental Funds

Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, debt principal, interest, and related costs.

General Debt Service Fund – The General Debt Service Fund is used to account for the accumulation of resources for, and the payment of, debt principal, interest, and related costs.

Rural Debt Service Fund – The Rural Debt Service Fund is used to account for the retirement of bonds, other loans, and most notes issued for the construction and renovations of the county's elementary schools.

Education Debt Service Fund – The Education Debt Service Fund is used to account for the retirement of bonds, other loans, and most notes issued for the construction and renovations of the county's middle and high schools.

Exhibit H-1

Anderson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Debt Service Fund
For the Year Ended June 30, 2005

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2005	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 2,396,688	\$ 0	\$ 2,396,688	\$ 2,277,612	\$ 2,277,612	\$ 119,076
Other Local Revenues	92,542	0	92,542	120,000	120,000	(27,458)
Total Revenues	<u>\$ 2,489,230</u>	<u>\$ 0</u>	<u>\$ 2,489,230</u>	<u>\$ 2,397,612</u>	<u>\$ 2,397,612</u>	<u>\$ 91,618</u>
<u>Expenditures</u>						
<u>Principal</u>						
General Government	\$ 1,559,810	\$ 0	\$ 1,559,810	\$ 1,559,810	\$ 1,559,810	\$ 0
<u>Interest</u>						
General Government	648,328	0	648,328	735,830	735,827	87,499
<u>Other Debt Service</u>						
General Government	62,939	20,000	82,939	85,000	105,003	22,064
Total Expenditures	<u>\$ 2,271,077</u>	<u>\$ 20,000</u>	<u>\$ 2,291,077</u>	<u>\$ 2,380,640</u>	<u>\$ 2,400,640</u>	<u>\$ 109,563</u>
Excess (Deficiency) of Revenues						
Over Expenditures	<u>\$ 218,153</u>	<u>\$ (20,000)</u>	<u>\$ 198,153</u>	<u>\$ 16,972</u>	<u>\$ (3,028)</u>	<u>\$ 201,181</u>
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 79,221	\$ 0	\$ 79,221	\$ 79,007	\$ 79,007	\$ 214
Total Other Financing Sources (Uses)	<u>\$ 79,221</u>	<u>\$ 0</u>	<u>\$ 79,221</u>	<u>\$ 79,007</u>	<u>\$ 79,007</u>	<u>\$ 214</u>
Net Change in Fund Balance						
Fund Balance, July 1, 2004	\$ 297,374	\$ (20,000)	\$ 277,374	\$ 95,979	\$ 75,979	\$ 201,395
	582,723	0	582,723	582,723	582,723	0
Fund Balance, June 30, 2005	<u>\$ 880,097</u>	<u>\$ (20,000)</u>	<u>\$ 860,097</u>	<u>\$ 678,702</u>	<u>\$ 658,702</u>	<u>\$ 201,395</u>

Exhibit H-2

Anderson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Rural Debt Service Fund
For the Year Ended June 30, 2005

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2005	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 71,408	\$ 0	\$ 71,408	\$ 31,254	\$ 31,254	\$ 40,154
Other Local Revenues	12,005	0	12,005	8,000	8,000	4,005
Other Governments and Citizens Groups	1,311,006	0	1,311,006	1,584,453	1,584,453	(273,447)
Total Revenues	<u>\$ 1,394,419</u>	<u>\$ 0</u>	<u>\$ 1,394,419</u>	<u>\$ 1,623,707</u>	<u>\$ 1,623,707</u>	<u>\$ (229,288)</u>
<u>Expenditures</u>						
<u>Principal</u>						
Education	\$ 1,084,042	\$ 0	\$ 1,084,042	\$ 1,043,292	\$ 1,084,042	\$ 0
<u>Interest</u>						
Education	419,751	0	419,751	567,144	619,560	199,809
<u>Other Debt Service</u>						
Education	4,909	20,000	24,909	5,500	26,150	1,241
Total Expenditures	<u>\$ 1,508,702</u>	<u>\$ 20,000</u>	<u>\$ 1,528,702</u>	<u>\$ 1,615,936</u>	<u>\$ 1,729,752</u>	<u>\$ 201,050</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (114,283)</u>	<u>\$ (20,000)</u>	<u>\$ (134,283)</u>	<u>\$ 7,771</u>	<u>\$ (106,045)</u>	<u>\$ (28,238)</u>
<u>Other Financing Sources (Uses)</u>						
Other Loans Issued	\$ 2,319,533	\$ 0	\$ 2,319,533	\$ 0	\$ 0	\$ 2,319,533
Transfers In	0	0	0	20,000	113,816	(113,816)
Total Other Financing Sources (Uses)	<u>\$ 2,319,533</u>	<u>\$ 0</u>	<u>\$ 2,319,533</u>	<u>\$ 20,000</u>	<u>\$ 113,816</u>	<u>\$ 2,205,717</u>
Net Change in Fund Balance	\$ 2,205,250	\$ (20,000)	\$ 2,185,250	\$ 27,771	\$ 7,771	\$ 2,177,479
Fund Balance, July 1, 2004	744,722	0	744,722	492,587	492,587	252,135
Fund Balance, June 30, 2005	<u>\$ 2,949,972</u>	<u>\$ (20,000)</u>	<u>\$ 2,929,972</u>	<u>\$ 520,358</u>	<u>\$ 500,358</u>	<u>\$ 2,429,614</u>

Exhibit H-3

Anderson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Education Debt Service Fund
For the Year Ended June 30, 2005

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2005	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 930,936	\$ 0	\$ 930,936	\$ 864,799	\$ 864,799	\$ 66,137
Other Local Revenues	36,396	0	36,396	15,000	15,000	21,396
Other Governments and Citizens Groups	710,801	0	710,801	1,110,152	1,110,152	(399,351)
Total Revenues	<u>\$ 1,678,133</u>	<u>\$ 0</u>	<u>\$ 1,678,133</u>	<u>\$ 1,989,951</u>	<u>\$ 1,989,951</u>	<u>\$ (311,818)</u>
<u>Expenditures</u>						
<u>Principal</u>						
Education	\$ 1,259,547	\$ 0	\$ 1,259,547	\$ 1,300,297	\$ 1,259,547	\$ 0
<u>Interest</u>						
Education	457,025	0	457,025	675,712	622,396	165,371
<u>Other Debt Service</u>						
Education	22,363	20,000	42,363	25,000	45,250	2,887
Total Expenditures	<u>\$ 1,738,935</u>	<u>\$ 20,000</u>	<u>\$ 1,758,935</u>	<u>\$ 2,001,009</u>	<u>\$ 1,927,193</u>	<u>\$ 168,258</u>
Excess (Deficiency) of Revenues						
Over Expenditures	<u>\$ (60,802)</u>	<u>\$ (20,000)</u>	<u>\$ (80,802)</u>	<u>\$ (11,058)</u>	<u>\$ 62,758</u>	<u>\$ (143,560)</u>
<u>Other Financing Sources (Uses)</u>						
Other Loans Issued	\$ 1,024,823	\$ 0	\$ 1,024,823	\$ 0	\$ 0	\$ 1,024,823
Transfers In	16,202	0	16,202	16,200	0	16,202
Total Other Financing Sources (Uses)	<u>\$ 1,041,025</u>	<u>\$ 0</u>	<u>\$ 1,041,025</u>	<u>\$ 16,200</u>	<u>\$ 0</u>	<u>\$ 1,041,025</u>
Net Change in Fund Balance						
Fund Balance, July 1, 2004	\$ 1,364,128	\$ (20,000)	\$ 960,223	\$ 5,142	\$ 62,758	\$ 897,465
	<u>1,364,128</u>	<u>0</u>	<u>1,364,128</u>	<u>1,297,973</u>	<u>1,297,973</u>	<u>66,155</u>
Fund Balance, June 30, 2005	<u>\$ 2,344,351</u>	<u>\$ (20,000)</u>	<u>\$ 2,324,351</u>	<u>\$ 1,303,115</u>	<u>\$ 1,360,731</u>	<u>\$ 963,620</u>

Agency Funds

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

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

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

Constitutional Officers - Agency Fund – The Constitutional Officers - Agency Fund is used to account for amounts collected in an agency capacity by the county clerk, circuit 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

Anderson County, Tennessee
Combining Statement of Assets and Liabilities
All Agency Funds
June 30, 2005

	Agency Funds				Total
	Cities - Sales Tax	City School ADA - Clinton	City School ADA - Oak Ridge	Constitu- tional Officers - Agency	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 1,873,226	\$ 1,873,226
Equity in Pooled Cash and Investments	0	8,271	37,359	0	45,630
Due from Other Governments	1,219,597	100,196	455,083	0	1,774,876
Taxes Receivable	0	1,587,495	7,227,873	0	8,815,368
Allowance for Uncollectible Taxes	0	(50,580)	(230,290)	0	(280,870)
Total Assets	<u>\$ 1,219,597</u>	<u>\$ 1,645,382</u>	<u>\$ 7,490,025</u>	<u>\$ 1,873,226</u>	<u>\$ 12,228,230</u>
<u>LIABILITIES</u>					
Due to Other Taxing Units	\$ 1,219,597	\$ 1,645,382	\$ 7,490,025	\$ 0	\$ 10,355,004
Due to Litigants, Heirs, and Others	0	0	0	1,873,226	1,873,226
Total Liabilities	<u>\$ 1,219,597</u>	<u>\$ 1,645,382</u>	<u>\$ 7,490,025</u>	<u>\$ 1,873,226</u>	<u>\$ 12,228,230</u>

Exhibit I-2

Anderson County, Tennessee
Combining Statement of Changes in Assets
and Liabilities - All Agency Funds
For the Year Ended June 30, 2005

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 7,547,879	\$ 7,547,879	\$ 0
Due From Other Governments	1,243,121	1,219,597	1,243,121	1,219,597
Total Assets	\$ 1,243,121	\$ 8,767,476	\$ 8,791,000	\$ 1,219,597
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 1,243,121	\$ 8,767,476	\$ 8,791,000	\$ 1,219,597
Total Liabilities	\$ 1,243,121	\$ 8,767,476	\$ 8,791,000	\$ 1,219,597
<u>City School ADA - Clinton Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 14,593	\$ 2,129,862	\$ 2,136,184	\$ 8,271
Due From Other Governments	99,998	100,196	99,998	100,196
Taxes Receivable	1,564,191	1,587,495	1,564,191	1,587,495
Allowance for Uncollectible Taxes	(54,408)	(50,580)	(54,408)	(50,580)
Total Assets	\$ 1,624,374	\$ 3,766,973	\$ 3,745,965	\$ 1,645,382
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 1,624,374	\$ 3,766,973	\$ 3,745,965	\$ 1,645,382
Total Liabilities	\$ 1,624,374	\$ 3,766,973	\$ 3,745,965	\$ 1,645,382
<u>City School ADA - Oak Ridge Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 65,246	\$ 9,696,924	\$ 9,724,811	\$ 37,359
Due From Other Governments	451,807	455,083	451,807	455,083
Taxes Receivable	7,064,503	7,227,873	7,064,503	7,227,873
Allowance for Uncollectible Taxes	(245,729)	(230,290)	(245,729)	(230,290)
Total Assets	\$ 7,335,827	\$ 17,149,590	\$ 16,995,392	\$ 7,490,025
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 7,335,827	\$ 17,149,590	\$ 16,995,392	\$ 7,490,025
Total Liabilities	\$ 7,335,827	\$ 17,149,590	\$ 16,995,392	\$ 7,490,025
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,678,117	\$ 13,324,515	\$ 13,129,406	\$ 1,873,226
Total Assets	\$ 1,678,117	\$ 13,324,515	\$ 13,129,406	\$ 1,873,226

(Continued)

Exhibit I-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Constitutional Officers - Agency Fund (Cont.)</u>				
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,678,117	\$ 13,324,515	\$ 13,129,406	\$ 1,873,226
Total Liabilities	\$ 1,678,117	\$ 13,324,515	\$ 13,129,406	\$ 1,873,226
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,678,117	\$ 13,324,515	\$ 13,129,406	\$ 1,873,226
Equity in Pooled Cash and Investments	79,839	19,374,665	19,408,874	45,630
Due From Other Governments	1,794,926	1,774,876	1,794,926	1,774,876
Taxes Receivable	8,628,694	8,815,368	8,628,694	8,815,368
Allowance for Uncollectible Taxes	(300,137)	(280,870)	(300,137)	(280,870)
Total Assets	\$ 11,881,439	\$ 43,008,554	\$ 42,661,763	\$ 12,228,230
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,678,117	\$ 13,324,515	\$ 13,129,406	\$ 1,873,226
Due to Other Taxing Units	10,203,322	29,684,039	29,532,357	10,355,004
Total Liabilities	\$ 11,881,439	\$ 43,008,554	\$ 42,661,763	\$ 12,228,230

Anderson County School Department

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

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

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

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

Other Education Special Revenue Fund – The Other Education Special Revenue Fund is used to account for day care programs offered by the component unit, the companion program, and the headstart program.

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

Flexible Benefits Fund – The Flexible Benefits Fund is used to account for medical reimbursement and dependent care benefits for school employees.

Exhibit J-1

Anderson County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Anderson County School Department
June 30, 2005

	Major Funds		Nonmajor	Total
	General Purpose School	Education Capital Projects	Other Governmental Funds	
<u>ASSETS</u>				
Cash	\$ 10,284	\$ 0	\$ 0	\$ 10,284
Equity in Pooled Cash and Investments	3,748,433	171,702	811,195	4,731,330
Inventories	0	0	83,000	83,000
Accounts Receivable	31,217	0	5,622	36,839
Due from Other Governments	904,673	0	664,235	1,568,908
Due from Other Funds	70,741	0	8,872	79,613
Due from Primary Government	110,153	839,845	0	949,998
Property Taxes Receivable	12,894,259	0	0	12,894,259
Allowance for Uncollectible Property Taxes	(410,829)	0	0	(410,829)
Prepaid Items	94,196	0	0	94,196
Total Assets	\$ 17,453,127	\$ 1,011,547	\$ 1,572,924	\$ 20,037,598
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 684,487	\$ 52,449	\$ 314,935	\$ 1,051,871
Accrued Payroll	4,529	0	0	4,529
Payroll Deductions Payable	485,733	0	67,731	553,464
Contracts Payable	27,486	1,939,451	0	1,966,937
Retainage Payable	3,054	296,493	0	299,547
Due to Other Funds	3,414	0	76,199	79,613
Due to Primary Government	49,599	0	298	49,897
Other Current Liabilities	868	0	0	868
Deferred Revenue - Current Property Taxes	12,102,854	0	0	12,102,854
Deferred Revenue - Delinquent Property Taxes	329,056	0	0	329,056
Other Deferred Revenues	462,770	0	73,303	536,073
Total Liabilities	\$ 14,153,850	\$ 2,288,393	\$ 532,466	\$ 16,974,709
<u>Fund Balances</u>				
Reserved for Encumbrances	\$ 12,377	\$ 1,729,221	\$ 0	\$ 1,741,598
Reserved for Inventory	0	0	83,000	83,000
Other Local Education Reserves	83,986	0	0	83,986
Reserved for Career Ladder - Extended Contract	100,438	0	0	100,438
Reserved for Career Ladder Program	37,551	0	0	37,551
Reserved for Title I Grants to Local Education Agencies	0	0	8,443	8,443
Reserved for Special Education - Grants to States	0	0	157,083	157,083
Other Federal Reserves	11,779	0	248,206	259,985
Unreserved, Reported In:				
General Fund	3,053,146	0	0	3,053,146
Special Revenue Funds	0	0	543,726	543,726
Capital Projects Funds (Deficit)	0	(3,006,067)	0	(3,006,067)
Total Fund Balances	\$ 3,299,277	\$ (1,276,846)	\$ 1,040,458	\$ 3,062,889
Total Liabilities and Fund Balances	\$ 17,453,127	\$ 1,011,547	\$ 1,572,924	\$ 20,037,598

Exhibit J-2

Anderson County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Assets
Discretely Presented Anderson County School Department
June 30, 2005

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-1)		\$	3,062,889
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			39,679,093
(2) Certain earned amounts are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			865,129
(3) Interest costs of long-term debt are expensed when due in the governmental funds. Interest costs incurred as of the balance sheet date are accrued in the statement of net assets.			(36,264)
(4) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Notes payable	\$	5,071,965	
Lease payable		886,227	
Compensated absences		244,446	(6,202,638)
		<hr/>	<hr/>
Net assets of governmental activities (Exhibit A)		\$	<u>37,368,209</u>

Exhibit J-3

Anderson County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Anderson County School Department
For the Year Ended June 30, 2005

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Purpose School	Education Capital Projects	Other Govern- mental Funds	
<u>Revenues</u>				
Local Taxes	\$ 17,914,009	\$ 0	\$ 0	\$ 17,914,009
Licenses and Permits	3,442	0	0	3,442
Charges for Current Services	89,994	0	1,319,993	1,409,987
Other Local Revenues	185,333	0	38,603	223,936
State of Tennessee	24,322,194	0	77,071	24,399,265
Federal Government	175,317	0	8,253,463	8,428,780
Total Revenues	<u>\$ 42,690,289</u>	<u>\$ 0</u>	<u>\$ 9,689,130</u>	<u>\$ 52,379,419</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 27,721,244	\$ 3,625	\$ 2,824,680	\$ 30,549,549
Support Services	13,805,649	0	1,026,531	14,832,180
Operation of Non-Instructional Services	0	0	5,528,655	5,528,655
Capital Outlay	71,234	96	0	71,330
Debt Service:				
Principal	396,772	0	13,404	410,176
Interest	82,641	0	96,304	178,945
Other Debt Service	653	0	0	653
Capital Projects	0	4,751,736	2,278	4,754,014
Total Expenditures	<u>\$ 42,078,193</u>	<u>\$ 4,755,457</u>	<u>\$ 9,491,852</u>	<u>\$ 56,325,502</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 612,096</u>	<u>\$ (4,755,457)</u>	<u>\$ 197,278</u>	<u>\$ (3,946,083)</u>
<u>Other Financing Sources (Uses)</u>				
Notes Issued	\$ 0	\$ 3,344,356	\$ 0	\$ 3,344,356
Transfers In	175,973	0	173,680	349,653
Transfers Out	0	0	(349,653)	(349,653)
Total Other Financing Sources (Uses)	<u>\$ 175,973</u>	<u>\$ 3,344,356</u>	<u>\$ (175,973)</u>	<u>\$ 3,344,356</u>
Net Change in Fund Balances	\$ 788,069	\$ (1,411,101)	\$ 21,305	\$ (601,727)
Fund Balance, July 1, 2004	2,511,208	134,255	1,019,153	3,664,616
Fund Balance, June 30, 2005	<u>\$ 3,299,277</u>	<u>\$ (1,276,846)</u>	<u>\$ 1,040,458</u>	<u>\$ 3,062,889</u>

Anderson County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
Discretely Presented Anderson County School Department
For the Year Ended June 30, 2005

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-3)		\$ (601,727)
(1) Governmental funds report capital outlay 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 amount of depreciation compared to capital outlays is itemized as follows:		
Add: Capital outlays in the current period	\$ 4,412,434	
Less: Current year depreciation	<u>(1,479,278)</u>	2,933,156
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
For the year ended June 30, 2004	\$ (826,839)	
For the year ended June 30, 2005	<u>865,129</u>	38,290
(3) The issuance of long-term debt (e.g., notes, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.		
Less: Note proceeds	\$ (3,344,356)	
Add: Principal payment on notes	515,333	
Principal payment on leases	<u>60,593</u>	(2,768,430)
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest	\$ 3,399	
Change in compensated absences	<u>19,813</u>	23,212
Change in net assets of governmental activities (Exhibit B)		<u>\$ (375,499)</u>

Exhibit J-5

Anderson County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Anderson County School Department
June 30, 2005

	Special Revenue Funds			Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Other Education Special Revenue	
<u>ASSETS</u>				
Equity in Pooled Cash and Investments	\$ 8,093	\$ 511,928	\$ 291,174	\$ 811,195
Inventories	0	83,000	0	83,000
Accounts Receivable	500	5,122	0	5,622
Due from Other Governments	259,917	133,148	271,170	664,235
Due from Other Funds	3,414	5,458	0	8,872
Total Assets	<u>\$ 271,924</u>	<u>\$ 738,656</u>	<u>\$ 562,344</u>	<u>\$ 1,572,924</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 52,129	\$ 26,555	\$ 236,251	\$ 314,935
Payroll Deductions Payable	34,765	13,349	19,617	67,731
Due to Other Funds	32,746	0	43,453	76,199
Due to Primary Government	0	0	298	298
Other Deferred Revenues	35,550	0	37,753	73,303
Total Liabilities	<u>\$ 155,190</u>	<u>\$ 39,904</u>	<u>\$ 337,372</u>	<u>\$ 532,466</u>
<u>Fund Balances</u>				
Reserved for Inventory	\$ 0	\$ 83,000	\$ 0	\$ 83,000
Reserved for Title I Grants to Local Education Agencies	8,443	0	0	8,443
Reserved for Special Education - Grants to States	157,083	0	0	157,083
Other Federal Reserves	23,234	0	224,972	248,206
Unreserved (Deficit)	(72,026)	615,752	0	543,726
Total Fund Balances	<u>\$ 116,734</u>	<u>\$ 698,752</u>	<u>\$ 224,972</u>	<u>\$ 1,040,458</u>
Total Liabilities and Fund Balances	<u>\$ 271,924</u>	<u>\$ 738,656</u>	<u>\$ 562,344</u>	<u>\$ 1,572,924</u>

Exhibit J-6

Anderson County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Anderson County School Department
For the Year Ended June 30, 2005

	Special Revenue Funds			
	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Total Nonmajor Governmental Funds
<u>Revenues</u>				
Charges for Current Services	\$ 14,000	\$ 1,088,110	\$ 217,883	\$ 1,319,993
Other Local Revenues	20,780	12,290	5,533	38,603
State of Tennessee	0	34,092	42,979	77,071
Federal Government	3,944,786	1,345,734	2,962,943	8,253,463
Total Revenues	<u>\$ 3,979,566</u>	<u>\$ 2,480,226</u>	<u>\$ 3,229,338</u>	<u>\$ 9,689,130</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 2,824,680	\$ 0	\$ 0	\$ 2,824,680
Support Services	1,026,531	0	0	1,026,531
Operation of Non-Instructional Services	0	2,545,318	2,983,337	5,528,655
Debt Service:				
Principal	0	0	13,404	13,404
Interest	0	0	96,304	96,304
Capital Projects	0	0	2,278	2,278
Total Expenditures	<u>\$ 3,851,211</u>	<u>\$ 2,545,318</u>	<u>\$ 3,095,323</u>	<u>\$ 9,491,852</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 128,355</u>	<u>\$ (65,092)</u>	<u>\$ 134,015</u>	<u>\$ 197,278</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 173,680	\$ 0	\$ 173,680
Transfers Out	(37,988)	(110,000)	(201,665)	(349,653)
Total Other Financing Sources (Uses)	<u>\$ (37,988)</u>	<u>\$ 63,680</u>	<u>\$ (201,665)</u>	<u>\$ (175,973)</u>
Net Change in Fund Balances	\$ 90,367	\$ (1,412)	\$ (67,650)	\$ 21,305
Fund Balance, July 1, 2004	26,367	700,164	292,622	1,019,153
Fund Balance, June 30, 2005	<u>\$ 116,734</u>	<u>\$ 698,752</u>	<u>\$ 224,972</u>	<u>\$ 1,040,458</u>

Exhibit J-7

Anderson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Anderson County School Department
General Purpose School Fund
For the Year Ended June 30, 2005

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2005	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 17,914,009	\$ 0	\$ 17,914,009	\$ 17,708,845	\$ 17,781,845	\$ 132,164
Licenses and Permits	3,442	0	3,442	4,000	4,000	(558)
Charges for Current Services	89,994	0	89,994	86,940	90,663	(669)
Other Local Revenues	185,333	0	185,333	104,000	119,250	66,083
State of Tennessee	24,322,194	0	24,322,194	23,949,701	24,234,735	87,459
Federal Government	175,317	0	175,317	362,854	441,491	(266,174)
Total Revenues	\$ 42,690,289	\$ 0	\$ 42,690,289	\$ 42,216,340	\$ 42,671,984	\$ 18,305
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 18,446,533	\$ 0	\$ 18,446,533	\$ 18,310,175	\$ 18,930,334	\$ 483,801
Special Education Program	4,564,242	0	4,564,242	4,573,556	4,666,194	101,952
Vocational Education Program	2,405,567	0	2,405,567	2,427,154	2,430,877	25,310
Adult Education Program	117,345	0	117,345	127,046	132,788	15,443
Other	2,187,557	0	2,187,557	2,791,886	2,791,886	604,329
<u>Support Services</u>						
Attendance	216,103	0	216,103	222,480	222,480	6,377
Health Services	262,511	0	262,511	266,869	269,944	7,433
Other Student Support	868,342	0	868,342	890,443	890,243	21,901
Regular Instruction Program	1,047,717	0	1,047,717	1,123,234	1,105,205	57,488
Special Education Program	394,202	0	394,202	399,611	394,174	(28)
Vocational Education Program	190,265	0	190,265	194,521	194,521	4,256
Adult Programs	88,402	0	88,402	89,238	89,240	838
Board of Education	713,788	0	713,788	761,411	722,411	8,623
Director of Schools	239,294	0	239,294	247,362	252,414	13,120
Office of the Principal	2,320,793	0	2,320,793	2,499,034	2,459,550	138,757

(Continued)

Exhibit J-7

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2005	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Support Services (Cont.)</u>						
Fiscal Services	\$ 272,493	\$ 0	\$ 272,493	\$ 310,136	\$ 310,136	\$ 37,643
Operation of Plant	3,619,876	0	3,619,876	3,608,140	3,779,790	159,914
Maintenance of Plant	1,014,337	0	1,014,337	971,673	1,033,212	18,875
Transportation	2,092,916	0	2,092,916	2,123,679	2,123,679	30,763
Central and Other	464,610	0	464,610	456,917	474,917	10,307
<u>Capital Outlay</u>						
Regular Capital Outlay	71,234	12,377	83,611	0	224,980	141,369
<u>Principal</u>						
Education	396,772	0	396,772	360,473	360,473	(36,299)
<u>Interest</u>						
Education	82,641	0	82,641	68,289	68,289	(14,352)
<u>Other Debt Service</u>						
Education	653	0	653	0	0	(653)
Total Expenditures	\$ 42,078,193	\$ 12,377	\$ 42,090,570	\$ 42,823,327	\$ 43,927,737	\$ 1,837,167
Excess (Deficiency) of Revenues						
Over Expenditures	\$ 612,096	\$ (12,377)	\$ 599,719	\$ (606,987)	\$ (1,255,753)	\$ 1,855,472
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 175,973	\$ 0	\$ 175,973	\$ 160,000	\$ 259,000	\$ (83,027)
Total Other Financing Sources (Uses)	\$ 175,973	\$ 0	\$ 175,973	\$ 160,000	\$ 259,000	\$ (83,027)

(Continued)

Exhibit J-7

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2005	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Net Change in Fund Balance	\$ 788,069	\$ (12,377)	\$ 775,692	\$ (446,987)	\$ (996,753)	\$ 1,772,445
Fund Balance, July 1, 2004	2,511,208	0	2,511,208	2,122,799	2,511,208	0
Fund Balance, June 30, 2005	<u>\$ 3,299,277</u>	<u>\$ (12,377)</u>	<u>\$ 3,286,900</u>	<u>\$ 1,675,812</u>	<u>\$ 1,514,455</u>	<u>\$ 1,772,445</u>

Exhibit J-8

Anderson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Anderson County School Department
School Federal Projects Fund
For the Year Ended June 30, 2005

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 14,000	\$ 14,000	\$ 14,000	\$ 0
Other Local Revenues	20,780	10,000	21,000	(220)
State of Tennessee	0	83,596	0	0
Federal Government	3,944,786	4,142,893	3,993,876	(49,090)
Total Revenues	\$ 3,979,566	\$ 4,250,489	\$ 4,028,876	\$ (49,310)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 1,542,423	\$ 1,605,300	\$ 1,604,108	\$ 61,685
Special Education Program	1,074,463	1,267,759	1,106,574	32,111
Vocational Education Program	207,794	181,642	224,716	16,922
<u>Support Services</u>				
Other Student Support	52,914	54,060	52,922	8
Regular Instruction Program	330,680	555,529	516,214	185,534
Special Education Program	480,890	509,237	598,202	117,312
Board of Education	192	160	192	0
Office of the Principal	64,806	67,012	68,755	3,949
Transportation	97,049	114,810	110,559	13,510
<u>Operation of Non-Instructional Services</u>				
Community Services	0	(48)	0	0
Total Expenditures	\$ 3,851,211	\$ 4,355,461	\$ 4,282,242	\$ 431,031
Excess (Deficiency) of Revenues Over Expenditures	\$ 128,355	\$ (104,972)	\$ (253,366)	\$ 381,721
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (37,988)	\$ (37,769)	\$ (37,988)	\$ 0
Total Other Financing Sources (Uses)	\$ (37,988)	\$ (37,769)	\$ (37,988)	\$ 0
Net Change in Fund Balance	\$ 90,367	\$ (142,741)	\$ (291,354)	\$ 381,721
Fund Balance, July 1, 2004	26,367	142,741	291,354	(264,987)
Fund Balance, June 30, 2005	\$ 116,734	\$ 0	\$ 0	\$ 116,734

Exhibit J-9

Anderson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Anderson County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2005

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 1,088,110	\$ 1,091,495	\$ 1,082,345	\$ 5,765
Other Local Revenues	12,290	5,250	14,475	(2,185)
State of Tennessee	34,092	36,616	34,091	1
Federal Government	1,345,734	1,265,160	1,310,660	35,074
Total Revenues	\$ 2,480,226	\$ 2,398,521	\$ 2,441,571	\$ 38,655
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 2,545,318	\$ 2,661,195	\$ 2,813,145	\$ 267,827
Total Expenditures	\$ 2,545,318	\$ 2,661,195	\$ 2,813,145	\$ 267,827
Excess (Deficiency) of Revenues Over Expenditures	\$ (65,092)	\$ (262,674)	\$ (371,574)	\$ 306,482
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 173,680	\$ 144,300	\$ 151,200	\$ 22,480
Transfers Out	(110,000)	(110,000)	(110,000)	0
Total Other Financing Sources (Uses)	\$ 63,680	\$ 34,300	\$ 41,200	\$ 22,480
Net Change in Fund Balance	\$ (1,412)	\$ (228,374)	\$ (330,374)	\$ 328,962
Fund Balance, July 1, 2004	700,164	700,164	700,164	0
Fund Balance, June 30, 2005	\$ 698,752	\$ 471,790	\$ 369,790	\$ 328,962

Exhibit J-10

Anderson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Anderson County School Department
Other Education Special Revenue Fund
For the Year Ended June 30, 2005

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 217,883	\$ 197,400	\$ 217,190	\$ 693
Other Local Revenues	5,533	0	5,534	(1)
State of Tennessee	42,979	144,400	145,077	(102,098)
Federal Government	2,962,943	2,776,799	2,929,690	33,253
Total Revenues	<u>\$ 3,229,338</u>	<u>\$ 3,118,599</u>	<u>\$ 3,297,491</u>	<u>\$ (68,153)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Community Services	\$ 2,983,337	\$ 2,945,096	\$ 3,014,313	\$ 30,976
<u>Principal</u>				
Education	13,404	0	13,404	0
<u>Interest</u>				
Education	96,304	0	96,304	0
<u>Capital Projects</u>				
Education Capital Projects	2,278	0	2,278	0
Total Expenditures	<u>\$ 3,095,323</u>	<u>\$ 2,945,096</u>	<u>\$ 3,126,299</u>	<u>\$ 30,976</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 134,015</u>	<u>\$ 173,503</u>	<u>\$ 171,192</u>	<u>\$ (37,177)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (201,665)	\$ (184,529)	\$ (201,016)	\$ (649)
Total Other Financing Sources (Uses)	<u>\$ (201,665)</u>	<u>\$ (184,529)</u>	<u>\$ (201,016)</u>	<u>\$ (649)</u>
Net Change in Fund Balance	\$ (67,650)	\$ (11,026)	\$ (29,824)	\$ (37,826)
Fund Balance, July 1, 2004	292,622	11,026	29,824	262,798
Fund Balance, June 30, 2005	<u>\$ 224,972</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 224,972</u>

Anderson County, Tennessee
Statement of Fiduciary Net Assets
Fiduciary Fund
Discretely Presented Anderson County School Department
June 30, 2005

	Other Employee Benefit Trust Fund
	<hr/>
	Flexible Benefit Fund
	<hr/>
<u>ASSETS</u>	
Cash	\$ 10,433
Total Assets	<hr/> \$ 10,433 <hr/>
<u>NET ASSETS</u>	
Funds Held in Trust for Employees	<hr/> \$ 10,433 <hr/>
Total Net Assets	<hr/> \$ 10,433 <hr/>

Anderson County, Tennessee
Statement of Changes in Fiduciary Net Assets
Fiduciary Fund
Discretely Presented Anderson County School Department
For the Year Ended June 30, 2005

	Other Employee Benefit Trust Fund <hr/> Flexible Benefit Fund <hr/>
<u>ADDITIONS</u>	
Plan Member Contributions	\$ 120,720
Total Additions	<hr/> \$ 120,720 <hr/>
<u>DEDUCTIONS</u>	
Employee Benefits	
Other Fringe Benefits	\$ 125,520
Total Deductions	<hr/> \$ 125,520 <hr/>
Change in Net Assets	\$ (4,800)
Net Assets, July 1, 2004	<hr/> 15,233 <hr/>
Net Assets, June 30, 2005	<hr/> <hr/> \$ 10,433 <hr/> <hr/>

MISCELLANEOUS SCHEDULES

Exhibit K-1

Anderson County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, Capital Leases, and Bonds
Primary Government and Discretely Presented Anderson County School Department
For the Year Ended June 30, 2005

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-04	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-05
<u>PRIMARY GOVERNMENT</u>								
<u>NOTES PAYABLE</u>								
<u>Payable through General Fund</u>								
Capital Outlay - Park	\$ 60,000	5.6 to 5.75%	8-26-1998	8-1-04	\$ 10,000	\$ 0	\$ 10,000	\$ 0
Total Payable through General Fund					\$ 10,000	\$ 0	\$ 10,000	\$ 0
<u>Payable through Other Special Revenue Fund</u>								
Capital Outlay - Land Purchased for Tourism Board	100,000	5.59	8-26-1998	8-1-08	\$ 50,000	\$ 0	\$ 10,000	\$ 40,000
Capital Outlay - Tourism Facilities Improvements	50,000	4.98	10-1-1999	10-1-09	30,000	0	5,000	25,000
Total Payable through Other Special Revenue Fund					\$ 80,000	\$ 0	\$ 15,000	\$ 65,000
<u>Payable through General Debt Service Fund</u>								
Capital Outlay - Recreation Field	200,000	5.13	4-1-1993	4-1-05	\$ 5,000	\$ 0	\$ 5,000	\$ 0
Capital Outlay - Ambulance Building	225,000	5.14	4-1-1993	4-1-05	5,000	0	5,000	0
Capital Outlay - Anderson County Utility Board	550,000	4.4 to 6	6-15-1993	6-15-05	60,000	0	60,000	0
Capital Outlay - Anderson County Utility Board	600,000	5.3559	6-1-1995	6-1-07	185,000	0	60,000	125,000
Capital Outlay - Anderson County Utility Board	600,000	4.76 to 4.9	12-1-1997	12-1-06	199,999	0	66,667	133,332
Capital Outlay and Refunding	(1) 925,000	4.489	1-12-1999	1-1-06	264,285	0	132,143	132,142
Capital Outlay - Roof Repairs	100,000	3.6	6-12-03	12-1-12	90,000	0	10,000	80,000
Capital Outlay - Health Department	300,000	3.78	5-4-05	5-1-15	0	300,000	0	300,000
Total Payable through General Debt Service Fund					\$ 809,284	\$ 300,000	\$ 338,810	\$ 770,474
Total Notes Payable					\$ 899,284	\$ 300,000	\$ 363,810	\$ 835,474

(1) In prior years, this note was paid from the Highway/Public Works Fund.

(Continued)

Exhibit K-1

Anderson County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, Capital Leases, and Bonds
Primary Government and Discretely Presented Anderson County School Department (Cont.)

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-04	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-05
<u>PRIMARY GOVERNMENT (Cont.)</u>								
<u>OTHER LOANS PAYABLE</u>								
<u>Public Building Authority Loan Agreements:</u>								
<u>Payable through General Debt Service Fund</u>								
Industrial Development-Montgomery Co. PBA	\$ 1,700,000	Variable	7-13-01	5-25-21	\$ 1,585,000	\$ 0	\$ 61,000	\$ 1,524,000
Total Payable through General Debt Service Fund					\$ 1,585,000	\$ 0	\$ 61,000	\$ 1,524,000
<u>Payable through Rural Debt Service Fund</u>								
School Refunding-City of Clarksville PBA	5,746,000	Variable	4-1-03	5-25-17	\$ 5,204,673	\$ 0	\$ 399,553	\$ 4,805,120
Rural Elementary School Project - PBA of Montgomery County	(1)	Variable	4-19-04	6-25-18	252,136	2,319,533	103,250	2,468,419
Total Payable through Rural Debt Service Fund					\$ 5,456,809	\$ 2,319,533	\$ 502,803	\$ 7,273,539
<u>Payable through Education Debt Service Fund</u>								
Rural High School Refunding-City of Clarksville PBA	7,187,000	Variable	4-1-03	5-25-17	\$ 6,364,266	\$ 0	\$ 562,047	\$ 5,802,219
Rural High School Project - PBA of Montgomery County	(2)	Variable	4-19-04	6-25-18	66,155	1,024,823	62,500	1,028,478
Total Payable through Education Debt Service Fund					\$ 6,430,421	\$ 1,024,823	\$ 624,547	\$ 6,830,697
Total Other Loans Payable					\$ 13,472,230	\$ 3,344,356	\$ 1,188,350	\$ 15,628,236

(1) Total amount approved was \$6,000,000, of which \$3,428,331 remains available for draws as of June 30, 2005

(2) Total amount approved was \$4,100,000, of which \$3,009,022 remains available for draws as of June 30, 2005

(Continued)

Exhibit K-1

Anderson County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, Capital Leases, and Bonds
Primary Government and Discretely Presented Anderson County School Department (Cont.)

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-04	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-05
<u>PRIMARY GOVERNMENT (Cont.)</u>								
<u>CAPITAL LEASES</u>								
<u>Payable through General Fund</u>								
GIS System	\$ 85,905	5.12 %	12-20-00	5-1-05	\$ 23,225	\$ 0	\$ 23,225	\$ 0
Computer Equipment for Election Commission	4,997	5.12	12-20-00	5-1-05	1,352	0	1,352	0
Equipment for County Clerk Office	27,060	5.12	12-20-00	5-1-05	7,315	0	7,315	0
Equipment for Clerk and Master Office	12,018	5.12	12-20-00	5-1-05	3,248	0	3,248	0
Copier for EMS Department	7,774	5.12	12-20-00	5-1-05	2,102	0	2,102	0
Equipment for Motor Pool	19,191	5.12	12-20-00	5-1-05	3,012	0	3,012	0
Computer Equipment for Planning and Zoning Office	4,953	5.12	12-20-00	5-1-05	1,339	0	1,339	0
Computer Equipment for County Commission Office	2,193	5.12	12-20-00	5-1-05	593	0	593	0
Stump Grinder (Conservation Department)	10,800	5.12	12-20-00	5-1-05	2,920	0	2,920	0
HAVC Controller	17,944	5.12	12-20-00	5-1-05	4,851	0	4,851	0
Computer Equipment for County Clerk Office	15,965	5.12	12-20-00	5-1-05	4,316	0	4,316	0
Computer Equipment for Finance Department	50,000	2.99	1-22-02	2-1-05	17,127	0	17,127	0
Ambulance Vehicles and Equipment	196,931	3.24	10-4-02	1-15-06	77,319	0	60,430	16,889
Total Payable through General Fund					\$ 148,719	\$ 0	\$ 131,830	\$ 16,889
Total Capital Leases					\$ 148,719	\$ 0	\$ 131,830	\$ 16,889

(Continued)

Exhibit K-1

Anderson County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, Capital Leases, and Bonds
Primary Government and Discretely Presented Anderson County School Department (Cont.)

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-04	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-05
<u>PRIMARY GOVERNMENT (Cont.)</u>								
<u>GENERAL BONDED DEBT</u>								
<u>Payable through General Debt Service Fund</u>								
General Obligation Refunding	\$ 7,520,000	4.5 to 5%	4-1-1998	9-1-12	\$ 6,425,000	\$ 0	\$ 590,000	\$ 5,835,000
General Obligation Refunding	6,085,000	3 to 5	8-1-01	4-1-13	4,805,000	0	570,000	4,235,000
Total Payable through General Debt Service Fund					<u>\$ 11,230,000</u>	<u>\$ 0</u>	<u>\$ 1,160,000</u>	<u>\$ 10,070,000</u>
<u>Payable through Rural Debt Service Fund</u>								
Rural School	4,340,000	4.5 to 5.2	4-1-1998	3-1-18	\$ 375,000	\$ 0	\$ 185,000	\$ 190,000
Rural Development Water and Sewer	110,000	4.875	12-28-00	8-28-38	106,110	0	1,239	104,871
Rural School Refunding	4,145,000	3 to 5	8-1-01	4-1-13	3,545,000	0	350,000	3,195,000
Rural School Refunding	3,505,000	2 to 3.875	3-1-04	3-1-18	3,505,000	0	45,000	3,460,000
Total Payable through Rural Debt Service Fund					<u>\$ 7,531,110</u>	<u>\$ 0</u>	<u>\$ 581,239</u>	<u>\$ 6,949,871</u>
<u>Payable through Education Debt Service Fund</u>								
Rural High School	450,000	3.4 to 5.5	3-1-1994	7-1-06	\$ 135,000	\$ 0	\$ 45,000	\$ 90,000
Rural High School	6,060,000	4.5 to 5.2	4-1-1998	3-1-18	530,000	0	260,000	270,000
Rural High School Refunding	3,490,000	3 to 5	8-1-01	4-1-13	2,815,000	0	265,000	2,550,000
Rural High School Refunding	4,895,000	2 to 3.875	3-1-04	3-1-18	4,890,000	0	65,000	4,825,000
Total Payable through Education Debt Service Fund					<u>\$ 8,370,000</u>	<u>\$ 0</u>	<u>\$ 635,000</u>	<u>\$ 7,735,000</u>
Total General Bonded Debt					<u>\$ 27,131,110</u>	<u>\$ 0</u>	<u>\$ 2,376,239</u>	<u>\$ 24,754,871</u>

(Continued)

Exhibit K-1

Anderson County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, Capital Leases, and Bonds
Primary Government and Discretely Presented Anderson County School Department (Cont.)

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-04	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-05
<u>DISCRETELY PRESENTED ANDERSON COUNTY SCHOOL DEPARTMENT</u>								
<u>NOTES PAYABLE</u>								
<u>Payable through General Purpose School Fund</u>								
Capital Outlay - Norwood Elementary (EPA - Asbestos)	\$ 292,497	0 %	11-1-1989	11-1-08	\$ 73,124	\$ 0	\$ 16,250	\$ 56,874
Capital Outlay - Clinton Middle (EPA - Asbestos)	89,529	0	4-17-1992	5-30-11	34,529	0	5,000	29,529
Capital Outlay - Renovation of Various Schools	2,750,000	3.5 to 4.7	9-1-1993	10-1-05	100,000	0	50,000	50,000
Capital Outlay - Renovation of Various Schools	700,000	4.9 to 6.7	4-5-1995	4-5-07	220,000	0	70,000	150,000
Capital Outlay - Schools	1,000,000	4.79 to 5.27	6-30-1997	7-2-09	499,998	0	83,333	416,665
Capital Outlay - Renovation of Various Schools	572,000	4.89	10-1-1999	10-1-09	367,000	0	55,000	312,000
Capital Outlay - Renovation of Various Schools	700,000	3.6	6-12-03	12-1-12	630,000	0	70,000	560,000
Capital Outlay - Renovation of Various Schools-Borrowed from Primary Government	(1)	Varies	4-15-04	6-25-18	318,291	3,344,356	165,750	3,496,897
Total Payable through General Purpose School Fund					\$ 2,242,942	\$ 3,344,356	\$ 515,333	\$ 5,071,965
Total Notes Payable					\$ 2,242,942	\$ 3,344,356	\$ 515,333	\$ 5,071,965
<u>CAPITAL LEASES</u>								
<u>Payable through General Purpose School Fund</u>								
Copier Machine and Computer Software	191,984	3.49	6-24-02	7-8-05	\$ 96,027	\$ 0	\$ 47,189	\$ 48,838
<u>Payable through Other Education Special Revenue Fund</u>								
Headstart Facility	957,236	11.4	12-1-03	12-1-23	850,793	0	13,404	837,389
Total Capital Leases					\$ 946,820	\$ 0	\$ 60,593	\$ 886,227

(1) Total amount authorized was \$10,100,000, of which \$6,437,353 remains available for draws as of June 30, 2005

Exhibit K-2

Anderson County, Tennessee
Schedule of Bond and Interest Requirements by Year

Year Ending June 30	Bond Requirements	Interest Requirements	Total Requirements
2006	\$ 2,461,300	\$ 989,982	\$ 3,451,282
2007	2,561,365	893,038	3,454,403
2008	2,601,433	802,776	3,404,209
2009	2,491,505	698,733	3,190,238
2010	2,581,580	598,767	3,180,347
2011	2,701,658	486,448	3,188,106
2012	2,321,741	366,060	2,687,801
2013	2,426,828	262,579	2,689,407
2014	1,076,919	175,362	1,252,281
2015	1,112,015	135,298	1,247,313
2016	747,115	91,717	838,832
2017	782,221	64,608	846,829
2018	807,331	35,245	842,576
2019	2,447	3,937	6,384
2020	2,570	3,814	6,384
2021	2,698	3,686	6,384
2022	2,832	3,552	6,384
2023	2,973	3,411	6,384
2024	3,122	3,262	6,384
2025	3,277	3,107	6,384
2026	3,441	2,943	6,384
2027	3,612	2,772	6,384
2028	3,792	2,592	6,384
2029	3,981	2,403	6,384
2030	4,180	2,204	6,384
2031	4,388	1,996	6,384
2032	4,607	1,777	6,384
2033	4,836	1,548	6,384
2034	5,078	1,306	6,384
2035	5,331	1,053	6,384
2036	5,596	788	6,384
2037	5,875	509	6,384
2038	6,168	216	6,384
2039	1,056	6	1,062
Total	\$ 24,754,871	\$ 5,647,495	\$ 30,402,366

Exhibit K-3

Anderson County, Tennessee
Schedule of Notes Receivable - All Funds
June 30, 2005

Description	Debtor	Original Amount of Notes	Date of Issue	Date of Maturity	Interest Rate	Balance
Rural Debt Service Fund: Payment of Other Loan Principal and Interest	Anderson County School Department	(1)	4-19-04	6-25-18	Variable	\$ 2,468,419
Education Debt Service Fund: Payment of Other Loan Principal and Interest	Anderson County School Department	(2)	4-19-04	6-25-18	Variable	<u>1,028,478</u>
Total Notes Receivable						<u>\$ 3,496,897</u>

The county is borrowing funds through loan agreements with the City of Clarksville Public Building Authority and loaning those amounts to the Anderson County School Department.

(1) Total amount approved was \$6,000,000, of which \$3,428,331 remains available for draws as of June 30, 2005.

(2) Total amount approved was \$4,100,000, of which \$3,009,022 remains available for draws as of June 30, 2005.

Exhibit K-4

Anderson County, Tennessee
Schedule of Investments - All Funds
June 30, 2005

<u>Fund and Type</u>	<u>Amount</u>
<u>Employee Health Insurance Fund</u>	
State Treasurer's Investment Pool	<u>\$ 15,851</u>
Total Investments	<u><u>\$ 15,851</u></u>

Anderson County, Tennessee
Schedule of Transfers - All Funds and Discretely Presented Component Unit
For the Year Ended June 30, 2005

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
General	Courthouse and Jail Maintenance	To provide funds for operations	\$ 116,000
General	Public Library	To provide funds for operations	146,029
General	Solid Waste/Sanitation	To provide funds for operations	962,936
General	Other Special Revenue	To provide funds for operations	120,033
General	Highway/Public Works	To provide funds for various county projects	353,015
General	Education Debt Service	To provide funds for operations	16,202
General	Employee Health Insurance Fund	To provide funds for operations	300,000
Solid Waste/Sanitation	Highway/Public Works	To provide funds for various projects	15,569
Highway/Public Works	General Debt Service	To provide funds for debt payments	79,221
School Federal Projects (School Dept.)	General Purpose School (School Dept.)	Indirect cost	37,988
Central Cafeteria (School Dept.)	General Purpose School (School Dept.)	To provide funds for utilities	110,000
Other Education Special Revenue (School Dept.)	General Purpose School (School Dept.)	Indirect cost	27,985
Other Education Special Revenue (School Dept.)	Central Cafeteria (School Dept.)	To provide funds for cafeteria expenditures	<u>173,680</u>
Total Transfers			<u>\$ 2,458,658</u>

Anderson County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
For the Year Ended June 30, 2005

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <u>TCA</u>	\$ 86,298	\$ 50,000	Cincinnati Insurance Company
Highway Superintendent	Section 8-24-102, <u>TCA</u>	67,615	100,000	"
Director of Schools: James E. Stewart (7-1-04 to 12-31-04)	State Board of Education and County Board of Education	66,444 (1)	100,000	Fidelity and Deposit Company of Maryland
Vardeman Stonecipher (1-1-05 to 6-30-05)	State Board of Education and County Board of Education	40,792	150,000	Tennessee School Board Risk Management Trust
Trustee	Section 8-24-102, <u>TCA</u>	61,469	2,110,470	Cincinnati Insurance Company
Assessor of Property	Section 8-24-102, <u>TCA</u>	61,469	50,000	Travelers Casualty and Surety Company of America
Director of Accounts and Budgets	County Commission	61,469	25,000	Cincinnati Insurance Company
County Clerk	Section 8-24-102, <u>TCA</u>	61,469	50,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, <u>TCA</u>	61,469	50,000	"
Clerk and Master	Section 8-24-102, <u>TCA</u> and Chancery Court Judge	90,419 (2)	50,000	State Automobile Mutual Insurance Company
Register	Section 8-24-102, <u>TCA</u>	61,469	25,000	Cincinnati Insurance Company
Sheriff	Section 8-24-102, <u>TCA</u>	67,615	25,000	"
Purchasing Agent	County Commission	38,788	25,000	Travelers Casualty and Surety Company of America
Employee Blanket Bonds				
Public Employee Dishonesty - County Departments			150,000	Tennessee School Board Risk Management Trust
Public Employee Dishonesty - School Department			150,000	"

(1) Includes unused annual leave at time of resignation in the amount of \$11,965 and retirement incentives in the amount of \$1,300.

(2) Includes special commissioner fees in the amount of \$28,950.

Exhibit K-7

Anderson County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2005

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Drug Control	District Attorney General
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 8,730,369	\$ 0	\$ 0	\$ 0	\$ 0	0
Trustee's Collections - Prior Year	356,973	0	0	0	0	0
Circuit/Clerk & Master Collections - Prior Years	198,569	0	0	0	0	0
Interest and Penalty	162,507	0	0	0	0	0
Payments in Lieu of Taxes - T.V.A.	16,202	0	0	0	0	0
Payments in Lieu of Taxes - Local Utilities	569,195	0	0	0	0	0
Payments in Lieu of Taxes - Other	164,491	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	500,900	0	0	0	0	0
Hotel/Motel Tax	134,738	0	0	0	0	0
Litigation Tax - General	235,500	0	0	0	0	0
Litigation Tax - Special Purpose	0	24,372	0	0	0	0
Litigation Tax - Office of Public Defender	17,599	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0
Litigation Tax - Victim/Offender Mediation Center	6,385	0	0	0	0	0
Business Tax	756,324	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
Other County Local Option Taxes	247	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	134,188	0	0	0	0	0
Coal Severance Tax	0	0	0	0	0	0
Interstate Telecommunications Tax	5,292	0	0	0	0	0
Other Statutory Local Taxes	786	0	0	0	0	0
Total Local Taxes	\$ 11,990,265	\$ 24,372	\$ 0	\$ 0	\$ 0	0
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 108,543	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Permits</u>						
Beer Permits	2,266	0	0	0	0	0
Building Permits	201,366	0	0	0	0	0
Total Licenses and Permits	\$ 312,175	\$ 0	\$ 0	\$ 0	\$ 0	0

(Continued)

Exhibit K-7

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Drug Control	District Attorney General
<u>Fines, Forfeitures and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 3,841	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	20,236	0	0	0	0	0
Drug Control Fines	1,995	0	0	0	1,995	0
Jail Fees	9,629	0	0	0	0	0
DUI Treatment Fines	1,625	0	0	0	0	0
Data Entry Fee - Circuit Court	1,560	0	0	0	0	0
<u>Criminal Court</u>						
Fines	5,700	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	36,457	0	0	0	0	0
Officers Costs	96,824	0	0	0	0	0
Drug Control Fines	7,169	0	0	0	7,169	0
Drug Court Fees	9,556	0	0	0	0	0
Jail Fees	108,040	0	0	0	0	0
Interpreter Fee	788	0	0	0	0	0
DUI Treatment Fines	10,272	0	0	0	0	0
Data Entry Fee - General Sessions Court	13,469	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	12,998	0	0	0	0	0
Officers Costs	10,502	0	0	0	0	0
Jail Fees	10,636	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	34,653	0	0	0	0	0
Data Entry Fee - Chancery Court	1,020	0	0	0	0	0
<u>Courts in Other District Counties</u>						
District Attorney General Fees	0	0	0	0	0	14,786
<u>Judicial District Drug Program</u>						
Drug Task Force Forfeitures and Seizures	0	0	0	0	71,709	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	1,500	0	0	0	0	0
Total Fines, Forfeitures and Penalties	\$ 398,470	\$ 0	\$ 0	\$ 0	\$ 80,873	\$ 14,786

(Continued)

Exhibit K-7

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Drug Control	District Attorney General
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Other Employee Benefit Charges/Contributions	\$ 50	\$ 0	\$ 0	\$ 0	\$ 0	0
Convenience Waste Centers Collection Charge	0	0	0	76,203	0	0
Surcharge - Host Agency	0	0	0	363,081	0	0
Solid Waste Disposal Fee	0	0	0	1,054	0	0
Patient Charges	3,137,500	0	0	0	0	0
Health Department Collections	130,630	0	0	0	0	0
Other General Service Charges	164,598	0	0	0	0	0
<u>Fees</u>						
Recreation Fees	38,033	0	0	0	0	0
Copy Fees	2,803	0	0	0	0	0
Library Fees	0	0	15,447	0	0	0
Telephone Commissions	17,025	0	0	0	0	0
Vending Machine Collections	232	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	0	0
Data Processing Fee - Register	31,040	0	0	0	0	0
Probation Fees	390,381	0	0	0	0	0
Data Processing Fee - Sheriff	11,748	0	0	0	0	0
Sexual Offender Registration Fee	1,080	0	0	0	0	0
<u>Other Charges for Services</u>						
Other Charges for Services	8,142	0	0	0	0	0
Total Charges for Current Services	\$ 3,933,262	\$ 0	\$ 15,447	\$ 440,338	\$ 0	0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 131,029	\$ 0	\$ 2,218	\$ 0	\$ 2,358	0
Lease/Rentals	227,104	0	0	0	0	0
Sale of Materials and Supplies	17,121	0	0	0	0	0
Commissary Sales	102,947	0	0	0	0	0
Sale of Gasoline	0	0	0	0	0	0
Sale of Maps	1,358	0	0	0	0	0
Sale of Recycled Materials	0	0	0	737	0	0

(Continued)

Exhibit K-7

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Drug Control	District Attorney General
<u>Other Local Revenues (Cont.)</u>						
<u>Recurring Items (Cont.)</u>						
Miscellaneous Refunds	\$ 13,094	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Nonrecurring Items</u>						
Insurance Recovery	17,742	0	0	0	0	0
Sale of Equipment	2,563	0	0	0	0	0
Sale of Property	1,373	0	0	0	0	0
Damages Recovered from Individuals	200	0	0	0	0	0
Contributions & Gifts	2,875	0	4,560	8,250	500	0
Total Other Local Revenues	\$ 517,406	\$ 0	\$ 6,778	\$ 8,987	\$ 2,858	\$ 0
<u>Fees Received from County Officials</u>						
<u>Excess Fees</u>						
County Clerk	\$ 215,000	\$ 0	\$ 0	\$ 0	\$ 0	0
General Sessions Court Clerk	60,000	0	0	0	0	0
Clerk and Master	86,000	0	0	0	0	0
Register	185,850	0	0	0	0	0
Trustee	717,000	0	0	0	0	0
<u>Fees In Lieu of Salary</u>						
Sheriff	59,327	0	0	0	0	0
Total Fees Received from County Officials	\$ 1,323,177	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 16,000	\$ 0	\$ 0	\$ 0	\$ 0	0
State Reappraisal Grant	21,844	0	0	0	0	0
Solid Waste Grants	0	0	0	39,530	0	0
Other General Government Grants	1,500	0	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	20,748	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	561,664	0	0	0	0	0
<u>Public Works Grants</u>						
State Aid Program	0	0	0	0	0	0

(Continued)

Exhibit K-7

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Drug Control	District Attorney General
<u>State of Tennessee (Cont.)</u>						
<u>Public Works Grants (Cont.)</u>						
Litter Program	\$ 0	\$ 0	\$ 0	\$ 49,806	\$ 0	\$ 0
Tennessee Industrial Infrastructure Program	91,949	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	16,827	0	0	0	0	0
Alcoholic Beverage Tax	63,104	0	0	0	0	0
Mixed Drink Tax	2,966	0	0	0	0	0
State Revenue Sharing - T.V.A.	42,810	0	0	0	0	0
Board of Jurors	559	0	0	0	0	0
Prisoner Transportation	27	0	0	0	0	0
Contracted Prisoner Boarding	311,232	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0
Registrar's Salary Supplement	16,380	0	0	0	0	0
Other State Grants	0	0	0	0	0	0
Other State Revenues	55,706	0	0	0	0	0
Total State of Tennessee	\$ 1,223,316	\$ 0	\$ 0	\$ 89,336	\$ 0	\$ 0
<u>Federal Government</u>						
<u>Federal Through State</u>						
Homeland Security Grants	\$ 117,461	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Federal through State	46,072	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	34,623	0	0	0	9,519	0
Total Federal Government	\$ 198,156	\$ 0	\$ 0	\$ 0	\$ 9,519	\$ 0
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 0	\$ 0	\$ 102,266	\$ 0	\$ 0	\$ 0
Contracted Services	44,355	0	0	0	0	0
<u>Citizens Groups</u>						
Donations	0	0	6,400	0	0	0
Total Other Governments and Citizens Groups	\$ 44,355	\$ 0	\$ 108,666	\$ 0	\$ 0	\$ 0
Total	\$ 19,940,582	\$ 24,372	\$ 130,891	\$ 538,661	\$ 93,250	\$ 14,786

(Continued)

Exhibit K-7

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

	Special Revenue Funds			Debt Service Funds			Total
	Other Special Revenue	Constitu- tional Officers - Fees	Highway/ Public Works	General Debt Service	Rural Debt Service	Education Debt Service	
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 0	\$ 0	\$ 0	\$ 2,159,124	\$ 66,085	\$ 832,224	\$ 11,787,802
Trustee's Collections - Prior Year	0	0	0	96,443	1,851	38,474	493,741
Circuit/Clerk & Master Collections - Prior Years	0	49,800	0	53,779	2,068	35,163	339,379
Interest and Penalty	0	0	0	43,753	1,404	25,075	232,739
Payments in Lieu of Taxes - T.V.A.	0	0	0	0	0	0	16,202
Payments in Lieu of Taxes - Local Utilities	0	0	0	0	0	0	569,195
Payments in Lieu of Taxes - Other	0	0	0	0	0	0	164,491
<u>County Local Option Taxes</u>							
Local Option Sales Tax	0	0	295,207	0	0	0	796,107
Hotel/Motel Tax	0	0	0	0	0	0	134,738
Litigation Tax - General	0	0	0	0	0	0	235,500
Litigation Tax - Special Purpose	0	0	0	0	0	0	24,372
Litigation Tax - Office of Public Defender	0	0	0	0	0	0	17,599
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	43,589	0	0	43,589
Litigation Tax - Victim/Offender Mediation Center	0	0	0	0	0	0	6,385
Business Tax	0	0	0	0	0	0	756,324
Mineral Severance Tax	0	0	198,865	0	0	0	198,865
Other County Local Option Taxes	0	0	0	0	0	0	247
<u>Statutory Local Taxes</u>							
Bank Excise Tax	0	0	0	0	0	0	134,188
Coal Severance Tax	0	0	15,723	0	0	0	15,723
Interstate Telecommunications Tax	0	0	0	0	0	0	5,292
Other Statutory Local Taxes	0	0	0	0	0	0	786
Total Local Taxes	\$ 0	\$ 49,800	\$ 509,795	\$ 2,396,688	\$ 71,408	\$ 930,936	\$ 15,973,264
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 108,543
<u>Permits</u>							
Beer Permits	0	0	0	0	0	0	2,266
Building Permits	0	0	0	0	0	0	201,366
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 312,175

(Continued)

Exhibit K-7

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

	Special Revenue Funds			Debt Service Funds			Total
	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Rural Debt Service	Education Debt Service	
<u>Fines, Forfeitures and Penalties</u>							
<u>Circuit Court</u>							
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	3,841
Officers Costs	0	0	0	0	0	0	20,236
Drug Control Fines	0	0	0	0	0	0	3,990
Jail Fees	0	0	0	0	0	0	9,629
DUI Treatment Fines	0	0	0	0	0	0	1,625
Data Entry Fee - Circuit Court	0	0	0	0	0	0	1,560
<u>Criminal Court</u>							
Fines	0	0	0	0	0	0	5,700
<u>General Sessions Court</u>							
Fines	0	0	0	0	0	0	36,457
Officers Costs	0	0	0	0	0	0	96,824
Drug Control Fines	0	0	0	0	0	0	14,338
Drug Court Fees	0	0	0	0	0	0	9,556
Jail Fees	0	0	0	0	0	0	108,040
Interpreter Fee	0	0	0	0	0	0	788
DUI Treatment Fines	0	0	0	0	0	0	10,272
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	13,469
<u>Juvenile Court</u>							
Fines	0	0	0	0	0	0	12,998
Officers Costs	0	0	0	0	0	0	10,502
Jail Fees	0	0	0	0	0	0	10,636
<u>Chancery Court</u>							
Officers Costs	0	0	0	0	0	0	34,653
Data Entry Fee - Chancery Court	0	0	0	0	0	0	1,020
<u>Courts in Other District Counties</u>							
District Attorney General Fees	0	0	0	0	0	0	14,786
<u>Judicial District Drug Program</u>							
Drug Task Force Forfeitures and Seizures	0	0	0	0	0	0	71,709
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property	0	0	0	0	0	0	1,500
Total Fines, Forfeitures and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	494,129

(Continued)

Exhibit K-7

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

	Special Revenue Funds			Debt Service Funds			Total
	Other Special Revenue	Constitu- tional Officers - Fees	Highway/ Public Works	General Debt Service	Rural Debt Service	Education Debt Service	
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Other Employee Benefit Charges/Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	50
Convenience Waste Centers Collection Charge	0	0	0	0	0	0	76,203
Surcharge - Host Agency	0	0	0	0	0	0	363,081
Solid Waste Disposal Fee	0	0	0	0	0	0	1,054
Patient Charges	0	0	0	0	0	0	3,137,500
Health Department Collections	0	0	0	0	0	0	130,630
Other General Service Charges	0	0	0	0	0	0	164,598
<u>Fees</u>							
Recreation Fees	0	0	0	0	0	0	38,033
Copy Fees	0	0	0	0	0	0	2,803
Library Fees	0	0	0	0	0	0	15,447
Telephone Commissions	0	0	0	0	0	0	17,025
Vending Machine Collections	0	0	0	0	0	0	232
Constitutional Officers' Fees and Commissions	0	1,810,059	0	0	0	0	1,810,059
Special Commissioner Fees/Special Master Fees	0	28,950	0	0	0	0	28,950
Data Processing Fee - Register	0	0	0	0	0	0	31,040
Probation Fees	0	0	0	0	0	0	390,381
Data Processing Fee - Sheriff	0	0	0	0	0	0	11,748
Sexual Offender Registration Fee	0	0	0	0	0	0	1,080
<u>Other Charges for Services</u>							
Other Charges for Services	0	0	0	0	0	0	8,142
Total Charges for Current Services	\$ 0	\$ 1,839,009	\$ 0	\$ 0	\$ 0	\$ 0	6,228,056
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	\$ 0	\$ 0	\$ 0	\$ 92,542	\$ 12,005	\$ 36,396	\$ 276,548
Lease/Rentals	0	0	0	0	0	0	227,104
Sale of Materials and Supplies	0	0	0	0	0	0	17,121
Commissary Sales	0	0	0	0	0	0	102,947
Sale of Gasoline	0	0	272,479	0	0	0	272,479
Sale of Maps	0	0	0	0	0	0	1,358
Sale of Recycled Materials	0	0	0	0	0	0	737

(Continued)

Exhibit K-7

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

	Special Revenue Funds			Debt Service Funds			Total
	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Rural Debt Service	Education Debt Service	
<u>Other Local Revenues (Cont.)</u>							
<u>Recurring Items (Cont.)</u>							
Miscellaneous Refunds	\$ 0	\$ 0	\$ 580	\$ 0	\$ 0	\$ 0	13,674
<u>Nonrecurring Items</u>							
Insurance Recovery	0	0	209	0	0	0	17,951
Sale of Equipment	0	0	13,334	0	0	0	15,897
Sale of Property	0	0	0	0	0	0	1,373
Damages Recovered from Individuals	0	0	0	0	0	0	200
Contributions & Gifts	10	0	0	0	0	0	16,195
Total Other Local Revenues	\$ 10	\$ 0	\$ 286,602	\$ 92,542	\$ 12,005	\$ 36,396	\$ 963,584
<u>Fees Received from County Officials</u>							
<u>Excess Fees</u>							
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	215,000
General Sessions Court Clerk	0	0	0	0	0	0	60,000
Clerk and Master	0	0	0	0	0	0	86,000
Register	0	0	0	0	0	0	185,850
Trustee	0	0	0	0	0	0	717,000
<u>Fees In Lieu of Salary</u>							
Sheriff	0	0	0	0	0	0	59,327
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,323,177
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	16,000
State Reappraisal Grant	0	0	0	0	0	0	21,844
Solid Waste Grants	0	0	0	0	0	0	39,530
Other General Government Grants	0	0	0	0	0	0	1,500
<u>Public Safety Grants</u>							
Law Enforcement Training Programs	0	0	0	0	0	0	20,748
<u>Health and Welfare Grants</u>							
Health Department Programs	0	0	0	0	0	0	561,664
<u>Public Works Grants</u>							
State Aid Program	0	0	136,245	0	0	0	136,245

(Continued)

Exhibit K-7

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

	Special Revenue Funds			Debt Service Funds			Total
	Other Special Revenue	Constitu- tional Officers - Fees	Highway / Public Works	General Debt Service	Rural Debt Service	Education Debt Service	
<u>State of Tennessee (Cont.)</u>							
<u>Public Works Grants (Cont.)</u>							
Litter Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	49,806
Tennessee Industrial Infrastructure Program	0	0	0	0	0	0	91,949
<u>Other State Revenues</u>							
Income Tax	0	0	0	0	0	0	16,827
Alcoholic Beverage Tax	0	0	0	0	0	0	63,104
Mixed Drink Tax	0	0	0	0	0	0	2,966
State Revenue Sharing - T.V.A.	0	0	0	0	0	0	42,810
Board of Jurors	0	0	0	0	0	0	559
Prisoner Transportation	0	0	0	0	0	0	27
Contracted Prisoner Boarding	0	0	0	0	0	0	311,232
Gasoline and Motor Fuel Tax	0	0	1,927,614	0	0	0	1,927,614
Petroleum Special Tax	0	0	57,380	0	0	0	57,380
Registrar's Salary Supplement	0	0	0	0	0	0	16,380
Other State Grants	4,826	0	0	0	0	0	4,826
Other State Revenues	0	0	0	0	0	0	55,706
Total State of Tennessee	\$ 4,826	\$ 0	\$ 2,121,239	\$ 0	\$ 0	\$ 0	\$ 3,438,717
<u>Federal Government</u>							
<u>Federal Through State</u>							
Homeland Security Grants	\$ 0	\$ 0	23,433	\$ 0	\$ 0	\$ 0	140,894
Other Federal through State	0	0	0	0	0	0	46,072
<u>Direct Federal Revenue</u>							
Other Direct Federal Revenue	0	0	0	0	0	0	44,142
Total Federal Government	\$ 0	\$ 0	\$ 23,433	\$ 0	\$ 0	\$ 0	\$ 231,108
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	1,311,006	\$ 710,801	\$ 2,124,073
Contracted Services	0	0	0	0	0	0	44,355
<u>Citizens Groups</u>							
Donations	0	0	0	0	0	0	6,400
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,311,006	\$ 710,801	\$ 2,174,828
Total	\$ 4,836	\$ 1,888,809	\$ 2,941,069	\$ 2,489,230	\$ 1,394,419	\$ 1,678,133	\$ 31,139,038

Exhibit K-8

Anderson County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 Discretely Presented Anderson County School Department
 For the Year Ended June 30, 2005

	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 11,485,599	\$ 0	\$ 0	\$ 0	\$ 11,485,599
Trustee's Collections - Prior Year	423,423	0	0	0	423,423
Circuit/Clerk & Master Collections - Prior Years	235,393	0	0	0	235,393
Interest and Penalty	194,897	0	0	0	194,897
Payments in Lieu of Taxes - Other	467,000	0	0	0	467,000
<u>County Local Option Taxes</u>					
Local Option Sales Tax	4,931,352	0	0	0	4,931,352
<u>Statutory Local Taxes</u>					
Wholesale Beer Tax	159,937	0	0	0	159,937
Coal Severance Tax	9,336	0	0	0	9,336
Interstate Telecommunications Tax	7,072	0	0	0	7,072
Total Local Taxes	\$ 17,914,009	\$ 0	\$ 0	\$ 0	\$ 17,914,009
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 3,442	\$ 0	\$ 0	\$ 0	\$ 3,442
Total Licenses and Permits	\$ 3,442	\$ 0	\$ 0	\$ 0	\$ 3,442
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Tuition - Adult Education	\$ 32,506	\$ 0	\$ 0	\$ 0	\$ 32,506
Tuition - Other	0	0	0	217,883	217,883
Lunch Payments - Children	0	0	703,367	0	703,367
Lunch Payments - Adults	0	0	59,822	0	59,822
Income from Breakfast	0	0	159,201	0	159,201
Special Milk Sales	0	0	5,856	0	5,856
A la carte Sales	0	0	155,093	0	155,093
Contract for Administrative Services with Other LEA's	0	14,000	0	0	14,000
School Based Health Services - FFS	16,738	0	0	0	16,738
Receipts from Individual Schools	30,205	0	4,771	0	34,976
<u>Other Charges for Services</u>					
Other Charges for Services	10,545	0	0	0	10,545
Total Charges for Current Services	\$ 89,994	\$ 14,000	\$ 1,088,110	\$ 217,883	\$ 1,409,987
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 110,153	\$ 0	\$ 6,714	\$ 0	\$ 116,867
Lease/Rentals	50	0	0	0	50
Miscellaneous Refunds	31,144	0	161	0	31,305
<u>Nonrecurring Items</u>					
Insurance Recovery	7,412	0	1,723	533	9,668
Sale of Equipment	6,007	0	195	0	6,202
Damages Recovered from Individuals	3,423	0	0	0	3,423
Contributions & Gifts	0	20,780	3,497	5,000	29,277
<u>Other Local Revenues</u>					
Other Local Revenues	27,144	0	0	0	27,144
Total Other Local Revenues	\$ 185,333	\$ 20,780	\$ 12,290	\$ 5,533	\$ 223,936
<u>State of Tennessee</u>					
<u>State Education Funds</u>					
Basic Education Program	\$ 22,302,751	\$ 0	\$ 0	\$ 0	\$ 22,302,751
School Food Service	0	0	34,092	0	34,092
Driver Education	14,940	0	0	0	14,940
Other State Education Funds	352,197	0	0	227	352,424
Career Ladder Program	537,717	0	0	0	537,717
Career Ladder - Extended Contract	347,643	0	0	0	347,643

(Continued)

Exhibit K-8

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

	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Total
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues</u>					
Income Tax	\$ 25,240	\$ 0	\$ 0	\$ 0	\$ 25,240
Beer Tax	16,778	0	0	0	16,778
State Revenue Sharing - T.V.A.	655,000	0	0	4,000	659,000
Other State Grants	69,928	0	0	18,292	88,220
Other State Revenues	0	0	0	20,460	20,460
Total State of Tennessee	\$ 24,322,194	\$ 0	\$ 34,092	\$ 42,979	\$ 24,399,265
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 981,530	\$ 0	\$ 981,530
Breakfast	0	0	341,334	0	341,334
USDA - Other	0	0	22,870	163,115	185,985
Adult Education State Grant Program	49,970	0	0	0	49,970
Vocational Education - Basic Grants to States	0	152,450	0	0	152,450
Other Vocational	0	20,000	0	0	20,000
Title I Grants to Local Education Agencies	0	1,188,251	0	0	1,188,251
Innovative Education Program Strategies	0	14,939	0	0	14,939
Special Education - Grants to States	49,673	1,569,031	0	0	1,618,704
Special Education Preschool Grants	0	108,045	0	0	108,045
Eisenhower Professional Development State Grants	0	439,265	0	0	439,265
Other Federal through State	25,126	234,307	0	27,438	286,871
<u>Direct Federal Revenue</u>					
ROTC Reimbursement	50,548	0	0	0	50,548
Other Direct Federal Revenue	0	218,498	0	2,772,390	2,990,888
Total Federal Government	\$ 175,317	\$ 3,944,786	\$ 1,345,734	\$ 2,962,943	\$ 8,428,780
Total	\$ 42,690,289	\$ 3,979,566	\$ 2,480,226	\$ 3,229,338	\$ 52,379,419

Exhibit K-9

Anderson County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2005

General Fund

General Government

County Commission

Secretary to Board	\$	36,322	
Board and Committee Members Fees		102,371	
Social Security		8,120	
State Retirement		5,060	
Life Insurance		466	
Medical Insurance		26,503	
Dental Insurance		4,898	
Unemployment Compensation		56	
Employer Medicare		1,899	
Communication		89	
Dues and Memberships		2,500	
Legal Notices, Recording and Court Costs		771	
Maintenance Agreements		1,133	
Postal Charges		477	
Printing, Stationery and Forms		168	
Travel		12,060	
Office Supplies		1,601	
Other Supplies and Materials		544	
Workers' Compensation Insurance		887	
In Service/Staff Development		3,055	
Total County Commission			\$ 208,980

Board of Equalization

Board and Committee Members Fees	\$	2,430	
Social Security		193	
Employer Medicare		45	
Legal Notices, Recording and Court Costs		61	
Workers' Compensation Insurance		44	
Total Board of Equalization			2,773

Other Boards and Committees

County Official/Administrative Officer	\$	32,582	
Guards		1,687	
Secretary(s)		5,547	
Maintenance Personnel		41,790	
Part-time Personnel		17,379	
Social Security		6,072	
State Retirement		4,605	
Life Insurance		113	
Medical Insurance		11,447	

(Continued)

Exhibit K-9

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

General Fund (Cont.)

General Government (Cont.)

Other Boards and Committees (Cont.)

Dental Insurance	\$	1,010	
Unemployment Compensation		334	
Employer Medicare		1,420	
Advertising		287	
Communication		1,911	
Dues and Memberships		350	
Maintenance & Repair Services- Equipment		138	
Maintenance & Repair Services- Vehicles		171	
Postal Charges		120	
Rentals		1,626	
Travel		821	
Disposal Fees		1,189	
Permits		305	
Other Contracted Services		3,338	
Crushed Stone		3,604	
Custodial Supplies		614	
Equipment Parts - Light		42	
Gasoline		4,362	
Office Supplies		107	
Small Tools		908	
Uniforms		465	
Utilities		13,391	
Other Supplies and Materials		8,534	
Vehicle and Equipment Insurance		7,402	
Workers' Compensation Insurance		9,280	
In Service/Staff Development		385	
Other Charges		172	
Building Improvements		6,281	
Data Processing Equipment		1,550	
Other Equipment		7,674	
Other Capital Outlay		2,215	
Total Other Boards and Committees		<u>2,215</u>	\$ 201,228

County Mayor

County Official/Administrative Officer	\$	86,298
Assistant(s)		28,331
Social Security		6,900
State Retirement		6,452
Life Insurance		76
Medical Insurance		12,207

(Continued)

Exhibit K-9

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

General Fund (Cont.)

General Government (Cont.)

County Mayor (Cont.)

Dental Insurance	\$	913	
Unemployment Compensation		49	
Employer Medicare		1,614	
Communication		1,421	
Dues and Memberships		2,478	
Postal Charges		128	
Printing, Stationery and Forms		234	
Travel		977	
Office Supplies		549	
Other Supplies and Materials		446	
Workers' Compensation Insurance		770	
In Service/Staff Development		274	
Data Processing Equipment		1,946	
Total County Mayor			\$ 152,063

Personnel Office

Supervisor/Director	\$	8,754	
Social Security		449	
Life Insurance		3	
Dental Insurance		41	
Unemployment Compensation		59	
Employer Medicare		105	
Dues and Memberships		50	
Postal Charges		1	
In Service/Staff Development		394	
Total Personnel Office			9,856

County Attorney

County Official/Administrative Officer	\$	12,000	
Assistant(s)		60,591	
Secretary(s)		23,513	
Social Security		5,716	
State Retirement		5,481	
Life Insurance		122	
Medical Insurance		15,406	
Dental Insurance		1,224	
Unemployment Compensation		112	
Employer Medicare		1,337	
Data Processing Services		1,360	
Dues and Memberships		978	

(Continued)

Exhibit K-9

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

General Fund (Cont.)

General Government (Cont.)

County Attorney (Cont.)

Postal Charges	\$	580	
Office Supplies		635	
Workers' Compensation Insurance		585	
In Service/Staff Development		575	
Other Charges		16,590	
Total County Attorney			\$ 146,805

Election Commission

County Official/Administrative Officer	\$	55,322	
Deputy(ies)		85,883	
Part-time Personnel		2,313	
Overtime Pay		232	
Other Salaries & Wages		9,298	
Election Commission		8,239	
Election Workers		59,931	
Social Security		11,440	
State Retirement		8,031	
Life Insurance		287	
Medical Insurance		19,513	
Dental Insurance		2,826	
Unemployment Compensation		244	
Employer Medicare		2,676	
Communication		1,669	
Data Processing Services		4,335	
Dues and Memberships		829	
Legal Notices, Recording and Court Costs		6,108	
Maintenance & Repair Services- Equipment		515	
Postal Charges		4,444	
Printing, Stationery and Forms		5,781	
Rentals		4,850	
Travel		5,565	
Office Supplies		3,123	
Water and Sewer		142	
Other Supplies and Materials		1,370	
Workers' Compensation Insurance		1,654	
In Service/Staff Development		1,330	
Data Processing Equipment		2,384	
Total Election Commission			310,334

(Continued)

Exhibit K-9

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds

State Retirement	\$	12,850	
Life Insurance		201	
Medical Insurance		20,225	
Dental Insurance		2,016	
Communication		1,026	
Dues and Memberships		575	
Maintenance & Repair Services- Office Equipment		29,547	
Postal Charges		3,842	
Printing, Stationery and Forms		600	
Rentals		40	
Travel		3,164	
Data Processing Supplies		1,788	
Duplicating Supplies		424	
Office Supplies		913	
Other Supplies and Materials		2,160	
Workers' Compensation Insurance		2,795	
In Service/Staff Development		680	
Data Processing Equipment		4,900	
Total Register of Deeds			\$ 87,746

Planning

Clerical Personnel	\$	48,379
Other Salaries & Wages		2,083
Social Security		2,969
State Retirement		2,564
Life Insurance		80
Medical Insurance		6,216
Dental Insurance		961
Unemployment Compensation		134
Employer Medicare		695
Communication		1,156
Data Processing Services		900
Dues and Memberships		405
Legal Notices, Recording and Court Costs		2,099
Maintenance & Repair Services- Vehicles		1,000
Postal Charges		641
Printing, Stationery and Forms		555
Duplicating Supplies		1,043
Office Supplies		3,199
Other Supplies and Materials		1,356

(Continued)

Exhibit K-9

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

General Fund (Cont.)

General Government (Cont.)

Planning (Cont.)

Vehicle and Equipment Insurance	\$	2,468	
Workers' Compensation Insurance		553	
Total Planning			\$ 79,456

Engineering

County Official/Administrative Officer	\$	60,569	
Social Security		3,764	
State Retirement		3,491	
Life Insurance		41	
Medical Insurance		6,561	
Dental Insurance		491	
Unemployment Compensation		56	
Employer Medicare		880	
Data Processing Services		2,800	
Travel		301	
Other Supplies and Materials		4,348	
Workers' Compensation Insurance		398	
In Service/Staff Development		100	
Other Charges		2,500	
Data Processing Equipment		24,307	
Total Engineering			110,607

Codes Compliance

Supervisor/Director	\$	38,372	
Deputy(ies)		25,175	
Investigator(s)		25,053	
Overtime Pay		173	
Social Security		5,487	
State Retirement		4,303	
Life Insurance		103	
Medical Insurance		11,787	
Dental Insurance		1,085	
Unemployment Compensation		231	
Employer Medicare		1,283	
Communication		1,539	
Maintenance & Repair Services- Vehicles		2,000	
Travel		1,145	
Gasoline		3,879	
Other Supplies and Materials		1,107	
Workers' Compensation Insurance		8,237	

(Continued)

Exhibit K-9

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

General Fund (Cont.)

General Government (Cont.)

Codes Compliance (Cont.)

In Service/Staff Development	\$ 2,777	
Total Codes Compliance	<u> </u>	\$ 133,736

County Buildings

Supervisor/Director	\$ 43,775	
Clerical Personnel	35,861	
Custodial Personnel	128,976	
Maintenance Personnel	29,839	
Other Salaries & Wages	591	
Social Security	15,299	
State Retirement	13,993	
Life Insurance	315	
Medical Insurance	31,132	
Dental Insurance	3,010	
Unemployment Compensation	493	
Employer Medicare	3,578	
Communication	1,861	
Maintenance & Repair Services- Buildings	65,654	
Postal Charges	74	
Printing, Stationery and Forms	316	
Travel	2,927	
Disposal Fees	7,603	
Custodial Supplies	8,875	
Electricity	210,302	
Gasoline	17	
Natural Gas	37,430	
Office Supplies	3,066	
Small Tools	610	
Uniforms	931	
Water and Sewer	22,671	
Other Supplies and Materials	6,145	
Workers' Compensation Insurance	12,148	
In Service/Staff Development	50	
Other Charges	4,417	
Building Improvements	39,464	
Other Construction	<u>753</u>	
Total County Buildings		732,176

Other General Administration

Accounting Services	\$ 1,100
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(Continued)

Exhibit K-9

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

General Fund (Cont.)

General Government (Cont.)

Other General Administration (Cont.)

Audit Services	\$	16,369	
Consultants		174,225	
Contracts with Private Agencies		5,242	
Contributions		10,121	
Legal Services		16,832	
Legal Notices, Recording and Court Costs		1,548	
Rentals		9,048	
Remittance of Revenue Collected		10,957	
Other Contracted Services		313,601	
Other Supplies and Materials		746	
Other Charges		54,235	
Data Processing Equipment		15,342	
Total Other General Administration			\$ 629,366

Preservation of Records

Clerical Personnel	\$	20,886	
Part-time Personnel		1,158	
Social Security		1,272	
State Retirement		1,204	
Life Insurance		27	
Medical Insurance		2,284	
Dental Insurance		491	
Unemployment Compensation		64	
Employer Medicare		297	
Postal Charges		13	
Travel		511	
Other Supplies and Materials		4,420	
Workers' Compensation Insurance		197	
In Service/Staff Development		155	
Total Preservation of Records			32,979

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	61,469	
Accountants/Bookkeepers		295,212	
Part-time Personnel		6,591	
Social Security		22,141	
State Retirement		19,699	
Life Insurance		431	
Medical Insurance		50,078	

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Dental Insurance	\$	4,272	
Unemployment Compensation		684	
Employer Medicare		5,178	
Communication		1,459	
Dues and Memberships		998	
Legal Notices, Recording and Court Costs		634	
Maintenance & Repair Services- Office Equipment		1,632	
Postal Charges		10,644	
Printing, Stationery and Forms		5,407	
Travel		3,149	
Other Contracted Services		934	
Office Supplies		10,744	
Workers' Compensation Insurance		2,689	
In Service/Staff Development		2,199	
Other Charges		40	
Data Processing Equipment		5,099	
Furniture and Fixtures		18,899	
Total Accounting and Budgeting			\$ 530,282

Purchasing

County Official/Administrative Officer	\$	38,788
Purchasing Personnel		43,710
Part-time Personnel		332
Social Security		5,133
State Retirement		4,245
Life Insurance		112
Medical Insurance		6,261
Dental Insurance		576
Unemployment Compensation		189
Employer Medicare		1,201
Advertising		612
Communication		446
Dues and Memberships		435
Maintenance Agreements		412
Postal Charges		2,470
Printing, Stationery and Forms		1,407
Travel		284
Office Supplies		1,832
Other Supplies and Materials		1,974
Workers' Compensation Insurance		584

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Finance (Cont.)

Purchasing (Cont.)

In Service/Staff Development	\$ 2,918	
Total Purchasing	<u> </u>	\$ 113,921

Property Assessor's Office

County Official/Administrative Officer	\$ 61,469	
Deputy(ies)	154,219	
Social Security	13,352	
State Retirement	11,929	
Life Insurance	174	
Medical Insurance	21,528	
Dental Insurance	1,753	
Unemployment Compensation	224	
Employer Medicare	3,123	
Audit Services	72,425	
Communication	6,769	
Data Processing Services	17,043	
Dues and Memberships	1,780	
Operating Lease Payments	173	
Maintenance Agreements	5,900	
Postal Charges	1,468	
Printing, Stationery and Forms	362	
Rentals	2,138	
Travel	1,123	
Office Supplies	675	
Other Supplies and Materials	3,022	
Premiums on Corporate Surety Bonds	198	
Workers' Compensation Insurance	1,521	
Furniture and Fixtures	<u>3,983</u>	
Total Property Assessor's Office		386,351

Reappraisal Program

Deputy(ies)	\$ 80,711
Social Security	4,790
State Retirement	4,556
Life Insurance	119
Medical Insurance	13,312
Dental Insurance	1,224
Unemployment Compensation	168
Employer Medicare	1,120
Communication	1,260

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program (Cont.)

Data Processing Services	\$	6,053	
Postal Charges		7,737	
Printing, Stationery and Forms		320	
Office Supplies		1,236	
Other Supplies and Materials		1,500	
Workers' Compensation Insurance		7,084	
Total Reappraisal Program			\$ 131,190

County Trustee's Office

State Retirement	\$	13,943	
Life Insurance		274	
Medical Insurance		23,519	
Dental Insurance		2,710	
Communication		419	
Dues and Memberships		854	
Legal Notices, Recording and Court Costs		1,717	
Maintenance & Repair Services- Office Equipment		382	
Postal Charges		11,671	
Printing, Stationery and Forms		4,566	
Travel		4,000	
Other Contracted Services		250	
Office Supplies		2,500	
Other Supplies and Materials		1,750	
Workers' Compensation Insurance		2,139	
In Service/Staff Development		1,721	
Office Equipment		6,189	
Total County Trustee's Office			78,604

County Clerk's Office

State Retirement	\$	22,948	
Life Insurance		521	
Medical Insurance		40,469	
Dental Insurance		4,659	
Communication		6,704	
Data Processing Services		15,988	
Dues and Memberships		525	
Janitorial Services		1,500	
Legal Notices, Recording and Court Costs		152	
Maintenance & Repair Services- Buildings		243	
Postal Charges		15,787	

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Printing, Stationery and Forms	\$	1,258	
Rentals		3,600	
Travel		1,545	
Other Contracted Services		932	
Data Processing Supplies		728	
Office Supplies		5,091	
Other Supplies and Materials		330	
Workers' Compensation Insurance		11,018	
In Service/Staff Development		325	
Data Processing Equipment		6,192	
Total County Clerk's Office			\$ 140,515

Other Finance

County Official/Administrative Officer	\$	32,633	
Social Security		1,861	
State Retirement		1,880	
Life Insurance		41	
Medical Insurance		6,561	
Dental Insurance		491	
Unemployment Compensation		56	
Employer Medicare		435	
Communication		4	
Data Processing Services		9,715	
Maintenance Agreements		34,973	
Rentals		72	
Workers' Compensation Insurance		214	
Total Other Finance			88,936

Administration of Justice

Circuit Court

Board and Committee Members Fees	\$	400	
State Retirement		22,616	
Life Insurance		593	
Medical Insurance		64,516	
Dental Insurance		5,781	
Data Processing Services		1,500	
Dues and Memberships		545	
Maintenance Agreements		362	
Maintenance & Repair Services- Office Equipment		3,537	
Postal Charges		9,674	

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Printing, Stationery and Forms	\$	2,494	
Transportation - Other than Students		423	
Travel		346	
Other Contracted Services		13,486	
Data Processing Supplies		906	
Duplicating Supplies		674	
Office Supplies		7,319	
Other Supplies and Materials		1,869	
Workers' Compensation Insurance		3,013	
In Service/Staff Development		861	
Other Charges		615	
Data Processing Equipment		13,419	
Total Circuit Court			\$ 154,949

Criminal Court

Communication	\$	645	
Postal Charges		23	
Duplicating Supplies		34	
Office Supplies		808	
Data Processing Equipment		1,490	
Total Criminal Court			3,000

General Sessions Court

Communication	\$	6,912	
Data Processing Services		12,911	
Maintenance & Repair Services- Office Equipment		384	
Printing, Stationery and Forms		2,977	
Travel		1,868	
Data Processing Supplies		670	
Duplicating Supplies		1,093	
Office Supplies		2,006	
Other Supplies and Materials		715	
Total General Sessions Court			29,536

General Sessions Judge

Judge(s)	\$	200,318	
Assistant(s)		60,952	
Other Salaries & Wages		19,156	
Social Security		16,159	
State Retirement		15,796	

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Judge (Cont.)

Life Insurance	\$	177	
Medical Insurance		17,690	
Dental Insurance		1,903	
Unemployment Compensation		157	
Employer Medicare		3,977	
Communication		69	
Dues and Memberships		1,962	
Postal Charges		111	
Printing, Stationery and Forms		235	
Travel		1,668	
Office Supplies		603	
Workers' Compensation Insurance		1,723	
In Service/Staff Development		210	
Other Charges		479	
Data Processing Equipment		2,415	
Total General Sessions Judge			\$ 345,760

Chancery Court

State Retirement	\$	12,053	
Life Insurance		228	
Medical Insurance		27,483	
Dental Insurance		2,553	
Communication		420	
Dues and Memberships		645	
Maintenance & Repair Services- Office Equipment		3,318	
Postal Charges		3,509	
Printing, Stationery and Forms		1,232	
Travel		25	
Data Processing Supplies		26	
Duplicating Supplies		1,962	
Office Supplies		2,268	
Other Supplies and Materials		3,337	
Workers' Compensation Insurance		1,635	
Total Chancery Court			60,694

Juvenile Court

Judge(s)	\$	67,796	
Probation Officer(s)		142,181	
Secretary(s)		23,827	
Part-time Personnel		19,771	

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

Other Salaries & Wages	\$	2,977	
Social Security		15,815	
State Retirement		13,538	
Life Insurance		259	
Medical Insurance		17,690	
Dental Insurance		2,361	
Unemployment Compensation		393	
Employer Medicare		3,699	
Communication		753	
Contracts with Government Agencies		25,040	
Dues and Memberships		565	
Evaluation and Testing		3,810	
Maintenance Agreements		750	
Maintenance & Repair Services- Buildings		202	
Maintenance & Repair Services- Office Equipment		145	
Maintenance & Repair Services- Vehicles		500	
Postal Charges		849	
Travel		3,657	
Other Contracted Services		3,925	
Food Supplies		30	
Gasoline		409	
Office Supplies		2,532	
Utilities		227	
Other Supplies and Materials		445	
Vehicle and Equipment Insurance		1,234	
Workers' Compensation Insurance		1,594	
In Service/Staff Development		735	
Other Charges		20	
Communication Equipment		1,850	
Data Processing Equipment		5,276	
Furniture and Fixtures		325	
Total Juvenile Court			\$ 365,180

District Attorney General

Secretary(s)	\$	18,303
Social Security		1,119
State Retirement		1,056
Life Insurance		23
Medical Insurance		1,645
Dental Insurance		467

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Administration of Justice (Cont.)

District Attorney General (Cont.)

Unemployment Compensation	\$	42	
Employer Medicare		262	
Communication		291	
Workers' Compensation Insurance		121	
Total District Attorney General			\$ 23,329

Judicial Commissioners

Communication	\$	681	
Postal Charges		74	
Office Supplies		128	
Total Judicial Commissioners			883

Probate Court

Communication	\$	318	
Postal Charges		861	
Printing, Stationery and Forms		497	
Duplicating Supplies		763	
Office Supplies		497	
Other Supplies and Materials		624	
Total Probate Court			3,560

Other Administration of Justice

Probation Officer(s)	\$	76,214	
Social Security		4,629	
State Retirement		4,385	
Life Insurance		104	
Medical Insurance		10,828	
Dental Insurance		944	
Unemployment Compensation		159	
Employer Medicare		1,082	
Communication		585	
Postal Charges		111	
Printing, Stationery and Forms		583	
Travel		1,755	
Office Supplies		993	
Workers' Compensation Insurance		503	
Total Other Administration of Justice			102,875

Probation Services

Probation Officer(s)	\$	197,911	
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(Continued)

Exhibit K-9

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

General Fund (Cont.)

Administration of Justice (Cont.)

Probation Services (Cont.)

Clerical Personnel	\$	28,562	
Other Salaries & Wages		20,169	
Social Security		14,163	
State Retirement		11,318	
Life Insurance		256	
Medical Insurance		31,510	
Dental Insurance		2,691	
Unemployment Compensation		710	
Employer Medicare		3,312	
Communication		8,965	
Data Processing Services		12,245	
Postal Charges		1,758	
Printing, Stationery and Forms		1,172	
Rentals		9,158	
Travel		6,092	
Other Contracted Services		5,339	
Instructional Supplies and Materials		994	
Office Supplies		5,797	
Utilities		1,443	
Other Supplies and Materials		8,688	
Workers' Compensation Insurance		1,412	
In Service/Staff Development		404	
Other Charges		396	
Data Processing Equipment		1,000	
Total Probation Services			\$ 375,465

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	67,615
Deputy(ies)		1,262,755
Salary Supplements		20,202
Secretary(s)		53,185
Clerical Personnel		29,999
Overtime Pay		42,547
Other Salaries & Wages		79,615
Social Security		94,711
State Retirement		77,959
Life Insurance		1,805
Medical Insurance		215,673
Dental Insurance		18,856

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Unemployment Compensation	\$	2,937	
Employer Medicare		22,151	
Advertising		320	
Communication		11,462	
Dues and Memberships		1,850	
Maintenance & Repair Services- Equipment		17,880	
Maintenance & Repair Services- Vehicles		3,709	
Medical and Dental Services		6,056	
Postal Charges		7,829	
Printing, Stationery and Forms		2,741	
Travel		5,809	
Data Processing Supplies		1,298	
Duplicating Supplies		407	
Gasoline		123,011	
Law Enforcement Supplies		8,847	
Office Supplies		2,978	
Tires and Tubes		12,651	
Uniforms		9,430	
Utilities		3,216	
Other Supplies and Materials		1,902	
Liability Insurance		30,197	
Vehicle and Equipment Insurance		74,758	
Workers' Compensation Insurance		140,270	
In Service/Staff Development		1,660	
Other Charges		14	
Communication Equipment		5,930	
Data Processing Equipment		7,549	
Law Enforcement Equipment		2,900	
Motor Vehicles		193,363	
Total Sheriff's Department			\$ 2,668,047

Jail

Medical Personnel	\$	65,805
Guards		970,256
Clerical Personnel		47,631
Cafeteria Personnel		44,442
Overtime Pay		15,449
Other Salaries & Wages		30,441
Social Security		72,184
State Retirement		54,637

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Life Insurance	\$	1,653	
Medical Insurance		146,759	
Dental Insurance		15,736	
Unemployment Compensation		3,551	
Employer Medicare		16,881	
Communication		10,864	
Consultants		6,228	
Contracts with Private Agencies		14,187	
Dues and Memberships		200	
Evaluation and Testing		90	
Maintenance & Repair Services- Buildings		9,699	
Medical and Dental Services		5,671	
Printing, Stationery and Forms		3,335	
Travel		2,445	
Disposal Fees		3,517	
Custodial Supplies		31,873	
Drugs and Medical Supplies		63,563	
Duplicating Supplies		3,955	
Electricity		45,280	
Food Preparation Supplies		128	
Food Supplies		247,077	
Gasoline		8,316	
Law Enforcement Supplies		2,415	
Natural Gas		32,265	
Office Supplies		6,297	
Prisoners Clothing		9,964	
Uniforms		6,499	
Water and Sewer		78,431	
Other Supplies and Materials		17,133	
Building and Contents Insurance		16,882	
Liability Insurance		21,004	
Medical Claims		260,575	
Vehicle and Equipment Insurance		15,960	
Workers' Compensation Insurance		75,324	
In Service/Staff Development		397	
Other Charges		65	
Communication Equipment		5,913	
Total Jail			\$ 2,490,977

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Public Safety (Cont.)

Commissary

Guards	\$	3,007	
Social Security		189	
State Retirement		174	
Life Insurance		4	
Medical Insurance		212	
Dental Insurance		23	
Unemployment Compensation		5	
Employer Medicare		44	
Prisoners Clothing		1,774	
Other Supplies and Materials		70,482	
Workers' Compensation Insurance		21	
Food Service Equipment		4,438	
Building Purchases		9,660	
Other Equipment		4,991	
Total Commissary			\$ 95,024

Civil Defense

County Official/Administrative Officer	\$	22,318
Other Salaries & Wages		22,146
Social Security		2,757
State Retirement		1,235
Life Insurance		41
Dental Insurance		491
Unemployment Compensation		208
Employer Medicare		645
Communication		899
Contracts with Government Agencies		2,000
Contributions		106,618
Maintenance & Repair Services- Vehicles		1,000
Postal Charges		99
Rentals		3,630
Travel		600
Other Contracted Services		49,686
Drugs and Medical Supplies		452
Gasoline		2,548
Office Supplies		1,897
Other Supplies and Materials		44,455
Vehicle and Equipment Insurance		1,234
Workers' Compensation Insurance		150
In Service/Staff Development		1,302

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense (Cont.)

Other Charges	\$	355	
Other Equipment		69,110	
Total Civil Defense			\$ 335,876

Rescue Squad

Contributions	\$	20,000	
Total Rescue Squad			20,000

Other Emergency Management

Dispatchers/Radio Operators	\$	274,433	
Overtime Pay		18,205	
Social Security		18,108	
State Retirement		13,705	
Life Insurance		354	
Medical Insurance		32,966	
Dental Insurance		2,974	
Unemployment Compensation		757	
Employer Medicare		4,235	
Communication		12,845	
Contracts with Government Agencies		1,600	
Contracts with Private Agencies		2,375	
Medical and Dental Services		1,000	
Travel		1,994	
Office Supplies		1,308	
Workers' Compensation Insurance		2,545	
In Service/Staff Development		40	
Total Other Emergency Management			389,444

County Coroner/Medical Examiner

County Official/Administrative Officer	\$	6,714	
Other Per Diem & Fees		4,703	
Social Security		610	
State Retirement		154	
Life Insurance		36	
Medical Insurance		7,011	
Dental Insurance		524	
Unemployment Compensation		26	
Employer Medicare		143	
Communication		106	
Travel		1	

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Public Safety (Cont.)

County Coroner/Medical Examiner (Cont.)

Other Contracted Services	\$	47,024	
Office Supplies		492	
Other Supplies and Materials		1,430	
Workers' Compensation Insurance		83	
Total County Coroner/Medical Examiner			\$ 69,057

Public Safety Grant Programs

Supervisor/Director	\$	5,777	
Social Security		349	
State Retirement		314	
Life Insurance		9	
Dental Insurance		48	
Employer Medicare		82	
Law Enforcement Supplies		479	
Workers' Compensation Insurance		1,106	
Total Public Safety Grant Programs			8,164

Other Public Safety

Mechanic(s)	\$	69,240	
Clerical Personnel		800	
Social Security		4,260	
State Retirement		4,039	
Life Insurance		82	
Medical Insurance		13,258	
Dental Insurance		991	
Unemployment Compensation		112	
Employer Medicare		996	
Communication		671	
Rentals		4,800	
Tow-in Services		125	
Disposal Fees		699	
Other Contracted Services		9,709	
Garage Supplies		7,142	
Gasoline		19	
Lubricants		5,678	
Office Supplies		191	
Small Tools		865	
Utilities		4,196	
Vehicle Parts		44,085	
Other Supplies and Materials		170	

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Public Safety (Cont.)

Other Public Safety (Cont.)

Vehicle and Equipment Insurance	\$	1,234	
Workers' Compensation Insurance		7,954	
Maintenance Equipment		9,786	
Total Other Public Safety			\$ 191,102

Public Health and Welfare

Local Health Center

Medical Personnel	\$	31,850	
Clerical Personnel		35,537	
Overtime Pay		2,427	
Social Security		4,365	
State Retirement		2,320	
Life Insurance		75	
Medical Insurance		5,971	
Dental Insurance		582	
Unemployment Compensation		279	
Employer Medicare		1,021	
Communication		7,696	
Contracts with Other Public Agencies		7,250	
Dues and Memberships		200	
Laundry Service		3,271	
Maintenance & Repair Services- Buildings		701	
Maintenance & Repair Services- Equipment		289	
Postal Charges		2,986	
Rentals		69	
Travel		765	
Disposal Fees		1,124	
Other Contracted Services		11,316	
Drugs and Medical Supplies		2,411	
Electricity		12,195	
Office Supplies		11,124	
Other Supplies and Materials		820	
Workers' Compensation Insurance		655	
In Service/Staff Development		690	
Other Charges		1,137	
Furniture and Fixtures		1,106	
Total Local Health Center			150,232

Rabies and Animal Control

Part-time Personnel	\$	9,090	
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(Continued)

Exhibit K-9

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

Other Salaries & Wages	\$	26,819	
Social Security		2,156	
State Retirement		1,546	
Life Insurance		41	
Medical Insurance		6,561	
Dental Insurance		491	
Unemployment Compensation		110	
Employer Medicare		504	
Communication		1,278	
Contracts with Government Agencies		32,693	
Contributions		2,500	
Maintenance & Repair Services- Vehicles		1,000	
Gasoline		3,164	
Uniforms		600	
Other Supplies and Materials		2,283	
Vehicle and Equipment Insurance		1,234	
Workers' Compensation Insurance		2,050	
In Service/Staff Development		537	
Other Charges		1,278	
Total Rabies and Animal Control			\$ 95,935

Ambulance/Emergency Medical Services

Supervisor/Director	\$	53,195
Accountants/Bookkeepers		33,469
Medical Personnel		1,007,034
Overtime Pay		544,179
Social Security		100,590
State Retirement		81,406
Life Insurance		1,569
Medical Insurance		170,297
Dental Insurance		15,953
Unemployment Compensation		3,323
Employer Medicare		23,525
Communication		18,076
Data Processing Services		530
Dues and Memberships		200
Laundry Service		23,037
Pest Control		1,200
Postal Charges		304
Printing, Stationery and Forms		303

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Travel	\$	3,768	
Tuition		19,195	
Disposal Fees		1,821	
Other Contracted Services		18,667	
Custodial Supplies		3,004	
Drugs and Medical Supplies		118,841	
Duplicating Supplies		1,368	
Gasoline		64,715	
Natural Gas		1,892	
Office Supplies		3,275	
Tires and Tubes		9,944	
Uniforms		14,620	
Utilities		12,735	
Other Supplies and Materials		14,401	
Building and Contents Insurance		2,350	
Liability Insurance		22,216	
Vehicle and Equipment Insurance		15,396	
Workers' Compensation Insurance		178,589	
In Service/Staff Development		11,202	
Other Charges		7	
Communication Equipment		13,131	
Data Processing Equipment		7,116	
Furniture and Fixtures		2,987	
Motor Vehicles		122,358	
Other Equipment		46,825	
Other Capital Outlay		12,543	
Total Ambulance/Emergency Medical Services			\$ 2,801,156

Dental Health Program

Medical Personnel	\$	100,859
Overtime Pay		533
Social Security		6,333
State Retirement		5,833
Life Insurance		95
Medical Insurance		8,845
Dental Insurance		976
Unemployment Compensation		175
Employer Medicare		1,481
Medical and Dental Services		747
Travel		445

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Dental Health Program (Cont.)

Drugs and Medical Supplies	\$	3,491	
Other Supplies and Materials		5,232	
Liability Insurance		848	
Workers' Compensation Insurance		633	
Total Dental Health Program			\$ 136,526

Alcohol and Drug Programs

Contributions	\$	13,500	
Total Alcohol and Drug Programs			13,500

Other Local Health Services

Medical Personnel	\$	349,673	
Secretary(s)		23,752	
Clerical Personnel		80,701	
Overtime Pay		805	
Social Security		27,919	
State Retirement		23,444	
Life Insurance		675	
Medical Insurance		65,601	
Dental Insurance		6,558	
Unemployment Compensation		1,439	
Employer Medicare		6,530	
Printing, Stationery and Forms		846	
Travel		6,816	
Workers' Compensation Insurance		3,625	
Other Equipment		4,600	
Total Other Local Health Services			602,984

Social, Cultural and Recreational Services

Parks and Fair Boards

Contributions	\$	3,000	
Total Parks and Fair Boards			3,000

Agriculture & Natural Resources

Agriculture Extension Service

Clerical Personnel	\$	21,652	
Part-time Personnel		12,174	
Social Security		2,005	
Extension Service Medicare		9,469	
State Retirement		1,248	

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Agriculture & Natural Resources (Cont.)

Agriculture Extension Service (Cont.)

Life Insurance	\$	41	
Medical Insurance		6,561	
Dental Insurance		243	
Unemployment Compensation		118	
Employer Medicare		469	
Communication		768	
Maintenance Agreements		195	
Maintenance & Repair Services- Equipment		123	
Travel		1,388	
Other Contracted Services		57,953	
Office Supplies		67	
Other Supplies and Materials		196	
Workers' Compensation Insurance		222	
In Service/Staff Development		180	
Building Improvements		2,105	
Total Agriculture Extension Service			\$ 117,177

Soil Conservation

Secretary(s)	\$	27,705	
Social Security		1,670	
State Retirement		1,597	
Life Insurance		41	
Dental Insurance		491	
Unemployment Compensation		87	
Employer Medicare		391	
Dues and Memberships		265	
Postal Charges		203	
Printing, Stationery and Forms		82	
Travel		364	
Office Supplies		200	
Workers' Compensation Insurance		182	
Total Soil Conservation			33,278

Other Agriculture & Natural Resources

Other Contracted Services	\$	3,219	
Total Other Agriculture & Natural Resources			3,219

Other Operations

Industrial Development

Contributions	\$	119,105	
Total Industrial Development			119,105

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services

County Official/Administrative Officer	\$	14,389	
Social Security		903	
State Retirement		829	
Life Insurance		27	
Dental Insurance		491	
Unemployment Compensation		61	
Employer Medicare		211	
Dues and Memberships		25	
Postal Charges		79	
Rentals		364	
Travel		46	
Office Supplies		9	
Other Supplies and Materials		260	
Workers' Compensation Insurance		95	
Total Veterans' Services			\$ 17,789

Other Charges

Contributions	\$	11,000	
Duplicating Supplies		4,895	
Building and Contents Insurance		40,055	
Liability Insurance		67,124	
Trustee's Commission		267,350	
Total Other Charges			390,424

Contributions to Other Agencies

Contributions	\$	37,390	
Total Contributions to Other Agencies			37,390

Miscellaneous

County Official/Administrative Officer	\$	28,568	
Part-time Personnel		12,842	
Social Security		2,553	
State Retirement		1,647	
Life Insurance		20	
Medical Insurance		2,284	
Dental Insurance		243	
Unemployment Compensation		164	
Employer Medicare		597	
Communication		50,693	
Dues and Memberships		21,818	

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Other Operations (Cont.)

Miscellaneous (Cont.)

Office Supplies	\$	339	
Workers' Compensation Insurance		892	
Total Miscellaneous			\$ 122,660

Principal

General Government

Principal on Notes	\$	10,000	
Principal on Capitalized Leases		131,830	
Total General Government			141,830

Interest

General Government

Interest on Notes	\$	288	
Interest on Capitalized Leases		4,690	
Total General Government			4,978

Capital Projects

General Administration Projects

Building Improvements	\$	3,456	
Total General Administration Projects			3,456

Administration of Justice Projects

Building Improvements	\$	18,249	
Total Administration of Justice Projects			18,249

Public Health and Welfare Projects

Architects	\$	30,903	
Contracts with Private Agencies		2,400	
Engineering Services		10,340	
Building Improvements		257,525	
Building Purchases		106,873	
Other Construction		122,864	
Total Public Health and Welfare Projects			530,905

Public Utility Projects

Contributions	\$	208,141	
Total Public Utility Projects			208,141

Other General Government Projects

Land	\$	18,000	
Total Other General Government Projects			18,000

Total General Fund \$ 17,610,760

(Continued)

Exhibit K-9

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

Courthouse & Jail Maintenance Fund

General Government

Building

Maintenance & Repair Services- Buildings	\$	26,380	
Maintenance & Repair Services- Equipment		2,759	
Other Supplies and Materials		421	
Trustee's Commission		246	
Communication Equipment		33,760	
Data Processing Equipment		14,484	
Furniture and Fixtures		4,913	
Total Building			<u>\$ 82,963</u>

Total Courthouse & Jail Maintenance Fund \$ 82,963

Public Library Fund

Social, Cultural and Recreational Services

Libraries

Librarians	\$	84,384	
Part-time Personnel		56,375	
Social Security		8,625	
State Retirement		4,298	
Life Insurance		175	
Medical Insurance		10,002	
Dental Insurance		1,746	
Unemployment Compensation		796	
Employer Medicare		2,017	
Advertising		49	
Communication		7,018	
Data Processing Services		1,625	
Dues and Memberships		181	
Maintenance Agreements		2,323	
Maintenance & Repair Services- Buildings		977	
Maintenance & Repair Services- Equipment		310	
Pest Control		275	
Postal Charges		3,375	
Printing, Stationery and Forms		58	
Rentals		68	
Travel		806	
Maintenance and Repair Services - Records		2,153	
Other Contracted Services		789	
Custodial Supplies		948	
Data Processing Supplies		27	
Library Books/Media		40,903	

(Continued)

Exhibit K-9

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

Public Library Fund (Cont.)

Social, Cultural and Recreational Services (Cont.)

Libraries (Cont.)

Office Supplies	\$	6,570	
Periodicals		3,441	
Utilities		23,148	
Other Supplies and Materials		4,785	
Trustee's Commission		154	
Workers' Compensation Insurance		1,226	
In Service/Staff Development		295	
Data Processing Equipment		7,836	
Furniture and Fixtures		4,289	
Office Equipment		245	
Other Equipment		2,107	
Total Libraries		<u>284,399</u>	\$ 284,399

Total Public Library Fund

\$ 284,399

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

County Official/Administrative Officer	\$	43,032	
Laborers		19,948	
Social Security		3,881	
State Retirement		3,630	
Life Insurance		68	
Medical Insurance		8,845	
Dental Insurance		733	
Unemployment Compensation		112	
Employer Medicare		908	
Advertising		330	
Communication		422	
Dues and Memberships		120	
Maintenance & Repair Services- Vehicles		1,000	
Travel		1,010	
Gasoline		1,521	
Tires and Tubes		523	
Other Supplies and Materials		268	
Trustee's Commission		3,661	
Workers' Compensation Insurance		2,784	
In Service/Staff Development		275	
Total Sanitation Management		<u>93,071</u>	\$ 93,071

(Continued)

Exhibit K-9

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Convenience Centers

Maintenance & Repair Services- Buildings	\$	2,500	
Other Contracted Services		551,996	
Electricity		424	
General Construction Materials		12,351	
Water and Sewer		1,258	
Total Convenience Centers			\$ 568,529

Other Waste Collection

Supervisor/Director	\$	5,341	
Deputy(ies)		25,190	
Social Security		1,849	
State Retirement		1,777	
Life Insurance		46	
Medical Insurance		7,265	
Dental Insurance		543	
Unemployment Compensation		61	
Employer Medicare		433	
Communication		429	
Maintenance & Repair Services- Vehicles		1,000	
Postal Charges		18	
Gasoline		2,432	
Instructional Supplies and Materials		6,569	
Uniforms		317	
Other Supplies and Materials		405	
Vehicle and Equipment Insurance		2,412	
Workers' Compensation Insurance		2,664	
Total Other Waste Collection			58,751

Recycling Center

Contracts with Private Agencies	\$	5,500	
Total Recycling Center			5,500

Landfill Operation and Maintenance

Contracts with Private Agencies	\$	657,302	
Contributions		12,250	
Total Landfill Operation and Maintenance			669,552

Other Waste Disposal

Contracts with Private Agencies	\$	67,297	
Rentals		1,048	
Total Other Waste Disposal			68,345

Total Solid Waste/Sanitation Fund \$ 1,463,748

(Continued)

Exhibit K-9

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

Drug Control Fund

Public Safety

Drug Enforcement

Communication	\$	7,872	
Contracts with Private Agencies		4,048	
Confidential Drug Enforcement Payments		3,620	
Dues and Memberships		1,180	
Maintenance & Repair Services- Vehicles		200	
Printing, Stationery and Forms		496	
Tow-in Services		5,785	
Travel		1,414	
Veterinary Services		546	
Animal Food and Supplies		304	
Concrete		330	
Law Enforcement Supplies		4,129	
Office Supplies		496	
Uniforms		696	
Other Supplies and Materials		1,257	
Trustee's Commission		826	
Vehicle and Equipment Insurance		2,468	
In Service/Staff Development		495	
Other Charges		29	
Communication Equipment		2,434	
Law Enforcement Equipment		21,741	
Motor Vehicles		3,937	
Other Capital Outlay		8,500	
Total Drug Enforcement			\$ 72,803

Total Drug Control Fund \$ 72,803

District Attorney General Fund

Administration of Justice

District Attorney General

Clerical Personnel	\$	4,934	
Social Security		324	
State Retirement		161	
Life Insurance		3	
Medical Insurance		270	
Dental Insurance		29	
Unemployment Compensation		30	
Employer Medicare		76	
Communication		266	
Contracts with Other Public Agencies		624	

(Continued)

Exhibit K-9

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

District Attorney General Fund (Cont.)

Administration of Justice (Cont.)

District Attorney General (Cont.)

Trustee's Commission	\$	143	
In Service/Staff Development		770	
Office Equipment		67	
Total District Attorney General		<u> </u>	\$ <u>7,697</u>

Total District Attorney General Fund \$ 7,697

Other Special Revenue Fund

Other Operations

Tourism

Supervisor/Director	\$	31,329	
Clerical Personnel		8,208	
Social Security		2,512	
State Retirement		1,806	
Life Insurance		40	
Medical Insurance		2,284	
Dental Insurance		243	
Unemployment Compensation		126	
Employer Medicare		588	
Advertising		26,362	
Communication		2,984	
Dues and Memberships		4,290	
Maintenance & Repair Services- Buildings		357	
Postal Charges		405	
Travel		2,006	
Disposal Fees		418	
Office Supplies		412	
Utilities		1,981	
Building and Contents Insurance		431	
Liability Insurance		840	
Workers' Compensation Insurance		239	
In Service/Staff Development		474	
Other Charges		422	
Data Processing Equipment		<u>1,625</u>	
Total Tourism			\$ 90,382

Principal

General Government

Principal on Notes	\$	<u>15,000</u>	
Total General Government			15,000

(Continued)

Exhibit K-9

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

Other Special Revenue Fund (Cont.)

Interest

General Government

Interest on Notes	\$ 4,013	
Total General Government	<u>4,013</u>	\$ 4,013

Total Other Special Revenue Fund \$ 109,395

Constitutional Officers - Fees Fund

General Government

Register of Deeds

Constitutional Officers' Operating Expenses	\$ 246,494	
Total Register of Deeds	<u>246,494</u>	\$ 246,494

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$ 337,539	
Total County Trustee's Office	<u>337,539</u>	337,539

County Clerk's Office

Constitutional Officers' Operating Expenses	\$ 485,873	
Total County Clerk's Office	<u>485,873</u>	485,873

Administration of Justice

Circuit Court Clerk

Constitutional Officers' Operating Expenses	\$ 1,707	
Total Circuit Court Clerk	<u>1,707</u>	1,707

General Sessions Court

Constitutional Officers' Operating Expenses	\$ 562,454	
Total General Sessions Court	<u>562,454</u>	562,454

Chancery Court

Special Commissioner Fees/Special Master Fees	\$ 28,950	
Constitutional Officers' Operating Expenses	<u>264,047</u>	
Total Chancery Court		292,997

Juvenile Court

Constitutional Officers' Operating Expenses	\$ 40	
Total Juvenile Court	<u>40</u>	40

(Continued)

Exhibit K-9

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

Constitutional Officers - Fees Fund (Cont.)

Public Safety

Sheriff's Department

Constitutional Officers' Operating Expenses	\$ 163	
Total Sheriff's Department	<u>163</u>	\$ 163

Total Constitutional Officers - Fees Fund \$ 1,927,267

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 67,615	
Clerical Personnel	101,482	
Social Security	10,496	
State Retirement	9,622	
Life Insurance	150	
Medical Insurance	15,406	
Dental Insurance	1,466	
Unemployment Compensation	126	
Employer Medicare	2,455	
Dues and Memberships	2,834	
Licenses	2,505	
Maintenance Agreements	9,466	
Maintenance & Repair Services- Equipment	127	
Postal Charges	27	
Printing, Stationery and Forms	199	
Travel	606	
Disposal Fees	729	
Office Supplies	2,508	
In Service/Staff Development	<u>215</u>	
Total Administration		\$ 228,034

Highway and Bridge Maintenance

Foremen	\$ 55,029
Equipment Operators	119,742
Truck Drivers	89,661
Laborers	238,147
Overtime Pay	31,651
Social Security	32,630
State Retirement	30,739
Life Insurance	871
Medical Insurance	97,208
Dental Insurance	7,914

(Continued)

Exhibit K-9

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Unemployment Compensation	\$	1,059	
Employer Medicare		7,631	
Contracts with Private Agencies		925	
Pest Control		240	
Rentals		4,020	
Other Contracted Services		78,875	
Asphalt		56,410	
Concrete		758	
Crushed Stone		116,594	
Custodial Supplies		4,073	
Fertilizer, Lime and Seed		6,778	
General Construction Materials		1,262	
Other Road Supplies		16,990	
Pipe - Concrete		242	
Pipe - Metal		19,911	
Road Signs		6,495	
Uniforms		6,046	
Total Highway and Bridge Maintenance			\$ 1,031,901

Operation and Maintenance of Equipment

Mechanic(s)	\$	50,200	
Nightwatchmen		65,409	
Overtime Pay		2,853	
Social Security		7,113	
State Retirement		6,144	
Life Insurance		178	
Medical Insurance		28,529	
Dental Insurance		1,957	
Unemployment Compensation		262	
Employer Medicare		1,664	
Licenses		120	
Other Contracted Services		742	
Equipment and Machinery Parts		120,059	
Garage Supplies		1,052	
Gasoline		296,890	
Lubricants		4,004	
Tires and Tubes		17,610	
Other Supplies and Materials		16,526	
Total Operation and Maintenance of Equipment			621,312

(Continued)

Exhibit K-9

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges

Communication	\$	3,712	
Electricity		9,488	
Natural Gas		5,925	
Water and Sewer		429	
Building and Contents Insurance		19,200	
Liability Insurance		17,000	
Trustee's Commission		24,670	
Vehicle and Equipment Insurance		73,000	
Workers' Compensation Insurance		90,543	
Building Construction		97,100	
Total Other Charges			\$ 341,067

Capital Outlay

Bridge Construction	\$	36,673	
Highway Construction		173,647	
Highway Equipment		29,291	
Other Equipment		8,500	
Total Capital Outlay			248,111

Total Highway/Public Works Fund \$ 2,470,425

General Debt Service Fund

Principal

General Government

Principal on Bonds	\$	1,160,000	
Principal on Notes		338,810	
Principal on Other Loans Payable		61,000	
Total General Government			\$ 1,559,810

Interest

General Government

Interest on Bonds	\$	499,855	
Interest on Notes		112,423	
Interest on Other Loans Payable		36,050	
Total General Government			648,328

Other Debt Service

General Government

Financial Advisory Services	\$	9,250	
Fiscal Agent Charges		3,206	

(Continued)

Exhibit K-9

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

General Debt Service Fund (Cont.)

Other Debt Service (Cont.)

General Government (Cont.)

Trustee's Commission	\$ 50,483	
Total General Government	<u>50,483</u>	\$ 62,939

Total General Debt Service Fund \$ 2,271,077

Rural Debt Service Fund

Principal

Education

Principal on Bonds	\$ 581,239	
Principal on Other Loans Payable	502,803	
Total Education	<u>1,084,042</u>	\$ 1,084,042

Interest

Education

Interest on Bonds	\$ 282,497	
Interest on Other Loans Payable	137,254	
Total Education	<u>419,751</u>	419,751

Other Debt Service

Education

Fiscal Agent Charges	\$ 3,506	
Trustee's Commission	1,403	
Total Education	<u>4,909</u>	4,909

Total Rural Debt Service Fund 1,508,702

Education Debt Service Fund

Principal

Education

Principal on Bonds	\$ 635,000	
Principal on Other Loans Payable	624,547	
Total Education	<u>1,259,547</u>	\$ 1,259,547

Interest

Education

Interest on Bonds	\$ 299,836	
Interest on Other Loans Payable	157,189	
Total Education	<u>457,025</u>	457,025

(Continued)

Exhibit K-9

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

Education Debt Service Fund (Cont.)

Other Debt Service

Education

Fiscal Agent Charges

\$ 4,187

Trustee's Commission

18,176

Total Education

\$ 22,363

Total Education Debt Service Fund

\$ 1,738,935

Total Governmental Funds - Primary Government

\$ 29,548,171

Exhibit K-10

Anderson County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Anderson County School Department
For the Year Ended June 30, 2005

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 13,777,004	
Career Ladder Program	277,945	
Career Ladder Extended Contracts	327,500	
Homebound Teachers	21,342	
Educational Assistants	273,455	
Certified Substitute Teachers	178,308	
Social Security	872,476	
State Retirement	788,206	
Life Insurance	18,247	
Medical Insurance	1,072,405	
Unemployment Compensation	13,895	
Employer Medicare	205,353	
Payments to Retirees	53,043	
Contracts with Government Agencies	10,386	
Maintenance & Repair Services- Equipment	4,812	
Other Contracted Services	22,190	
Instructional Supplies and Materials	230,335	
Textbooks	202,657	
Other Supplies and Materials	9,784	
Refund to Applicant for Criminal Investigation	3,408	
Other Charges	11,213	
Regular Instruction Equipment	72,569	
Total Regular Instruction Program		\$ 18,446,533

Special Education Program

Teachers	\$ 3,183,475
Career Ladder Program	61,165
Homebound Teachers	25,060
Educational Assistants	309,293
Certified Substitute Teachers	30,785
Social Security	210,022
State Retirement	194,562
Life Insurance	5,463
Medical Insurance	299,736
Unemployment Compensation	3,803
Employer Medicare	49,120
Payments to Retirees	1,162
Contracts with Private Agencies	49,598
Dues and Memberships	105

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Travel	\$	1,809	
Other Contracted Services		93,813	
Instructional Supplies and Materials		27,840	
Other Supplies and Materials		11,440	
Special Education Equipment		5,991	
Total Special Education Program			\$ 4,564,242

Vocational Education Program

Teachers	\$	1,687,874	
Career Ladder Program		27,000	
Clerical Personnel		66,433	
Other Salaries & Wages		30,197	
Certified Substitute Teachers		26,510	
Social Security		106,152	
State Retirement		100,936	
Life Insurance		2,339	
Medical Insurance		140,212	
Unemployment Compensation		1,755	
Employer Medicare		23,519	
Payments to Retirees		3,587	
Maintenance & Repair Services- Equipment		20,405	
Instructional Supplies and Materials		77,947	
Other Supplies and Materials		10,679	
Vocational Instruction Equipment		80,022	
Total Vocational Education Program			2,405,567

Adult Education Program

Teachers	\$	92,213	
Career Ladder Program		2,000	
Other Salaries & Wages		4,681	
Social Security		6,020	
State Retirement		3,207	
Life Insurance		50	
Unemployment Compensation		122	
Employer Medicare		1,408	
Travel		1,086	
Instructional Supplies and Materials		4,118	
In Service/Staff Development		2,440	
Total Adult Education Program			117,345

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Other

Contributions	\$ 2,187,557	
Total Other		\$ 2,187,557

Support Services

Attendance

Supervisor/Director	\$ 61,038	
Career Ladder Program	2,000	
Clerical Personnel	25,126	
Other Salaries & Wages	103,242	
Social Security	11,742	
State Retirement	7,377	
Life Insurance	235	
Unemployment Compensation	204	
Employer Medicare	2,880	
Travel	684	
Other Supplies and Materials	1,500	
In Service/Staff Development	75	
Total Attendance		216,103

Health Services

Medical Personnel	\$ 196,898	
Social Security	11,548	
State Retirement	9,497	
Life Insurance	277	
Medical Insurance	12,132	
Unemployment Compensation	239	
Employer Medicare	2,701	
Travel	7,428	
Drugs and Medical Supplies	18,354	
Other Supplies and Materials	3,437	
Total Health Services		262,511

Other Student Support

Career Ladder Program	\$ 7,000	
Guidance Personnel	650,813	
Social Security	36,007	
State Retirement	35,011	
Life Insurance	806	
Medical Insurance	37,584	

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Unemployment Compensation	\$	549	
Employer Medicare		8,421	
Payments to Retirees		2,303	
Contracts with Other School Systems		69,750	
Evaluation and Testing		8,200	
Other Contracted Services		263	
Other Supplies and Materials		11,635	
Total Other Student Support			\$ 868,342

Regular Instruction Program

Supervisor/Director	\$	74,825	
Career Ladder Program		19,990	
Librarians		572,467	
Secretary(s)		20,104	
Clerical Personnel		28,796	
Other Salaries & Wages		85,083	
Social Security		47,387	
State Retirement		39,913	
Life Insurance		1,029	
Medical Insurance		42,894	
Unemployment Compensation		792	
Employer Medicare		11,082	
Payments to Retirees		1,000	
Maintenance & Repair Services- Equipment		6,636	
Travel		1,111	
Library Books/Media		37,508	
Other Supplies and Materials		48,000	
In Service/Staff Development		9,100	
Total Regular Instruction Program			1,047,717

Special Education Program

Supervisor/Director	\$	67,942	
Career Ladder Program		10,700	
Psychological Personnel		132,123	
Clerical Personnel		65,452	
Social Security		15,534	
State Retirement		15,217	
Life Insurance		346	
Medical Insurance		29,709	

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Unemployment Compensation	\$	206	
Employer Medicare		3,633	
Consultants		44,198	
Dues and Memberships		317	
Rentals		4,000	
Travel		20	
In Service/Staff Development		4,805	
Total Special Education Program			\$ 394,202

Vocational Education Program

Supervisor/Director	\$	71,910	
Career Ladder Program		3,000	
Other Salaries & Wages		64,565	
Social Security		8,209	
State Retirement		7,723	
Life Insurance		202	
Medical Insurance		9,165	
Unemployment Compensation		117	
Employer Medicare		1,920	
Travel		23,454	
Total Vocational Education Program			190,265

Adult Programs

Other Salaries & Wages	\$	59,695	
Social Security		3,616	
State Retirement		3,331	
Life Insurance		101	
Medical Insurance		3,216	
Unemployment Compensation		62	
Employer Medicare		846	
Communication		495	
Travel		899	
Other Supplies and Materials		9,649	
Other Equipment		6,492	
Total Adult Programs			88,402

Board of Education

Secretary to Board	\$	6,000	
Board and Committee Members Fees		38,900	

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Social Security	\$	2,784	
State Retirement		764	
Life Insurance		445	
Unemployment Compensation		26	
Employer Medicare		651	
Advertising		599	
Audit Services		8,920	
Dues and Memberships		6,737	
Legal Services		31,526	
Travel		6,800	
Liability Insurance		89,182	
Trustee's Commission		391,252	
Workers' Compensation Insurance		129,202	
Total Board of Education			\$ 713,788

Director of Schools

County Official/Administrative Officer	\$	105,936	
Career Ladder Program		800	
Secretary(s)		23,119	
Social Security		7,293	
State Retirement		6,502	
Life Insurance		97	
Medical Insurance		4,368	
Unemployment Compensation		79	
Employer Medicare		1,871	
Payments to Retirees		1,300	
Communication		65,467	
Dues and Memberships		2,285	
Maintenance & Repair Services- Equipment		1,665	
Postal Charges		5,830	
Travel		898	
Office Supplies		2,214	
Other Charges		9,570	
Total Director of Schools			239,294

Office of the Principal

Principals	\$	1,031,158	
Career Ladder Program		29,600	
Assistant Principals		414,969	

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Secretary(s)	\$	440,128	
Social Security		114,946	
State Retirement		105,258	
Life Insurance		2,537	
Medical Insurance		108,285	
Unemployment Compensation		1,596	
Employer Medicare		26,883	
Payments to Retirees		18,479	
Communication		18,465	
Travel		3,889	
Administration Equipment		4,600	
Total Office of the Principal			\$ 2,320,793

Fiscal Services

Supervisor/Director	\$	60,255	
Accountants/Bookkeepers		142,051	
Social Security		12,363	
State Retirement		10,376	
Life Insurance		302	
Medical Insurance		9,333	
Unemployment Compensation		222	
Employer Medicare		2,892	
Payments to Retirees		5,151	
Maintenance & Repair Services- Office Equipment		670	
Travel		461	
Office Supplies		5,940	
Other Supplies and Materials		11,695	
In Service/Staff Development		669	
Administration Equipment		10,113	
Total Fiscal Services			272,493

Operation of Plant

Supervisor/Director	\$	23,063	
Teachers		25	
Clerical Personnel		13,614	
Custodial Personnel		1,095,609	
Social Security		65,614	
State Retirement		61,698	
Life Insurance		2,692	

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Medical Insurance	\$	127,174	
Unemployment Compensation		1,864	
Employer Medicare		15,345	
Payments to Retirees		4,424	
Maintenance & Repair Services- Vehicles		7,433	
Rentals		43,769	
Disposal Fees		80,734	
Other Contracted Services		48,362	
Custodial Supplies		121,302	
Electricity		1,248,398	
Natural Gas		253,037	
Water and Sewer		172,611	
Other Supplies and Materials		14,113	
Building and Contents Insurance		156,362	
Motor Vehicles		24,474	
Plant Operation Equipment		38,159	
Total Operation of Plant			\$ 3,619,876

Maintenance of Plant

Maintenance Personnel	\$	453,984	
Social Security		26,627	
State Retirement		20,938	
Life Insurance		605	
Medical Insurance		55,905	
Unemployment Compensation		670	
Employer Medicare		6,227	
Communication		86,844	
Maintenance & Repair Services- Buildings		105,287	
Maintenance & Repair Services- Equipment		30,513	
Other Contracted Services		55,074	
Gasoline		25,285	
Office Supplies		1,499	
Other Supplies and Materials		133,304	
Other Charges		11,575	
Total Maintenance of Plant			1,014,337

Transportation

Supervisor/Director	\$	61,393
Clerical Personnel		13,614

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Social Security	\$	4,201	
State Retirement		4,136	
Life Insurance		76	
Medical Insurance		8,955	
Unemployment Compensation		45	
Employer Medicare		983	
Contracts with Vehicle Owners		1,988,990	
Other Contracted Services		5,339	
Other Supplies and Materials		709	
In Service/Staff Development		55	
Administration Equipment		4,420	
Total Transportation			\$ 2,092,916

Central and Other

Supervisor/Director	\$	71,464	
Secretary(s)		25,126	
Other Salaries & Wages		191,802	
Social Security		16,750	
State Retirement		15,418	
Life Insurance		399	
Medical Insurance		13,782	
Unemployment Compensation		300	
Employer Medicare		3,917	
Dues and Memberships		119	
Maintenance & Repair Services- Equipment		1,250	
Travel		1,847	
Other Contracted Services		69,702	
Other Supplies and Materials		51,740	
In Service/Staff Development		994	
Total Central and Other			464,610

Capital Outlay

Regular Capital Outlay

Architects	\$	542	
Other Contracted Services		343	
Building Improvements		70,349	
Total Regular Capital Outlay			71,234

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)

Principal

Education

Principal on Notes	\$ 349,583	
Principal on Capitalized Leases	47,189	
Total Education	<u> </u>	\$ 396,772

Interest

Education

Interest on Notes	\$ 79,285	
Interest on Capitalized Leases	3,356	
Total Education	<u> </u>	82,641

Other Debt Service

Education

Other Debt Service	\$ 653	
Total Education	<u> </u>	<u> </u> 653

Total General Purpose School Fund \$ 42,078,193

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$ 1,134,999	
Educational Assistants	72,460	
Certified Substitute Teachers	3,502	
Social Security	71,195	
State Retirement	64,752	
Life Insurance	1,667	
Medical Insurance	80,368	
Unemployment Compensation	1,046	
Employer Medicare	16,650	
Payments to Retirees	3,798	
Other Fringe Benefits	4,120	
Instructional Supplies and Materials	86,066	
Regular Instruction Equipment	1,800	
Total Regular Instruction Program	<u> </u>	\$ 1,542,423

Special Education Program

Teachers	\$ 443,130
Clerical Personnel	4,416
Educational Assistants	111,857

(Continued)

Exhibit K-10

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Other Salaries & Wages	\$	53,258	
Certified Substitute Teachers		1,243	
Social Security		36,616	
State Retirement		32,295	
Life Insurance		1,142	
Medical Insurance		48,520	
Unemployment Compensation		1,018	
Employer Medicare		8,560	
Payments to Retirees		2,690	
Other Fringe Benefits		2,132	
Contracts with Private Agencies		5,420	
Travel		894	
Instructional Supplies and Materials		201,668	
Other Supplies and Materials		524	
Refund to Applicant for Criminal Investigation		336	
Special Education Equipment		118,386	
Other Capital Outlay		358	
Total Special Education Program			\$ 1,074,463

Vocational Education Program

Educational Assistants	\$	15,070	
Other Salaries & Wages		24,851	
Social Security		1,145	
State Retirement		841	
Life Insurance		50	
Medical Insurance		3,111	
Unemployment Compensation		82	
Employer Medicare		268	
Travel		19,546	
Instructional Supplies and Materials		49,997	
Workers' Compensation Insurance		52	
In Service/Staff Development		11,558	
Other Charges		1,208	
Vocational Instruction Equipment		80,015	
Total Vocational Education Program			207,794

Support Services

Other Student Support

Guidance Personnel	\$	43,765	
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(Continued)

Exhibit K-10

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Social Security	\$	2,630	
State Retirement		2,407	
Life Insurance		50	
Medical Insurance		3,263	
Unemployment Compensation		31	
Employer Medicare		615	
Other Fringe Benefits		153	
Total Other Student Support			\$ 52,914

Regular Instruction Program

Supervisor/Director	\$	75,007	
Secretary(s)		27,474	
Other Salaries & Wages		38,154	
Social Security		8,467	
State Retirement		6,886	
Life Insurance		136	
Medical Insurance		3,245	
Unemployment Compensation		102	
Employer Medicare		1,980	
Other Fringe Benefits		508	
Travel		3,601	
Other Contracted Services		32,870	
Other Supplies and Materials		56,232	
In Service/Staff Development		68,537	
Other Charges		1,433	
Other Equipment		6,048	
Total Regular Instruction Program			330,680

Special Education Program

Psychological Personnel	\$	49,436	
Clerical Personnel		34,533	
Social Security		5,206	
State Retirement		4,408	
Life Insurance		113	
Medical Insurance		1,257	
Unemployment Compensation		93	
Employer Medicare		1,218	
Other Fringe Benefits		173	
Consultants		340,952	

(Continued)

Exhibit K-10

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Maintenance & Repair Services- Equipment	\$	785	
Travel		22,965	
Other Contracted Services		4,860	
Other Supplies and Materials		1,287	
In Service/Staff Development		10,404	
Other Charges		3,200	
Total Special Education Program			\$ 480,890

Board of Education

Workers' Compensation Insurance	\$	192	
Total Board of Education			192

Office of the Principal

Assistant Principals	\$	55,646	
Social Security		3,450	
State Retirement		3,061	
Life Insurance		46	
Unemployment Compensation		31	
Employer Medicare		807	
Other Fringe Benefits		162	
Communication		1,603	
Total Office of the Principal			64,806

Transportation

Contracts with Vehicle Owners	\$	82,256	
Maintenance & Repair Services- Vehicles		4,793	
Gasoline		10,000	
Total Transportation			97,049

Total School Federal Projects Fund \$ 3,851,211

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	2,563	
Accountants/Bookkeepers		126,877	
Clerical Personnel		284,108	
Cafeteria Personnel		677,896	
Other Salaries & Wages		12,758	

(Continued)

Exhibit K-10

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Social Security	\$	63,910	
State Retirement		44,096	
Life Insurance		3,074	
Medical Insurance		100,280	
Unemployment Compensation		3,185	
Employer Medicare		14,946	
Payments to Retirees		2,725	
Other Fringe Benefits		22,806	
Communication		8,981	
Dues and Memberships		100	
Maintenance & Repair Services- Equipment		11,464	
Travel		3,777	
Other Contracted Services		51,182	
Food Supplies		1,047,311	
Office Supplies		1,888	
Other Supplies and Materials		6,136	
Trustee's Commission		397	
In Service/Staff Development		3,356	
Refund to Applicant for Criminal Investigation		912	
Other Charges		2,283	
Food Service Equipment		48,307	
Total Food Service			\$ 2,545,318

Total Central Cafeteria Fund \$ 2,545,318

Other Education Special Revenue Fund

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	67,975	
Teachers		187,096	
Social Workers		85,397	
Medical Personnel		33,276	
Secretary(s)		66,681	
Educational Assistants		973,624	
Other Salaries & Wages		56,682	
Certified Substitute Teachers		28,783	
Social Security		85,647	
State Retirement		76,009	
Life Insurance		3,595	

(Continued)

Exhibit K-10

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

Other Education Special Revenue Fund (Cont.)
Operation of Non-Instructional Services (Cont.)
Community Services (Cont.)

Medical Insurance	\$	162,819	
Unemployment Compensation		3,242	
Employer Medicare		20,028	
Advertising		84	
Communication		19,281	
Consultants		5,200	
Contracts with Other School Systems		764,641	
Contracts with Vehicle Owners		1,175	
Dues and Memberships		4,512	
Operating Lease Payments		14,745	
Maintenance & Repair Services- Office Equipment		2,777	
Maintenance & Repair Services- Vehicles		2,853	
Pest Control		960	
Postal Charges		1,097	
Travel		14,014	
Other Contracted Services		40,834	
Drugs and Medical Supplies		1,641	
Electricity		12,441	
Food Supplies		11,916	
Gasoline		2,349	
General Construction Materials		7,531	
Instructional Supplies and Materials		29,495	
Natural Gas		2,775	
Office Supplies		11,735	
Water and Sewer		2,252	
Other Supplies and Materials		28,391	
Building and Contents Insurance		6,042	
Liability Insurance		1,933	
Trustee's Commission		40	
Vehicle and Equipment Insurance		3,285	
Workers' Compensation Insurance		5,300	
In Service/Staff Development		29,819	
Refund to Applicant for Criminal Investigation		1,344	
Other Charges		27,476	
Motor Vehicles		53,035	
Office Equipment		11,775	
Other Equipment		9,735	
Total Community Services			\$ 2,983,337

(Continued)

Exhibit K-10

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

Other Education Special Revenue Fund (Cont.)

Principal

Education

Principal on Capitalized Leases	\$ 13,404	
Total Education		\$ 13,404

Interest

Education

Interest on Capitalized Leases	\$ 96,304	
Total Education		96,304

Capital Projects

Education Capital Projects

Building Construction	\$ 2,278	
Total Education Capital Projects		<u>2,278</u>

Total Other Education Special Revenue Fund		\$ 3,095,323
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Education Capital Projects Fund

Instruction

Vocational Education Program

Building Improvements	\$ 3,625	
Total Vocational Education Program		\$ 3,625

Capital Outlay

Regular Capital Outlay

Advertising	\$ 96	
Total Regular Capital Outlay		96

Capital Projects

Education Capital Projects

Advertising	\$ 768	
Architects	126,361	
Consultants	77,116	
Administration Equipment	499,458	
Building Construction	352,514	
Building Improvements	3,630,151	
Plant Operation Equipment	65,368	
Total Education Capital Projects		<u>4,751,736</u>

Total Education Capital Projects Fund		<u>4,755,457</u>
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Total Governmental Funds - Anderson County School Department		<u>\$ 56,325,502</u>
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Exhibit K-11

Anderson County, Tennessee
Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balances -
City Agency Funds
For the Year Ended June 30, 2005

	Cities - Sales Tax Fund	City School ADA - Clinton Fund	City School ADA - Oak Ridge Fund	Total (Memorandum Only)
<u>Cash Receipts</u>				
Current Property Taxes	\$ 0	\$ 1,407,415	\$ 6,410,000	\$ 7,817,415
Trustee's Collections - Prior Years	0	57,132	260,204	317,336
Circuit/Clerk and Master Collections - Prior Years	0	29,774	132,531	162,305
Interest and Penalty	0	23,949	108,540	132,489
Local Option Sales Tax	7,547,879	609,233	2,774,720	10,931,832
Business Tax	0	0	176	176
Coal Severance Tax	0	1,082	4,927	6,009
Interstate Telecommunications Tax	0	855	3,895	4,750
Marriage Licenses	0	422	1,931	2,353
Total Cash Receipts	<u>\$ 7,547,879</u>	<u>\$ 2,129,862</u>	<u>\$ 9,696,924</u>	<u>\$ 19,374,665</u>
<u>Cash Disbursements</u>				
Remittance of Revenues Collected	\$ 7,472,400	\$ 2,100,056	\$ 9,560,505	\$ 19,132,961
Trustee's Commission	75,479	36,128	164,306	275,913
Total Cash Disbursements	<u>\$ 7,547,879</u>	<u>\$ 2,136,184</u>	<u>\$ 9,724,811</u>	<u>\$ 19,408,874</u>
Excess of Cash Receipts Over (Under)				
Cash Disbursements	\$ 0	\$ (6,322)	\$ (27,887)	\$ (34,209)
Cash Balance, July 1, 2004	0	14,593	65,246	79,839
Cash Balance, June 30, 2005	<u>\$ 0</u>	<u>\$ 8,271</u>	<u>\$ 37,359</u>	<u>\$ 45,630</u>

STATISTICAL SECTION

Table 1

Anderson County, Tennessee
Governmental Expenditures by Function
All Governmental Funds and Discretely Presented School Department
Last Ten Fiscal Years

	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Expenditures:										
General Government	\$ 13,071,509	\$ 14,361,194	\$ 14,877,614	\$ 15,966,336	\$ 17,261,636	\$ 16,871,207	\$ 19,806,620	\$ 18,880,333	\$ 20,208,009	\$ 20,614,460
Highways	2,427,906	2,061,972	2,557,388	3,084,249	2,126,859	2,321,751	2,414,641	2,755,636	2,443,708	2,470,425
Education	32,974,481	34,726,490	37,070,488	39,142,670	40,810,940	43,292,065	44,153,575	49,135,239	50,039,475	50,981,714
Debt Service	6,068,407	6,353,375	6,641,948	7,403,122	6,845,914	7,126,725	7,029,431	7,509,281	7,290,669	6,274,309
Capital Projects	2,070,599	4,363,945	5,906,326	7,355,707	3,812,669	598,716	343,897	1,211,127	2,859,059	5,532,765
Total (2)	\$ 56,612,902	\$ 61,866,976	\$ 67,053,764	\$ 72,952,084	\$ 70,858,018	\$ 70,210,464	\$ 73,748,164	\$ 79,491,616	\$ 82,840,920	\$ 85,873,673

Notes: (1) Due to the implementation of GASB 14, the School Department is reflected in this report as a discretely presented component unit. However, for comparability purposed, the School Department is included in this table.

(2) Includes General, Special Revenue, Debt Service, Capital Projects, and School Department Funds.

Table 2

Anderson County, Tennessee
Governmental Revenues by Source
All Governmental Funds and Discretely Presented School Department
Last Ten Fiscal Years

	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Revenues:										
Local Taxes	\$ 22,536,815	\$ 23,804,997	\$ 24,251,620	\$ 25,184,480	\$ 27,898,775	\$ 30,261,559	\$ 31,240,047	\$ 31,865,322	\$ 32,870,986	\$ 33,887,273
Licenses and Permits	180,614	187,773	245,612	235,960	238,575	241,424	264,599	266,062	307,110	315,617
Fines and Forfeitures	312,033	301,850	363,103	356,438	351,692	294,635	325,699	370,148	427,735	494,129
Charges for Services	4,606,416	4,594,113	4,964,796	5,016,177	5,578,185	6,148,960	6,534,945	7,257,038	7,215,234	7,638,043
State of Tennessee	20,730,905	21,755,831	23,816,633	24,661,404	24,901,302	25,162,648	25,253,066	26,767,792	27,203,056	27,837,982
Federal Government	4,654,927	4,494,327	5,643,873	6,397,636	6,338,973	7,048,485	7,991,129	8,312,230	9,090,467	8,659,888
Other Local	1,335,875	1,940,224	1,763,916	1,870,476	1,585,413	1,582,174	1,049,976	1,336,645	2,245,207	2,510,697
Other Govts. & Groups	90,048	102,035	124,942	162,710	128,200	122,915	139,165	3,458,424	2,993,089	2,174,828
Total (2)	\$ 54,447,633	\$ 57,181,150	\$ 61,174,495	\$ 63,885,281	\$ 67,021,115	\$ 70,862,800	\$ 72,798,626	\$ 79,633,661	\$ 82,352,884	\$ 83,518,457

Notes: (1) Due to the implementation of GASB 14, the School Department is reflected in this report as a discretely presented component unit. However, for comparability purposes, the School Department is included in this table.

(2) Includes General, Special Revenue, Debt Service, Capital Projects, and School Department Funds.

Table 3

Anderson County, Tennessee
Government-Wide Expenses by Function (1)
Last Ten Fiscal Years (2)

	FY 2003	FY 2004	FY 2005
Expenses:			
General Government	\$ 2,384,417	\$ 2,958,476	\$ 3,043,074
Finance	2,074,278	2,264,600	2,353,548
Administration of Justice	2,143,265	2,487,842	2,396,649
Public Safety	6,005,316	6,525,846	6,550,593
Public Health & Welfare	4,306,111	4,821,032	5,490,734
Social, Cultural, and Recreational Services	246,687	274,330	290,638
Agricultural & Natural Resources	153,247	160,814	158,093
Other General Government	907,842	950,493	784,386
Highways	4,273,421	3,965,497	2,830,170
Debt Service	2,409,326	1,865,601	1,672,285
Education	49,608,958	51,664,059	52,793,208
Total (3)	<u>\$ 74,512,868</u>	<u>\$ 77,938,590</u>	<u>\$ 78,363,378</u>

Notes: (1) Does not include Business-Type Activity Funds (ACUB) or Discretely Presented E-911 Component Unit.

(2) Due to the implementation of GASB 34 in fiscal year 2003, only three years are listed. Additional years will be added in the future.

(3) Due to the implementation of GASB 14, the School Department is reflected in this report as a discretely presented component unit. However, for comparability purposes, the School Department is included in this table.

Table 4

Anderson County, Tennessee
Government-Wide Revenues (1)
Last Ten Fiscal Years (2)

	FY 2003	FY 2004	FY 2005
Program Revenues:			
Charges for Services	\$ 8,854,343	\$ 10,130,251	\$ 10,673,536
Operating Grants and Contributions	10,678,973	11,221,279	11,905,127
Capital Grants and Contributions	2,178,673	597,020	292,704
General Revenues:			
Taxes	30,735,113	31,662,692	32,842,806
Grants and Contributions Not Restricted to Specific Programs	27,530,944	27,950,331	27,326,246
Unrestricted Investment Earnings	321,707	260,747	393,836
Other	86,743	108,691	99,693
Less: Transfers to Business-type Activities	0	0	(238,366)
Total (3)	\$ 80,386,496	\$ 81,931,011	\$ 83,295,582

Notes: (1) Does not include Business-type Activity Funds (ACUB) or Discretely Presented E-911 Component Unit.

(2) Due to the implementation of GASB 34 in fiscal year 2003, only three years are listed. Additional years will be added in the future.

(3) Due to the implementation of GASB 14, the School Department is reflected in this report as a discretely presented component unit. However for comparability purposes, the School Department is included in this table.

Table 5

Anderson County, Tennessee
Property Tax Levies and Collections
Last Ten Tax Years

Tax Year	Total Tax Levy	(1) Current Tax Collections or Adjusted	Percentage of Levy Collections or Adjusted	(2) Adjustments and Delinquent Collections	Total Taxes Collections and Adjustments	Percentage of Total Collected	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as Percent of Current Levy
1995	\$ 20,869,436	\$ 20,084,629	96.24 %	\$ 765,236	\$ 20,849,865	99.91 %	\$ 19,571	0.09 %
1996	22,482,578	21,395,574	95.17	1,061,172	22,456,746	99.89	25,832	0.11
1997	22,800,027	21,658,824	94.99	989,932	22,648,756	99.34	151,271	0.66
1998	24,517,698	23,368,780	95.31	1,051,177	24,419,957	99.60	97,741	0.40
1999	28,705,746	28,086,203	97.84	498,825	28,585,028	99.58	120,718	0.42
2000	30,929,677	29,215,549	94.46	1,451,206	30,666,755	99.15	262,922	0.85
2001	31,218,032	29,464,179	94.38	1,559,587	31,023,766	99.38	194,266	0.62
2002	31,553,817	29,547,862	93.64	1,828,637	31,376,499	99.44	177,319	0.56
2003	31,541,534	29,710,989	94.20	1,522,737	31,233,726	99.02	307,808	0.98
2004	32,691,543	31,110,500	95.16	N/A (3)	N/A (3)	N/A (3)	N/A (3)	N/A (3)

Notes:

- (1) Current collections include amount collected by the Trustee's Office through June 30 of each year.
- (2) Delinquent tax collections include amounts collected by the Trustee's Office after June 30 of each year and amounts collected by the clerk and master in Chancery Court.
- (3) Tax notices are sent out after June 30 each year, become due and payable October 1, but do not become delinquent until March 1 of the following year.

Table 6

Anderson County, Tennessee
Assessed and Estimated Actual Value of Taxable Property
Last Ten Tax Years

Tax Year	(1a) Real Property		(1b) Personal Property		(1c) Public Utility Property		Total		Ratio of Total Assessed to Total Actual Value
	Assessed Value	Actual Value	Assessed Value	Actual Value	Assessed Value	Actual Value	Assessed Value	Actual Value	
1995	\$ 604,598,050	\$ 2,093,765,300	\$ 67,343,759	\$ 224,479,198	\$ 34,679,913	\$ 63,054,387	\$ 706,621,722	\$ 2,381,298,885	29.67 %
1996	624,957,424	2,158,721,000	65,023,055	216,743,884	34,002,544	61,822,807	723,983,023	2,437,287,691	29.70
1997	640,126,331	2,243,120,055	63,784,279	212,614,263	29,500,421	53,637,129	733,411,031	2,509,371,447	29.23
1998 (2)	796,020,240	2,774,270,700	81,954,436	273,196,323	36,307,119	66,012,944	914,281,795	3,113,479,967	29.37
1999	813,264,040	2,833,842,400	86,243,016	287,473,303	37,497,393	68,177,078	937,004,449	3,189,492,781	29.38
2000	828,100,855	2,882,067,700	91,055,827	318,990,968	37,036,587	67,339,249	956,193,269	3,268,397,917	29.26
2001	841,114,335	2,928,146,700	90,414,968	325,344,114	33,154,169	60,280,307	964,683,472	3,313,771,121	29.11
2002	853,864,145	2,974,766,300	88,263,392	317,599,626	32,852,793	59,732,351	974,980,330	3,352,098,277	29.09
2003	863,322,920	3,012,353,000	82,335,143	306,978,956	28,979,712	52,690,385	974,637,775	3,372,022,341	28.90
2004	872,896,130	3,050,012,600	83,469,007	312,102,890	29,402,477	53,459,049	985,767,614	3,415,574,539	28.86

Notes:

(1) Assessment Rates are set by Tennessee State Law as follows:

(a) Real Property: Residential and Farm at 25% of value.
Commercial and Industrial at 40% of value

(b) Personal Property at 30% of value.

(c) Railroads at 40% of value and other Public Utilities at 55% of value.

(2) In 1998, county-wide reappraisals of real property were conducted by the State of Tennessee, Division of Property Assessment. Also the county-wide reappraisals of real property were completed during tax year 1998.

Table 7

Anderson County, Tennessee
Property Tax Rate - Direct and
Overlapping Governments
Last Ten Tax Years

Tax Year	Anderson County							
	Inside Clinton	Inside Oak Ridge	Remainder of Anderson County	City of Clinton	City of Oak Ridge	City of Norris	City of Lake City	
1995	\$ 3.07	\$ 2.84	\$ 3.08	\$ 1.10	\$ 1.98	\$ 2.80	\$ 1.15	
1996	3.21	3.00	3.22	1.10	2.19	2.80	1.15	
1997	3.21	3.00	3.22	1.10	2.34	2.80	1.15	
1998	2.76	2.59	2.77	0.89	2.09	1.89	1.15	
1999	3.14	2.97	3.15	0.89	2.34	1.89	1.25	
2000	3.31	3.14	3.32	0.89	2.57	1.89	1.15	
2001	3.31	3.14	3.32	0.89	2.94	1.89	1.50	
2002	3.31	3.14	3.32	0.89	2.94	1.89	1.60	
2003	3.31	3.14	3.32	0.89	2.87	1.89	1.60	
2004	3.39	3.22	3.40	0.89	2.87	1.60	1.60	

NOTES:

- (1) Tax rates are in dollars per \$100 of assessed value.
- (2) City residents pay county taxes in addition to city taxes.

Table 8

Anderson County, Tennessee
Ratio of Net General Obligation Bonded Debt and Loans Payable to
Assessed Value and Net General Obligation Bonded Debt Per Capita
Last Ten Fiscal Years

Fiscal Year	Estimated Population	Assessed Property Values	General Bonded Debt and Loans Payable (3)	Amount Available in Debt Service Funds	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Values	Net Bonded Debt Per Capita
1996	71,587	\$ 706,621,722	\$ 41,560,000	\$ 1,942,761	\$ 39,617,239	5.6 %	\$ 553
1997	71,492	723,983,023	47,670,000	2,440,974	45,229,026	6.2	633
1998	71,116	733,411,031	56,380,000	2,663,868	53,716,132	7.3	755
1999	71,004	914,281,795	(1) 53,960,000	2,474,310	51,485,690	5.6	725
2000	71,330	937,004,449	51,180,000	2,081,008	49,098,992	5.2	688
2001	71,457	956,193,269	48,224,484	1,759,436	46,465,048	4.9	650
2002	71,627	964,683,472	47,013,414	1,713,695	45,299,719	4.7	632
2003	71,904	(2) 974,980,330	43,373,682	1,767,011	41,606,671	4.3	579
2004	72,244	974,637,775	40,603,340	2,373,282	38,230,058	3.9	529
2005	72,244	985,767,614	40,383,107	2,617,523	37,765,584	3.8	523

Notes:

- (1) A county-wide reappraisal program was completed for the 1998 tax year.
- (2) Estimated using 2004 data.
- (3) Includes long-term loans payable financed by PBA loan agreements.

Table 9

Anderson County, Tennessee
Ratio of Annual Debt Service Expenditures
For General Obligation Bonded Debt to
General Governmental Expenditures
Last Ten Fiscal Years

Fiscal Year		Principal	Interest	Total Debt Service	(1) Total General Governmental Expenditures	Ratio of Debt Service To General Governmental Expenditures
1996	(2)	\$2,325,000	\$2,296,146	\$4,621,146	\$56,612,902	8.16
1997	(2)	2,575,000	2,226,282	4,801,282	61,866,976	7.76
1998	(2)	2,090,000	2,692,545	4,782,545	67,053,764	7.13
1999	(2)	2,420,000	2,678,824	5,098,824	72,952,084	6.99
2000	(2)	2,780,000	2,645,205	5,425,205	70,858,018	7.66
2001	(2)	3,065,516	2,516,003	5,581,519	70,210,464	7.95
2002	(2)	3,260,000	2,152,216	5,412,216	73,748,164	7.34
2003	(2)	3,656,124	2,151,628	5,807,752	79,491,616	7.31
2004	(2)	2,506,180	1,305,450	3,811,630	82,840,920	4.60
2005	(2)	2,376,239	1,082,188	3,458,427	85,873,673	4.03

Notes:

- (1) Includes General, Special Revenue, Debt Service, Capital Projects, and School Department Funds.
- (2) Due to the implementation of GASB 14, the School Department is reflected in this report as a discretely presented component unit. However, for comparability purposes, the School Department is included in this table.

Table 10

Anderson County, Tennessee
Schedule of Direct General Bonded Debt and Loans Payable
and Overlapping General Bonded Debt
June 30, 2005

Direct General Bonded Debt and Loans Payable:		
Anderson County	\$	40,383,107 (1)
Less: Amount Available in Debt Services Fund		2,617,523
Total Direct General Bonded Debt and Loans Payable - Net	\$	<u>37,765,584</u>
Overlapping General Bonded Debt:		
City of Oak Ridge	\$	78,417,125 (2)
City of Clinton		6,727,893 (2)
Town of Lake City		827,299 (2)
City of Norris		0 (2)
Total Overlapping General Bonded Debt	\$	<u>85,972,317</u>
TOTAL DIRECT GENERAL BONDED DEBT AND LOANS PAYABLE AND OVERLAPPING GENERAL BONDED DEBT	\$	<u>123,737,901</u>

Notes:

- (1) Includes long-term loans payable financed by PBA loan agreements.
- (2) Includes general bonded debt only.

Table 11

Anderson County, Tennessee
Revenue Bond Coverage - ACUB Water Revenue Bonds and Notes
Last Ten Fiscal Years

Fiscal Year	(1) Total Revenues	(2) Operating Expenses	Amount Available For Debt Service	Debt Service Requirements (3)			Coverage Ratio
				Bonds (4)	Notes	Total	
1996	\$ 1,419,673	\$ 988,535	\$ 431,138	\$ 106,360	\$ 109,382	\$ 215,742	2.00
1997	1,348,325	1,047,756	300,569	106,639	109,567	216,206	1.39
1998	1,435,944	1,066,800	369,144	111,496	109,881	221,377	1.67
1999	1,656,491	1,138,025	518,466	137,473	119,989	257,462	2.01
2000	1,564,016	1,057,393	506,623	135,814	132,454	268,268	1.89
2001	1,686,833	1,129,308	557,525	143,253	87,734	230,987	2.41
2002	1,655,320	1,180,701	474,619	106,212	53,284	159,496	2.98
2003	1,735,747	1,348,129	387,618	101,947	74,964	176,911	2.19
2004	1,723,155	1,456,902	266,253	126,310	60,418	186,728	1.43
2005	1,825,171	1,566,766	258,405	132,010	61,841	193,851	1.33

This table only includes the Public Utility Fund (Enterprise Fund).

Notes:

- (1) Includes operating revenues and nonoperating revenues excluding capital grants and contributions from developers
- (2) Does not include depreciation expense.
- (3) Includes principal and interest amounts.
- (4) Includes other loans payable.

Table 12

Anderson County, Tennessee
Property Values, Construction and Bank Deposits
Last Ten Years

Fiscal Year	(1) Construction		(2) Bank	(3) Property Values		
	Commercial	Residential	Deposits	Commercial	Residential	Utilities
1996	\$ 5,396,639	\$ 23,599,998	\$ 84,545,887	\$ 802,767,898	\$ 1,515,476,600	\$ 63,054,387
1997	10,433,490	24,185,762	81,897,096	820,856,516	1,554,608,368	61,822,807
1998	9,662,306	25,665,598	102,349,393	859,818,918	1,595,915,400	53,637,129
1999	10,516,344	25,686,736	93,705,477	957,972,023	2,089,495,000	(4) 66,012,944
2000	4,362,893	28,537,767	97,095,326	986,172,320	2,135,143,383	68,177,078
2001	3,519,787	26,048,792	101,773,511	1,036,217,168	2,164,841,500	67,339,249
2002	3,569,820	28,445,291	101,978,557	1,052,528,514	2,200,962,300	60,280,307
2003	3,549,728	34,237,279	104,044,183	1,052,083,426	2,240,282,500	59,732,351
2004	2,782,938	38,237,951	108,115,770	1,041,876,756	2,277,455,200	52,690,385
2005	32,177,381	(5) 37,632,207	110,361,053	1,048,056,090	2,314,059,400	53,459,049

NOTES:

- (1) Information was provided by Anderson County Engineering and Public Works.
- (2) Information was provided by Anderson County Trustee.
- (3) Information was provided by Anderson County Property Assessor.
- (4) All property in Anderson County was reappraised in 1998.
- (5) Includes approximately \$30,000,000 of construction cost on a major project.

Table 13

Anderson County, Tennessee
Principal Taxpayers
June 30, 2005

Property Owners	(1) 2004 Assessments	(2) Percent of Total Assessed Valuation	Tax
Bell South Telecom	\$ 14,094,708	1.43 %	\$ 455,375
Boeing, Incorporated	11,747,372	1.19	378,265
Summit Properties	10,366,440	1.05	351,589
Food Lion, Incorporated	8,308,006	0.84	281,641
DH Compound	6,966,692	0.71	236,171
Methodist Medical Center	6,441,880	0.65	207,664
Richard G. Chinn	6,355,260	0.64	204,639
Carlisle Tire, Incorporated	5,889,699	0.60	199,661
Oak Ridge City Center	5,693,600	0.58	183,334
Oak Ridge Coporate	4,916,440	0.50	158,309
	\$ 80,780,097	8.19 %	\$ 2,656,648

Notes:

(1) Taken from the records of the Anderson County Property Assessor.

(2) Percentage figured using total real and personal property assessment of \$956,365,137 plus total public utilities assessments figure of \$29,402,477.

Table 14

Anderson County, Tennessee
Demographic Statistics
Last Ten Fiscal Years

Fiscal Year	(1) Population	(1) Per Capita Income	(1) Median Age	(2) Unemployment Rate	(3) WFTEADA School Attendance
1996	71,587	\$ 21,743	38.0	4.8	8,725
1997	71,429	22,130	38.0	5.5	8,908
1998	71,116	24,337	38.0	4.4	8,650
1999	71,004	24,847	38.0	4.1	8,776
2000	71,330	26,032 (4)	39.9 (4)	3.9	8,689
2001	71,457	27,194	39.9 (4)	4.1	8,645
2002	71,627	27,194	39.9 (4)	4.0	8,627
2003	71,904	27,194	39.9 (4)	4.4	8,510
2004	72,244	27,194	39.9 (4)	5.1	8,486
2005	72,244	(5) 29,780	39.2	5.8	8,431

Notes:

- (1) U.S. Census Bureau and East Tennessee Development District.
- (2) Tennessee Department of Labor and Workforce Development.
- (3) Weighted Full Time Equivalent Average Daily Attendance - Anderson County Schools.
- (4) Per 2000 Census data.
- (5) Estimated using 2004 Data.

Table 15

Anderson County, Tennessee
Ten Largest Employers
June 30, 2005

Company	Industry	Number of Employees
BWXT-Y12	Manufacturing, Research	4,700
UT Batelle	Manufacturing, Research	3,883
Anderson County Government	Local Government	1,259
Methodist Medical Center	Health Care	1,250
Bechtel Jacobs Company, LLC	Environmental Management	986
BNFL, Inc.	Decontamination & Decommissioning	915
SAIC	IT Research & Engineering	869
Eagle Bend Manufacturing, Inc.	Automotive Parts	750
Client Logic	Customer & Technical Service	720
Carlisle Tire & Wheel Company	Industrial Tire Manufacturing	700

Table 16

Anderson County, Tennessee
Water System Data - Schedule of
Water Rates and Statistics
Public Utility Fund
For the Year Ended June 30, 2005

WATER RATES

Water Charges:	
First 2,000 gallons or any part thereof	\$13.75
Each additional 1,000 gallons	3.75 per thousand
Plus tax at 9.25%	
Sewer Charges:	
Residential -	
First 2,000 gallons	\$14.83
Over 2,000 gallons	6.40 per thousand
Commercial -	
First 2,000 gallons	\$18.21
Over 2,000 gallons	9.11 per thousand
Approximate Number of	
Residential Water Customers	4,008
Number of Wastewater Customers	640
Tap Fees for New Meters:	
3/4"	\$ 450.00
1"	500.00
1-1/2"	1,200.00
2"	1,500.00
Connection Fee	30.00
Number of Wholesale Customers	
North Anderson County Utility District	3
Town of Oliver Springs	
Clinton Utility Board	

WATER STATISTICS IN THOUSANDS

Gallons produced and purchased	485,515
Gallons sold and accounted for, plant use, etc	<u>338,187</u>
Line losses and gallons unaccounted for	<u>147,328</u>
Percentage of losses and unaccounted for gallons	<u>30.34 %</u>

Note: These rates became effective June 1, 2005.

Table 17

Anderson County, Tennessee
Miscellaneous Statistical Data
June 30, 2005

		Building Permits (County Only)		
Date of Organization:	1801			
Form of Government:	Commission- County Mayor	Fiscal Year	Number Issued	Value of Permits
Fiscal Year:	July 1 to June 30	1996	705 \$	28,996,637
		1997	664	34,619,252
		1998	687	35,327,904
Area:	345 Square miles	1999	678	36,203,080
		2000	645	28,537,767
Miles of Streets:	507.6 (paved), 26.53 (unpaved), County Only	2001	570	29,568,579
		2002	565	32,015,111
		2003	596	37,787,007
	Concrete Roads -- 1.4 miles	2004	616	41,020,889
	Gravel Roads -- 26.53 miles	2005	422	69,809,588
	Asphalt Roads -- 358.7 miles			
	Chip/Seal Roads -- 147.5 miles			
Education (County Only):		Police Protection: Police Officers		102
Enrollment:	6,805 Public (ADM) 13 Church related 23 Independent home school	Libraries:	4	
Facilities:	<u>Number</u>		Clinton Norris Lake City Briceville	
Elementary	9	Parks:	8	
Middle Schools	4		Anderson County Park Gibbs Ferry Park Bull Run Park Brushy Valley Park Lost Bottom HWY 61 Access Area Sam Wheeler Park Dismal Bluff Park	
High Schools	2			
Vocational	1			
Center for Learning	1			
Elections:				
Registered Voters	45,720			
Votes cast in last election	31,920			

(Continued)

Table 17

Anderson County, Tennessee
Miscellaneous Statistical Data (Cont.)

Population (Including All Municipalities):

1940	26,504
1950	59,407
1960	60,032
1970	60,300
1980	67,346
1990	68,250
1995	71,412
2000	71,330
2001	71,457
2002	71,627
2003	71,904
2004	72,244

Municipalities: (2000)

Oak Ridge	27,387
Clinton	9,409
Lake City	1,888
Norris	1,446
Oliver Springs	3,303

Average Income Levels:

Per Capita	\$	29,780
Median Household Income		35,483

Table 18

Anderson County, Tennessee
Schedule of Property and Casualty in Force

<u>Company</u>	<u>Coverage</u>	<u>Policy No.</u>	<u>Policy Period</u>	<u>Limits</u>
Tennessee School Board Association Pool	Property & Boiler	TSB-RMT Pool	7-1-04 - 6-30-05	\$ 20,700,000
Tennessee School Board Association Pool	Liability, Automobile, and Public Entity E&O	TSBA Pool	7-1-04 - 6-30-05	4,000,000
Tennessee School Board Association Pool	Employee Dishonesty	TSBA Pool	7-1-04 - 6-30-05	150,000
Tennessee School Board Association Pool	Workers' Compensation	TSB-RMT Pool	7-1-04 - 6-30-05	1,000,000
Sun Life Financial	Excess Risk Medical Coverage	60544	7-1-04 - 6-30-05	60,000
<u>School Board Anderson County</u>				
Tennessee School Board Risk Management Trust	Property	CP65145	7-1-04 - 6-30-05	127,349,543
"	Liability	CP65145	7-1-04 - 6-30-05	1,000,000
"	Auto	CP65145	7-1-04 - 6-30-05	1,000,000
"	Employee Dishonesty	CP65145	7-1-04 - 6-30-05	150,000
Local Government Workers' Comp Fund	Workers Compensation	AND150	7-1-04 - 6-30-05	Statutory
Tennessee School Board Risk Management Trust	Public Officials	CP65145	7-1-04 - 6-30-05	1,000,000

Table 19

Anderson County, Tennessee
Computation of Legal Debt Margin
June 30, 2005

Not Applicable to Anderson County, Tennessee

NOTE:

Section 9-21-103 of the laws of the State of Tennessee provide that bonds or notes may be issued without regard to any limit on indebtedness for Tennessee counties.

SINGLE AUDIT SECTION



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-0269
PHONE (615) 401-7841

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

October 7, 2005

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

To the County Mayor and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Anderson County, Tennessee, as of and for the year ended June 30, 2005, which collectively comprise Anderson County's basic financial statements and have issued our report thereon dated October 7, 2005. 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

In planning and performing our audit, we considered Anderson County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Anderson County's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as items 05.01, 05.02, and 05.03.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Anderson 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 have also noted certain matters that we reported to the management of Anderson County in separate communications.

This report is intended solely for the information and use of the Board of County Commissioners, management, and 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,



John G. Morgan
Comptroller of the Treasury

JGM/yu



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-0269
PHONE (615) 401-7841

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

October 7, 2005

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

To the County Mayor and Board of County Commissioners:

Compliance

We have audited the compliance of Anderson County with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2005. Anderson 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 Anderson County's management. Our responsibility is to express an opinion on Anderson 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 auditing 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 Anderson 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 on Anderson County's compliance with those requirements.

In our opinion, Anderson County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

Internal Control Over Compliance

The management of Anderson County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Anderson County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule 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 Anderson County, Tennessee, as of and for the year ended June 30, 2005, and have issued our report thereon dated October 7, 2005. Our audit was performed for the purpose of forming opinions on the basic financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards and State Grants is presented for purposes of additional analysis, as required by OMB Circular A-133, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of County Commissioners, management, and 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,



John G. Morgan
Comptroller of the Treasury

JGM/yu

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

For the Emergency Communications District of Anderson County

Board of Directors
Emergency Communications District of
Anderson County, Tennessee
Clinton, Tennessee

We have audited the financial statements of Emergency Communications District of Anderson County, Tennessee, as of and for the year ended June 30, 2005, and have issued our report thereon. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Emergency Communications District of Anderson County, Tennessee's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure over financial reporting. A material weakness is a condition in which the design or operation of one or more of the internal control structure components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Emergency Communications District of Anderson County, Tennessee's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under Government Auditing Standards.

However, we noted certain matters that we have reported to the management of Emergency Communications District of Anderson County, Tennessee, in a separate letter.

This report is intended solely for the information and use of management and government regulatory agencies and is not intended to be and should not be used by anyone other than these specified parties.

Anderson County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants - (1)
For the Year Ended June 30, 2005

Federal/Pass-through Agency/Program Title	Federal CFDA Number	Pass -through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
Food Donation (Noncash Assistance)	10.550	(2)	\$ 173,660
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	(2)	341,334
National School Lunch Program	10.555	(2)	981,530
Summer Food Service Program for Children	10.559	(2)	22,870
Passed through State Department of Human Services:			
Child and Adult Care Food Program	10.558	(2)	163,115
Total U.S. Department of Agriculture			<u>\$ 1,682,509</u>
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Accountability Incentive Block Grants	16.523	GG-05-11396-00	\$ 6,130
Juvenile Accountability Incentive Block Grants	16.523	GG-04-10466-00	11,321
Total U.S. Department of Justice			<u>\$ 17,451</u>
U.S. National Highway Traffic Safety Administration:			
Passed-through State Department of Transportation:			
State and Community Highway Safety	20.600	Z-04-016783-00	\$ 16,130
Total U.S National Highway Traffic Safety Administration			<u>\$ 16,130</u>
U.S. Environmental Protection Agency:			
Direct Program:			
Brownfield Pilots Cooperative Agreements	66.811	N/A	\$ 7,980
Total U.S. Environmental Protection Agency			<u>\$ 7,980</u>
U.S. Department of Military:			
Passed-through State Department of Military:			
Off-site Emergency Planning and Response	81.502	GG-04-10580-00	\$ 12,500
Total U.S. Department of Military			<u>\$ 12,500</u>
U.S. Department of Education:			
Direct Program:			
Fund for the Improvement of Education	84.215	N/A	\$ 188,303
Passed-through State Department of Education:			
Adult Education - State Grant Program	84.002	Z-05-022191-00	49,970
Title I Grants to Local Educational Agencies	84.010	N/A	1,372,578
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,491,975
Special Education - Preschool Grants	84.173	N/A	86,916
Vocational Education - Basic Grants to States	84.048	N/A	104,308

(Continued)

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

Federal/Pass-through Agency/Program Title	Federal CFDA Number	Pass -through Entity Identifying Number	Expenditures
U.S. Department of Education (Cont.):			
Passed-through State Department of Education (Cont.):			
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	N/A	\$ 74,081
Safe and Drug Free Schools and Communities - State Grants	84.186	(2)	86,153
Assistive Technology	84.224	N/A	35,215
State Grants for Innovative Programs	84.298	N/A	34,566
Education Technology State Grants	84.318	(2)	49,343
Improving Teacher Quality State Grants	84.367	N/A	391,040
Total U.S. Department of Education			\$ 3,964,448
U.S. Department of Labor:			
Passed-through State Department of Labor and Workforce Development:			
Job Opportunities and Basic Skills Training	93.561	Z-05-022286-00	\$ 23,126
Total U.S. Department of Labor			\$ 23,126
U.S. Department of Health and Human Services:			
Direct Program:			
Head Start	93.600	N/A	\$ 2,772,390
Passed-through State Department of Education:			
Temporary Assistance for Needy Families	93.558	(2)	27,438
Total U.S. Department of Health and Human Services			\$ 2,799,828
U.S. Department of Homeland Security:			
Direct Program:			
State Domestic Preparedness Equipment Support Program	97.004	N/A	\$ 52,850 (3)
State Domestic Preparedness Equipment Support Program	97.004	N/A	47,325 (3)
Public Assistance Grants	97.036	N/A	23,433
Emergency Management Performance Grants	97.042	N/A	6,460 (4)
Emergency Management Performance Grants	97.042	N/A	10,826 (4)
Total U.S. Department of Homeland Security			\$ 140,894
Total Expenditures of Federal Awards			\$ 8,664,866
<u>State Grants</u>			
Reappraisal Program - Comptroller of the Treasury	N/A	(2)	\$ 21,844
Juvenile Services Program - State Children's Services Commission	N/A	Z-05-020350-00	16,000
Litter Program - State Department of Transportation	N/A	(2)	49,806
Waste Tire Grant - State Department of Environment and Conservation	N/A	(2)	36,021
Adult Basic Education - State Department of Education	N/A	Z-05-022191-00	13,283
Family Resource - State Department of Education	N/A	(2)	66,600
Incentive Award - State Department of Education	N/A	(2)	5,207

(Continued)

Anderson County, Tennessee

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

Federal/Pass-through Agency/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
<u>State Grants (Cont.)</u>			
Tennessee Industrial Infrastructure Program - State Department of Economic and Community Development	N/A	(2)	\$ 91,949
Health and Welfare Grants - State Department of Health Companion Program - State Department of Education	N/A	(2)	214,166
			56,045
Total State Grants			\$ 362,160

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. 97.004 (State Domestic Preparedness Support Program) from the U.S. Department of Homeland Security was \$100,175.
- (4) - Total for CFDA No. 97.042 (Emergency Management Performance Grants) from the U.S. Department of Homeland Security was \$17,286.

Anderson County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2005

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Comprehensive Annual Financial Report for Anderson County, Tennessee, for the year ended June 30, 2004, which have not been corrected.

OFFICES OF COUNTY MAYOR, DIRECTOR OF ACCOUNTS AND BUDGETS, AND PROBATION

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
04.01	258	The Probation Office had internal control weaknesses

OFFICE OF DIRECTOR OF SCHOOLS

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
04.03	259	Deficiencies were noted in the administration of the School Federal Projects Fund

ANDERSON COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2005

PART I, SUMMARY OF AUDITOR'S RESULTS

1. An unqualified opinion was issued on the financial statements of Anderson County.
2. The audit of the financial statements of Anderson County disclosed reportable conditions in internal control. None of these conditions were considered to be a material weakness.
3. The audit did not disclose any instances of noncompliance that are material to the financial statements of Anderson County.
4. The audit disclosed no reportable conditions in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit did not disclose any findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: the School Breakfast Program, the National School Lunch Program, and the Summer Food Service for Children (CFDA Nos. 10.553, 10.555, and 10.559); and the Title I Grants to Local Educational Agencies (CFDA No. 84.010) were determined to be major programs.
8. A threshold of \$300,000 was used to distinguish between Type A and Type B federal programs.
9. Anderson County did 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 have reviewed these findings and recommendations with management to provide an opportunity for their response. Officials offered oral responses to the findings and recommendations; however, these oral responses have not been included in this report.

OFFICES OF COUNTY MAYOR, DIRECTOR OF ACCOUNTS AND BUDGETS, AND PROBATION

FINDING 05.01 **THE PROBATION OFFICE HAD INTERNAL CONTROL WEAKNESSES**
(Internal Control – Reportable Condition Under Government Auditing Standards)

Our audit of the Probation Office's policies and procedures over the computerized receipting and case management system revealed the following weaknesses:

- A. A monthly list of probationer account balances was not reconciled with monthly transactions. Reconciling the current account balance's list with the previous month's account balances plus receipts and charges of the current month establishes the validity of transactions and account balances.
- B. A sequential identification number was not assigned to each case. Without a sequential case number, it is difficult to determine whether all cases are properly accounted.

RECOMMENDATION

A list of account balances should be printed monthly and reconciled with the previous month's account balances plus receipts and charges for the current month. A sequential identifying number should be assigned to each case to ensure all cases are properly accounted.

OFFICES OF COUNTY MAYOR, DIRECTOR OF ACCOUNTS AND BUDGETS, AND DENTAL CLINIC

FINDING 05.02 **THE OFFICES HAD INTERNAL CONTROL WEAKNESSES ACCOUNTING FOR DENTAL CLINIC COLLECTIONS**
(Internal Control – Reportable Condition Under Government Auditing Standards)

Our audit revealed the following deficiencies in accounting for Dental Clinic collections deposited to the county's General Fund:

- A. The computer software system used by the Dental Clinic did not generate receipts nor were manual receipts issued for collections. Individual customer account statements reflecting payments received were printed if requested by customers. Section 9-2-103, Tennessee Code Annotated (TCA), requires receipts to be issued for all collections.
- B. No chronological record was retained of patients served or procedures performed. Patient sign-in sheets were not retained and purportedly were destroyed on a daily basis due to the clinical personnel's interpretation of HIPPA privacy regulations.
- C. A sequential identification number was not assigned to each transaction on the computer system. Without a sequential case number, it is difficult to determine whether all cases are properly accounted.
- D. Auditors were advised that Dental Clinic personnel were supposed to compare deposit slips with daily collection reports generated by the computer system. However, documentation was not provided to verify that this procedure was performed. Also, the Office of Accounts and Budget's personnel did not request the collection reports and made no attempt to verify collections with revenue posted to the General Fund.
- E. Auditors attempted to reconcile the Dental Clinic revenue account posted to the General Fund with quarterly collection reports on file at the Dental Clinic. However, for the period reviewed, revenue posted to the General Fund exceeded collections reflected on the Dental Clinic quarterly reports. We were informed that an error in the computer software had resulted in a loss of collection data for a portion of the period being reviewed.
- F. Deposit slips did not reflect an itemized listing of checks, money orders, or cash.
- G. Because of the above-noted deficiencies, we could not determine if collections had been deposited within three days as required by Section 5-8-207, TCA.

RECOMMENDATION

Steps should be taken to strengthen internal controls over accounting for collections of the Dental Clinic. Prenumbered receipts should be issued for all collections as required by state statute. Control lists should be retained of services provided and of collections received by assigning a sequential identifying number to each case to ensure all cases are properly accounted. Dental Clinic personnel should reconcile collection reports with deposit slips, and the Office of Accounts and Budgets personnel should reconcile receipts and deposit slips with revenue posted to the General Fund. Deposit slips should be itemized. Collections should be deposited within three days of receipt as required by Section 5-8-207, TCA.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 05.03 **THE SCHOOL FEDERAL PROJECTS FUND HAD A FUND DEFICIT**

(Internal Control – Reportable Condition Under Government Auditing Standards)

The School Federal Projects Fund had a fund deficit of \$72,026 at June 30, 2005. This fund deficit occurred because School Department personnel had not requested reimbursements for grant funds on a timely basis. Also, of the receivables reflected on the general ledger at June 30, 2005, \$35,550 was not received within the department's 60 day availability period after year-end. That amount of the receivable has been deferred on the financial statements of this report, creating a portion of the fund deficit. The School Department plans to request additional reimbursements to liquidate the remaining deficit of \$36,476.

RECOMMENDATION

Management should liquidate the fund deficit in the School Federal Projects Fund. Requests for reimbursements of grant funds should be filed on a timely basis.

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

There were no findings and questioned costs for federal awards.

ANDERSON COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2005

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