

Comprehensive Annual Financial Report

**ANDERSON COUNTY,
TENNESSEE**

For Fiscal Year Ended June 30, 2007



COMPREHENSIVE ANNUAL FINANCIAL REPORT
ANDERSON COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2007

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State Auditors

GAIL COOK, CPA, CGFM
Director of Accounts and Budgets
Anderson County, Tennessee

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

ANDERSON COUNTY, TENNESSEE

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Audit Highlights

Comprehensive Annual Financial Report
Anderson County, Tennessee
For the Year Ended June 30, 2007

Scope

We have audited the basic financial statements of Anderson County as of and for the year ended June 30, 2007.

Results

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

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

Findings

The following are summaries of the audit findings:

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

- ◆ Expenditures exceeded appropriations at the major category level (the legal level of control) in the General, General Purpose School, and Other Education Special Revenue Funds. Also, appropriations exceeded estimated funding in the budget of the Central Cafeteria Fund.

OFFICE OF TRUSTEE

- ◆ The trustee invested funds in an investment type not authorized by state statute.

INTRODUCTORY SECTION



ANDERSON COUNTY GOVERNMENT

GAIL D. COOK, CPA
DIRECTOR OF ACCOUNTS AND BUDGETS

November 16, 2007

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, 2007. 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 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, 2007, 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, 2007, 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 compliance and on internal control over financial reporting 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 statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the 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 73,579.

The county has operated under a County Mayor – County Commission form of government since September 1, 1980. Policymaking and legislative authority are 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 implementing 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 appropriations 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 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 section 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 59 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 Battelle, and Bechtel Jacobs Company, LLC.

BWXT-Y12 and UT Battelle, with combined employment of over 8,600, 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, David Jones, 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 14 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 40 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 continues 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 I-75.

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 40 percent of our population is in the prime labor work force age group of 25 to 54. 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 participates in a public entity risk pool for general liability, property, and casualty insurance. 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, obligations of the U.S. government, and the State of Tennessee Local Government Investment Pool. Investments were also held in mutual funds at June 30, 2007, but have subsequently been reinvested in certificates of deposit.

The county's investment practice 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 majority of investments held by the county and the board at June 30, 2007, were 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 Acknowledgments

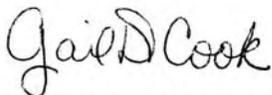
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Anderson County Government for its comprehensive annual financial report for the fiscal year ended June 30, 2006. This was the eleventh consecutive year that the government has achieved this prestigious award. 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 requirements.

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.

Acknowledgments. 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, 2006

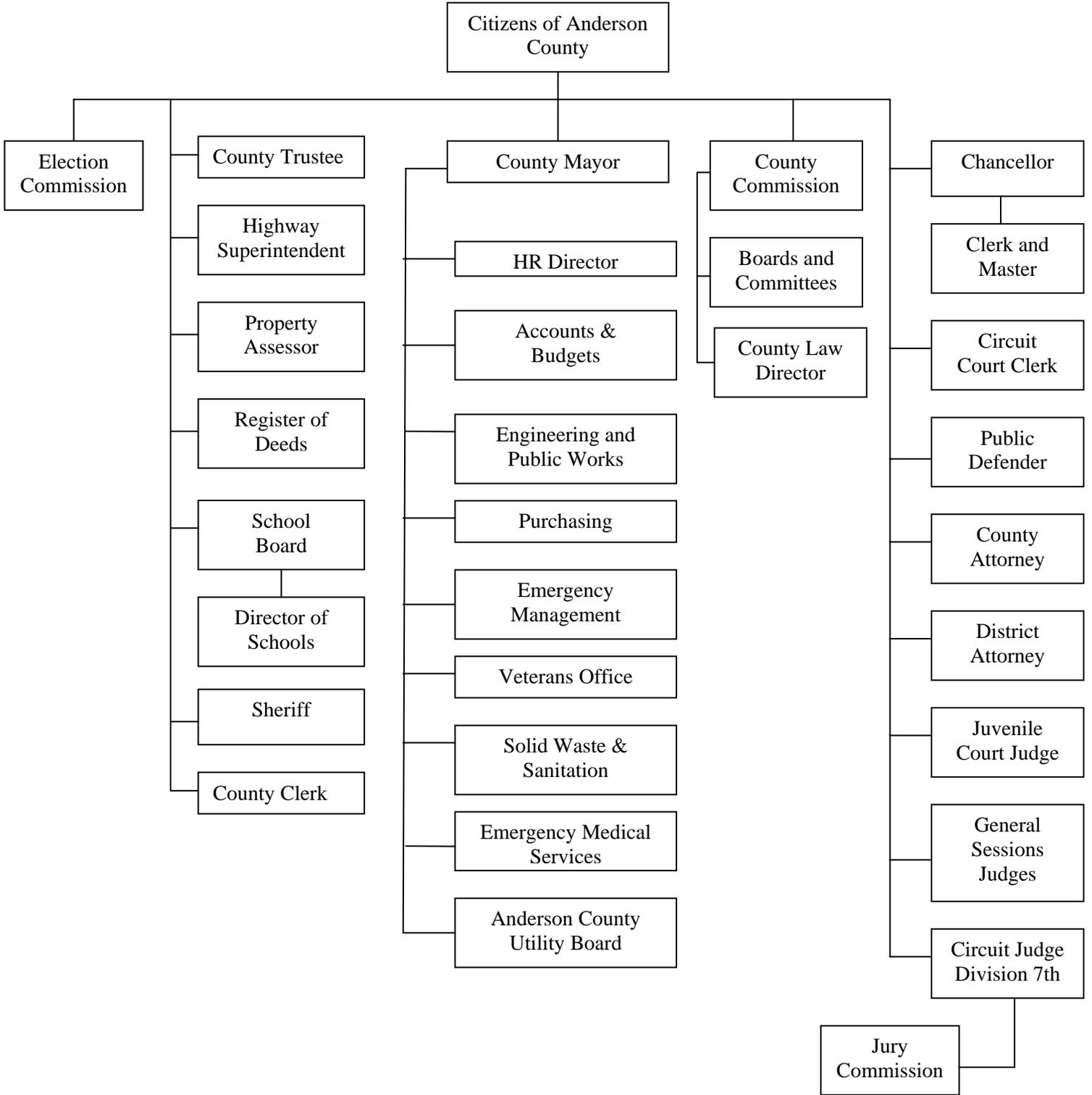
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

**Anderson County, Tennessee
Organization Chart**



Anderson County Officials
June 30, 2007

Officials

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

Board of County Commissioners

Myron Iwanski, Chairman	Chuck Fritts
Murrell Albright	Scott Gillenwaters
Mark Alderson	Warren Haun
John Alley	Whitey Hitchcock
Robin Biloski	Robert McKamey
David Bolling	John Shuey
James Cox	Tracy Wandell
Jerry Creasey	Jerry White

Board of Education

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

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

November 16, 2007

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, 2007, 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 1.2 percent and .6 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, 2007, 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 November 16, 2007, 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.

The management's discussion and analysis on pages 21 through 35, and the budgetary comparison information and pension plan information on pages 103 through 109 are not required parts 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, 2007**

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, 2007. 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 2007

The following are key financial highlights:

- The assets of the Anderson County primary government were more than its liabilities at year-end 2007 by \$14,005,035 (net assets). The county's process of issuing debt on behalf of the DPCU School Department results in reduced net assets. 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 \$30,334,949 in DPCU School Department bonds and loans payable, net of notes receivable of \$9,521,505, then the county would have net assets of \$34,818,479, significantly higher than the \$14,005,035 reported.

- General revenues of the primary government accounted for \$20.9 million in revenue or 55 percent of all revenues. Program specific revenues in the form of charges for services, grants, and contributions accounted for \$17.2 million or 45 percent of total revenues of \$38.1 million. General revenues of the DPCU School Department were \$46.9 million.

- Total assets of governmental activities in the primary government were \$60.7 million as net property taxes receivable ended at \$13.7 million and cash and investments ended at \$12.4 million. Total assets in the DPCU School Department were \$61.4 million as net property taxes receivable ended at \$13.3 million and cash and investments ended at \$4 million.
- The primary government had \$32.4 million in expenses with \$17.2 million of these expenses offset by program specific charges for services, grants, and contributions. General revenues, which consisted primarily of property taxes of \$13.1 million, were adequate to provide current funding for these programs. The DPCU School Department had \$57.6 million in expenses related to governmental activities with \$9.4 million of these expenses offset by program specific charges for services, grants, and contributions. General revenues of the DPCU School Department, which consisted primarily of grants, contributions, property taxes, and sales taxes of \$27, \$12.7, and \$6.7 million, respectively, were adequate to provide current funding for these programs.
- At 2007 year-end, the county's governmental funds reported combined ending fund balances of \$21,251,768, an increase of \$3,494,967. Of the total fund balances, \$11,197,567 is unreserved and available for ongoing operations.
- At June 30, 2007, the unreserved General Fund balance was \$7,019,488 or 31.7 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.
- At 2007 year-end, the DPCU School Department's governmental funds reported combined ending fund balances of \$4,027,641, a decrease of \$52,510. Of the total fund balances, \$3,029,195 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 and DPCU School Department officials, organization chart, and letter of transmittal.

Financial Section. This section includes the unqualified opinion of the county's and DPCU 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 consist 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 DPCU 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 the DPCU School Department is improving or deteriorating.

The statement of activities presents information showing how the county's and the 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 the 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 the 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, proprietary, and fiduciary.

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, Highway/Public Works 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 eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor 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 is considered a major fund with the remaining four 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 budgets, budgetary comparison statements have been provided for the General Fund and Highway/Public Works Fund as Exhibits F-1 and F-2, respectively. Budgetary comparison statements for the county's nonmajor budgeted funds, debt service funds, and 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 accounting devices used to accumulate and allocate costs internally among the county’s various functions. The county uses an internal service fund to account for 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, which are combined into Agency Funds on the Fiduciary Funds’ financial statements and an Other Employee Benefit Trust Fund (Flexible Benefit 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 section includes selected historical financial data and is presented on a ten-year basis if available and is unaudited.

Single Audit Section. This section 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 the 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 \$14 million and the DPCU School Department had net assets of \$35.1 million. This is due to the county's process of issuing debt on behalf of the DPCU School Department for building construction and improvements. The DPCU School Department owns the capital assets, but the county is obligated to pay the debt.

At year-end 2007, the county's and the DPCU School Department's statement of net assets consisted of the following:

ANDERSON COUNTY
STATEMENT OF NET ASSETS

	Anderson County Government	
	2007	2006
Assets		
Cash, Inventories, and Investments	\$ 12,445,613	\$ 10,723,077
Receivables - Net	17,148,479	15,975,936
Notes Receivables - Long-term	9,521,505	7,043,623
Prepaid Items and Other	316,951	434,892
Capital Assets - Net	21,226,509	18,159,616
Total Assets	<u>\$ 60,659,057</u>	<u>\$ 52,337,144</u>
Liabilities		
Current Liabilities	\$ 16,318,215	\$ 14,983,223
Noncurrent Liabilities	42,321,551	41,118,178
Total Liabilities	<u>\$ 58,639,766</u>	<u>\$ 56,101,401</u>
Net Assets (Deficit)		
Invested in Capital Assets, Net of Related Debt	\$ 9,187,426	\$ 7,485,543
Restricted	2,824,711	3,124,549
Unrestricted	<u>(9,992,846)</u>	<u>(14,374,348)</u>
Total Net Assets (Deficit)	<u>\$ 2,019,291</u>	<u>\$ (3,764,256)</u>

ANDERSON COUNTY
STATEMENT OF NET ASSETS

	DPCU School Department	
	2007	2006
Assets		
Cash, Inventories, and Investments	\$ 4,041,284	\$ 4,186,436
Receivables - Net	15,686,775	14,781,782
Prepaid Items and Other	89,892	92,050
Capital Assets - Net	41,580,059	40,888,798
Total Assets	\$ 61,398,010	\$ 59,949,066
Liabilities		
Current Liabilities	\$ 14,792,313	\$ 14,142,919
Noncurrent Liabilities	11,519,984	9,333,557
Total Liabilities	\$ 26,312,297	\$ 23,476,476
Net Assets		
Invested in Capital Assets, Net of Related Debt	\$ 30,581,080	\$ 31,808,549
Restricted	998,108	1,304,439
Unrestricted	3,506,525	3,359,602
Total Net Assets	\$ 35,085,713	\$ 36,472,590

ANDERSON COUNTY
STATEMENT OF NET ASSETS

	Business-type Activities	
	2007	2006
Assets		
Cash and Investments	\$ 1,222,415	\$ 1,351,269
Receivables - Net	291,824	161,390
Capital Assets - Net	11,695,012	11,937,213
Total Assets	\$ 13,209,251	\$ 13,449,872
Liabilities		
Current Liabilities	\$ 120,752	\$ 224,801
Noncurrent Liabilities	1,102,755	1,187,475
Total Liabilities	\$ 1,223,507	\$ 1,412,276

ANDERSON COUNTY
STATEMENT OF NET ASSETS (Cont.)

	Business-type Activities	
	2007	2006
Net Assets		
Invested in Capital Assets, Net of Related Debt	\$ 10,592,256	\$ 10,749,737
Unrestricted	1,393,488	1,287,859
Total Net Assets	\$ 11,985,744	\$ 12,037,596

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 2007, net assets changed in the county, DPCU School Department, and ACUB due to the following:

ANDERSON COUNTY
STATEMENT OF ACTIVITIES

	Anderson County Government	
	2007	2006
Revenues		
Program Revenues:		
Charges for Services	\$ 11,161,142	\$ 10,280,327
Operating Grants and Contributions	2,852,540	2,643,078
Capital Grants and Contributions	897,373	2,087,387
General Revenues:		
Local Taxes	16,086,779	15,104,151
State and Federal - Unrestricted	4,140,252	3,538,483
Investment Income	559,351	504,488
Miscellaneous	70,568	58,769
Other	0	96,514
Total Revenues	\$ 35,768,005	\$ 34,313,197

ANDERSON COUNTY
STATEMENT OF ACTIVITIES (Cont.)

	Anderson County Government	
	2007	2006
Expenses		
General Government	\$ 3,382,567	\$ 3,625,905
Finance	2,500,844	2,289,764
Administration of Justice	2,354,901	2,499,792
Public Safety	7,634,445	7,265,640
Public Health and Welfare	5,847,219	5,700,376
Social, Cultural, and Recreation	395,711	305,178
Agriculture and Natural Resources	259,270	256,550
Other Operations	1,168,858	1,101,170
Highways	4,355,441	3,315,744
Education	0	103,464
Interest and Other Debt Service Costs	2,050,201	1,989,750
Total Expenses	\$ 29,949,457	\$ 28,453,333
Increase (Decrease) in Net Assets before Transfers	\$ 5,818,548	\$ 5,859,864
Transfers (To)/From Business Activities	(35,000)	39,890
Increase (Decrease) in Net Assets	\$ 5,783,548	\$ 5,899,754
Net Assets (Deficit), Beginning of Year	(3,764,257)	(9,664,011)
Net Assets (Deficit), End of Year	\$ 2,019,291	\$ (3,764,257)

ANDERSON COUNTY
STATEMENT OF ACTIVITIES

	DPCU School Department	
	2007	2006
Revenues		
Program Revenues:		
Charges for Services	\$ 1,517,288	\$ 1,568,620
Operating Grants and Contributions	7,862,213	7,932,888
Capital Grants and Contributions	0	103,464
General Revenues:		
Local Taxes	19,611,216	18,087,128
State and Federal - Unrestricted	27,033,256	25,889,909
Investment Income	172,396	223,692
Miscellaneous	45,279	90,433
Total Revenues	\$ 56,241,648	\$ 53,896,134

ANDERSON COUNTY
STATEMENT OF ACTIVITIES (Cont.)

	DPCU School Department	
	2007	2006
Expenses		
Education	\$ 57,628,525	\$ 54,791,753
Total Expenses	\$ 57,628,525	\$ 54,791,753
Increase (Decrease) in Net Assets	\$ (1,386,877)	\$ (895,619)
Net Assets, Beginning of Year	36,472,590	37,368,209
Net Assets, End of Year	\$ 35,085,713	\$ 36,472,590

ANDERSON COUNTY
STATEMENT OF ACTIVITIES

	Business-type Activities	
	2007	2006
Revenues		
Program Revenues:		
Charges for Services	\$ 2,279,290	\$ 1,967,035
Capital Grants and Contributions	0	940,801
General Revenues:		
Investment Income	36,280	14,288
Total Revenues	\$ 2,315,570	\$ 2,922,124
Expenses		
Public Utilities	\$ 2,402,422	\$ 2,238,689
Total Expenses	\$ 2,402,422	\$ 2,238,689
Increase (Decrease) in Net Assets before Transfers	\$ (86,852)	\$ 683,435
Transfers From/(To) Governmental Activities	35,000	(39,890)
Increase (Decrease) in Net Assets	\$ (51,852)	\$ 643,545
Net Assets, Beginning of Year	12,037,596	11,394,051
Net Assets, End of Year	\$ 11,985,744	\$ 12,037,596

Governmental Activities. Governmental type activities provided by the county are primarily public safety - 25 percent, public health and welfare - 20 percent, and highways - 15 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 consists primarily of property, local option sales taxes, business taxes - 45 percent, and charges for services - 31 percent. The DPCU School Department's main source of funding is provided by state and federal funding - 48 percent and local taxes which consists of property and local option sales taxes - 35 percent.

Business-Type Activities (BTA). The BTA of the county is water and wastewater services provided by the ACUB Public Utility Fund which serves 4,427 customers in the rural areas of the county. Approximately 98 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, 2007, totals \$21.2 million (net of accumulated depreciation). This investment in capital assets includes land, building and improvements, equipment, roads, bridges, and construction in progress. The DPCU School Department's investment in capital assets for its governmental activities as of June 30, 2007, totals \$41.6 million (net of accumulated depreciation).

Note IV.C. (Capital Assets) provides capital asset activity during the 2007 fiscal year. During 2007, the county added several capital assets including seven vehicles for the Sheriff's Department, three new ambulances, a jail van, renovation on the Heath Department, and continuation of construction on the jail addition. The DPCU School Department completed several capital projects. These include renovations at Clinton High School, Anderson County High School, Norwood Middle School, Claxton Elementary School, Lake City Elementary School, Lake City Middle School, Norris Elementary School, Grand Oaks Elementary School, Briceville Elementary School, and Norris Middle School.

Long-Term Debt. At the end of the 2007 fiscal year, the county had total general obligation bonds, loans payable, and capital outlay notes outstanding of \$42.3 million. The county also drew an additional \$2,856,344 of the \$3 million in other loans issued in fiscal year 2006 to finance the renovation of the jail. The county drew an additional \$2,643,632 of the \$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 2007 fiscal year of \$11.2 million. The outstanding School Department debt includes a note payable to the primary government of \$9.5 million.

The total outstanding debt at the end of fiscal year 2007 for ACUB is \$1.1 million. ACUB did not issue any new debt during fiscal year 2007.

In addition to the above debt, county long-term obligations include compensated absences and other long-term liabilities. Additional 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.

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 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 2007, the county's governmental funds reported combined ending fund balances of \$21.3 million, an increase of \$3.4 million when compared to year-end 2006. Approximately \$11.2 million in unreserved fund balances is available for future appropriations. The reserved fund balances of \$10.1 million at June 30, 2007, are for unexpended restricted revenues and reserves for inventories, notes receivable long-term, and encumbrances.

The county's main operating fund is the General Fund. At year-end 2007, total fund balances were \$7,344,067, with unreserved totaling \$7,019,488. The unreserved fund balance represents 32 percent of total General Fund expenditures during 2007. The General Fund's fund balance increased by \$1,778,809 during 2007 primarily due to revenues increasing 15.8 percent while expenditures increased only 11.3 percent. The increased revenues were mainly due to an increase of over 12 percent in local taxes and an increase in fees received from county officials of over 172 percent. The fee increase was due to all fees being turned over to the county instead of the prior practice of receiving only excess fees above salary expenditures. The lower rate of increase in expenditures is reflective of the continuing fiscally responsible spending of all departments.

The Highway/Public Works Fund continues to struggle with adequate current revenues not being provided to cover the costs of maintaining the county's roads. The Highway/Public Works Fund's fund balance decreased again this year by \$411,589 ending with a balance of \$784,623.

The General Debt Service Fund continues to increase its fund balance steadily, with fiscal year 2007 increasing by \$122,911. This increase brings the fund balance total to \$1,108,701. This balance represents 47 percent of the current year's payments for non-educational debt service. The county strives to fund capital outlay needs from operating revenues and reserved fund balances, thus minimizing the issuance of new debt.

The Rural Debt Service Fund and the Education Debt Service Fund report all bonds and other loans payments for elementary and high school education. Both funds continued their steady growth with increases in fund balances of \$977,251 and \$1,548,966, respectively.

The Rural Debt Service Fund balance at year end was \$6,147,977 and the Education Debt Service Fund balance was \$5,313,473. These increases are mainly due to the continued growth in the county's property tax base while maintaining a conservative approach to the issuance of new debt.

At 2007 year-end, the DPCU School Department's governmental funds reported combined ending fund balances of \$4 million, which is the same amount as year-end 2006. Approximately \$2.6 million is unreserved and available for future needs. The reserved fund balances of \$998,446 are for encumbrances and various state and federal programs.

The DPCU School Department's main operating fund is the General Purpose School Fund. At year-end 2007, total fund balances were \$3,082,303, with unreserved of \$2,643,977. The General Purpose School Fund's balance decreased by \$45,339 during fiscal year 2007. The unreserved fund balance represents 5.6 percent of total expenditures for 2007.

The General Purpose School Fund budgetary comparison schedule can be found as Exhibit J-8 in the combining and individual fund financial statements and schedules.

Proprietary Funds. The county's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The unrestricted net assets and its percent to total net assets of each proprietary fund is as follows:

• ACUB Public Utility Fund (Enterprise Fund)	\$1,393,488	11.6%
• Employee Health Insurance Fund (Internal Service Fund)	318,674	100%

The ACUB Public Utility Fund's net assets decreased by \$51,852 during 2007. This decrease was primarily a result of a current year operating loss of \$67,435 in which revenues were not sufficient to support current year operating expenses of \$2,346,725, which includes depreciation of \$488,621. The ACUB Public Utility Fund had net assets of \$10.6 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 \$318,674 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 \$2,790,246.

The following are the primary components of the increase:

- General Government's increase of \$496,422 consisted mainly of \$230,000 to renovate county buildings, \$50,000 for work on a landfill remediation project, and \$50,000 for additional administrative expenditures.
- Finance's increase of \$160,137 consisted mainly of payments for personal property audits conducted by the property assessor.
- Public Safety's increase of \$823,325 consisted mainly of \$345,000 in medical costs for jail inmates and \$336,807 of federal grants received for emergency management.
- Public Health's increase of \$275,447 consisted mainly of \$201,260 for the purchase of additional ambulance equipment.
- Agriculture and Natural Resources' increases of \$83,756 consisted mainly of budgeting for the Coal Creek Watershed Assessments project.
- Other Operations' increase of \$343,971 consisted mainly of \$273,106 for a Workforce Development Program.
- Capital Project's increase of \$486,766 consisted mainly of \$592,243 of water-line construction, \$148,523 for renovation of the Health Department facility, and a reduction of \$471,000 for various courthouse improvement projects.

The increases were funded mainly with additional anticipated revenues and designated or reserved fund balances. The majority of the additional anticipated revenues were state and federal grants.

Actual General Fund revenues exceeded final budgeted revenues by \$1,332,823. The key factors for this were increased collections for ambulances charges, increased fees received from county officials, additional investment income, and increases in various local taxes received.

Actual General Fund expenditures (including transfers) were lower than final budgeted expenditures by \$3,365,874. This variance was largely due to budgeted grant expenditures carrying forward to the next fiscal year and various capital projects not being completed in the current fiscal year.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

During the preparation of the FY 2008 budget, the following major assumptions were used:

- Assessed property values, the basis of property tax revenues, will increase by three percent.
- Salaries and wages for employees will increase by three percent.
- Health benefit costs will increase by ten percent and dental benefit costs will increase by 13.5 percent.

- During 2007, the General Fund unreserved fund balance increased by \$1,733,371 to \$7,019,488. The county appropriated \$894,148 of the unreserved fund balance in the fiscal year 2008 budget with \$663,130 for capital projects and approximately \$230,000 for additional jailer positions.
- For the past two decades, the county has used lending institutions for short-term financing by issuing tax anticipation notes to finance operations until property tax revenues were received. The majority of tax revenue is received between the months of October and February of each fiscal year. Due to the solid financial position the county currently has, fiscal year 2008 will be the second year that short-term financing can be provided by the use of interfund tax anticipation notes without having to use lending institutions. This will result in a continued savings in interest on notes.

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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Director of Accounts and Budgets
Anderson County, Tennessee
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BASIC FINANCIAL STATEMENTS

Exhibit A

Anderson County, Tennessee
Statement of Net Assets
June 30, 2007

	Primary Government			Component Units	
	Governmental	Business-type	Total	Anderson	Emergency
	Activities	Activities		School	Communica-
				tions	
				Department	District
<u>ASSETS</u>					
Cash	\$ 246,374	\$ 900	\$ 247,274	\$ 10,234	\$ 385,226
Equity in Pooled Cash and Investments	12,167,316	858,310	13,025,626	3,952,282	0
Inventories	14,528	0	14,528	78,768	0
Investments	17,395	0	17,395	0	0
Accounts Receivable	2,797,636	344,626	3,142,262	60,147	29,577
Allowance for Uncollectibles	(485,063)	(86,561)	(571,624)	0	0
Due from Other Governments	1,115,371	1,579	1,116,950	1,703,326	0
Internal Balances	(32,180)	32,180	0	0	0
Due from Primary Government	0	0	0	609,378	0
Due from Component Units	14,956	0	14,956	0	0
Property Taxes Receivable	14,199,182	0	14,199,182	13,761,048	0
Allowance for Uncollectible Property Taxes	(461,423)	0	(461,423)	(447,124)	0
Prepaid Items	0	0	0	89,892	2,690
Note Receivable - Long-term	9,521,505	0	9,521,505	0	0
Restricted Assets:					
Revenue Bond Future Debt Service Account	0	363,205	363,205	0	0
Unamortized Debt Issuance Cost	316,951	0	316,951	0	0
Capital Assets					
Assets Not Depreciated:					
Land	1,414,288	124,149	1,538,437	636,889	0
Construction in Progress	3,490,140	120,830	3,610,970	547,295	0
Assets Net of Accumulated Depreciation:					
Buildings and Improvements	8,551,927	0	8,551,927	39,448,758	0
Water and Sewer Facilities	0	11,450,033	11,450,033	0	0
Other Capital Assets	3,032,926	0	3,032,926	947,117	342,444
Infrastructure - Roads, Streets, and Bridges	4,737,228	0	4,737,228	0	0
Total Assets	\$ 60,659,057	\$ 13,209,251	\$ 73,868,308	\$ 61,398,010	\$ 759,937

(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-
				tions	District
<u>LIABILITIES</u>					
Accounts Payable	\$ 799,892	\$ 15,277	\$ 815,169	\$ 946,269	\$ 0
Accrued Payroll	223,510	12,028	235,538	0	0
Accrued Interest Payable	239,436	0	239,436	22,738	0
Payroll Deductions Payable	327,627	13,863	341,490	616,453	0
Contracts Payable	152,909	0	152,909	263,076	0
Retainage Payable	304,714	0	304,714	39,845	0
Due to Primary Government	0	0	0	14,956	0
Due to Component Units	609,378	0	609,378	0	0
Due to State of Tennessee	1,032	14,317	15,349	4,132	0
Unearned Revenue - Current Property Taxes	13,287,787	0	13,287,787	12,884,131	0
Other Current Liabilities	371,930	65,267	437,197	713	0
Noncurrent Liabilities:					
Due Within One Year	4,782,985	80,032	4,863,017	696,331	0
Due in More Than One Year (net of deferred amount on refunding)	37,538,566	1,022,723	38,561,289	10,823,653	0
Total Liabilities	\$ 58,639,766	\$ 1,223,507	\$ 59,863,273	\$ 26,312,297	\$ 0
<u>NET ASSETS</u>					
Invested in Capital Assets, net of related debt	\$ 9,187,426	\$ 10,592,256	\$ 19,779,682	\$ 30,581,080	\$ 0
Invested in Capital Assets	0	0	0	0	342,444
Restricted for:					
Highway	971,846	0	971,846	0	0
Debt Service	1,084,976	0	1,084,976	0	0
Courthouse and Jail	57,551	0	57,551	0	0
Public Library	109,136	0	109,136	0	0
Solid Waste	198,665	0	198,665	0	0
Drug Control	99,497	0	99,497	0	0

(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-
				tions	
				Department	District
<u>NET ASSETS (CONT.)</u>					
Restricted for (Cont.):					
State and Federal Educational Assistance Programs	\$ 0	\$ 0	\$ 0	\$ 998,108	\$ 0
Other Purposes	303,040	0	303,040	0	0
Unrestricted	(9,992,846)	1,393,488	(8,599,358)	3,506,525	417,493
Total Net Assets	\$ 2,019,291	\$ 11,985,744	\$ 14,005,035	\$ 35,085,713	\$ 759,937

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, 2007

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets									
	Program Revenues					Primary Government			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Anderson County School Department	Emergency Communications District	
Primary Government:										
Governmental Activities:										
General Government	\$ 3,382,567	\$ 1,211,133	\$ 16,830	\$ 0	\$ (2,154,604)	\$ 0	\$ (2,154,604)	\$ 0	\$ 0	
Finance	2,500,844	1,972,724	22,198	0	(505,922)	0	(505,922)	0	0	
Administration of Justice	2,354,901	1,835,139	19,950	9,000	(490,812)	0	(490,812)	0	0	
Public Safety	7,634,445	502,858	75,335	314,148	(6,742,104)	0	(6,742,104)	0	0	
Public Health and Welfare	5,847,219	4,832,207	573,696	197,145	(244,171)	0	(244,171)	0	0	
Social, Cultural, and Recreational Services	395,711	61,976	110,918	0	(222,817)	0	(222,817)	0	0	
Agriculture and Natural Resources	259,270	0	0	500	(258,770)	0	(258,770)	0	0	
Other Operations	1,168,858	0	0	0	(1,168,858)	0	(1,168,858)	0	0	
Highways	4,355,441	406,180	2,033,613	376,580	(1,539,068)	0	(1,539,068)	0	0	
Debt Service:										
Interest on Long-term Debt	1,787,493	338,925	0	0	(1,448,568)	0	(1,448,568)	0	0	
Other Debt Service	262,708	0	0	0	(262,708)	0	(262,708)	0	0	
Total Governmental Activities	\$ 29,949,457	\$ 11,161,142	\$ 2,852,540	\$ 897,373	\$ (\$15,038,402)	\$ 0	\$ (15,038,402)	\$ 0	\$ 0	
Business-type Activities:										
Water and Sewer	\$ 2,402,422	\$ 2,279,290	\$ 0	\$ 0	\$ 0	\$ (123,132)	\$ (123,132)	\$ 0	\$ 0	
Total Business-type Activities	\$ 2,402,422	\$ 2,279,290	\$ 0	\$ 0	\$ 0	\$ (123,132)	\$ (123,132)	\$ 0	\$ 0	
Total Primary Government	\$ 32,351,879	\$ 13,440,432	\$ 2,852,540	\$ 897,373	\$ (15,038,402)	\$ (123,132)	\$ (15,161,534)	\$ 0	\$ 0	
Component Units:										
Anderson County School Department	\$ 57,628,525	\$ 1,517,288	\$ 7,862,213	\$ 0	\$ 0	\$ 0	\$ 0	\$ (48,249,024)	\$ 0	
Emergency Communications District	228,188	241,660	0	104,081	0	0	0	0	117,553	
Total Component Units	\$ 57,856,713	\$ 1,758,948	\$ 7,862,213	\$ 104,081	\$ 0	\$ 0	\$ 0	\$ (48,249,024)	\$ 117,553	

(Continued)

Exhibit B

Anderson County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets							Component Units	
	Expenses	Program Revenues			Primary Government			Anderson	Emergency
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	School Department	Communications District
General Revenues:									
Property Taxes Levied for General Purposes				\$ 9,734,990	\$ 0	\$ 9,734,990	\$ 12,705,228	\$ 0	
Property Taxes Levied for Debt Service				3,382,950	0	3,382,950	0	0	
Local Option Sales Taxes				985,038	0	985,038	6,709,874	0	
Other Local Taxes				1,983,801	0	1,983,801	196,114	0	
Grants and Contributions Not Restricted to Specific Programs				4,140,252	0	4,140,252	27,033,256	0	
Unrestricted Investment Income				559,351	36,280	595,631	172,396	3,629	
Miscellaneous				70,568	0	70,568	45,279	0	
Total General Revenues				\$ 20,856,950	\$ 36,280	\$ 20,893,230	\$ 46,862,147	\$ 3,629	
Transfers				\$ (35,000)	\$ 35,000	\$ 0	\$ 0	\$ 0	
Change in Net Assets				\$ 5,783,548	\$ (51,852)	\$ 5,731,696	\$ (1,386,877)	\$ 121,182	
Net Assets, July 1, 2006				(3,764,257)	12,037,596	8,273,339	36,472,590	638,755	
Net Assets, June 30, 2007				\$ 2,019,291	\$ 11,985,744	\$ 14,005,035	\$ 35,085,713	\$ 759,937	

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, 2007

	Major Funds					Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Rural Debt Service	Education Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>							
Cash	\$ 37,785	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,841	\$ 42,626
Equity in Pooled Cash and Investments	7,474,841	782,634	1,652,445	385,183	1,446,211	426,002	12,167,316
Inventories	5,564	8,964	0	0	0	0	14,528
Accounts Receivable	1,898,557	10,175	79,712	370,648	83,454	174,161	2,616,707
Allowance for Uncollectibles	(485,063)	0	0	0	0	0	(485,063)
Due from Other Governments	417,466	688,798	799	0	0	8,308	1,115,371
Due from Other Funds	358,025	33,380	0	83,838	82,429	496,360	1,054,032
Due from Component Units	55	4,622	0	0	0	10,279	14,956
Property Taxes Receivable	10,548,962	0	2,569,618	53,788	1,026,814	0	14,199,182
Allowance for Uncollectible Property Taxes	(342,757)	0	(83,492)	(1,750)	(33,424)	0	(461,423)
Notes Receivable - Long-Term	0	0	0	5,679,905	3,841,600	0	9,521,505
Total Assets	\$ 19,913,435	\$ 1,528,573	\$ 4,219,082	\$ 6,571,612	\$ 6,447,084	\$ 1,119,951	\$ 39,799,737
<u>LIABILITIES AND FUND BALANCES</u>							
<u>Liabilities</u>							
Accounts Payable	\$ 241,468	\$ 462,638	\$ 1,450	\$ 1,250	\$ 1,250	\$ 91,836	\$ 799,892
Accrued Payroll	197,507	16,428	0	0	0	9,575	223,510
Payroll Deductions Payable	292,001	28,710	0	0	0	6,916	327,627
Contracts Payable	1,240	8,960	0	0	0	142,709	152,909
Retainage Payable	0	0	0	0	0	304,714	304,714
Due to Other Funds	544,457	73	476,928	0	60,000	4,754	1,086,212
Due to Component Units	0	0	155,276	370,648	83,454	0	609,378
Due to State of Tennessee	1,032	0	0	0	0	0	1,032
Other Current Liabilities	284,079	0	0	0	0	0	284,079
Deferred Revenue - Current Property Taxes	9,876,732	0	2,405,870	49,459	955,726	0	13,287,787
Deferred Revenue - Delinquent Property Taxes	290,889	0	70,857	2,278	33,181	0	397,205
Other Deferred Revenues	835,510	227,141	0	0	0	6,520	1,069,171
Health Insurance Payments	4,453	0	0	0	0	0	4,453
Total Liabilities	\$ 12,569,368	\$ 743,950	\$ 3,110,381	\$ 423,635	\$ 1,133,611	\$ 567,024	\$ 18,547,969

(Continued)

Exhibit C-1

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

	Major Funds					Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Rural Debt Service	Education Debt Service	Other Govern- mental Funds	
<u>LIABILITIES AND FUND BALANCES (Cont.)</u>							
<u>Fund Balances</u>							
Reserved for Encumbrances	\$ 113,382	\$ 0	\$ 0	\$ 0	\$ 0	\$ 190,806	\$ 304,188
Reserved for Alcohol and Drug Treatment	40,124	0	0	0	0	0	40,124
Reserved for Litigation Tax - Office of Public Defender	52,621	0	0	0	0	0	52,621
Reserved for Drug Court	8,832	0	0	0	0	0	8,832
Reserved for Sexual Offender Registration	4,795	0	0	0	0	0	4,795
Reserved for Courtroom Security	2,833	0	0	0	0	0	2,833
Reserved for Automation Purposes - General Sessions Court	22,261	0	0	0	0	0	22,261
Reserved for Automation Purposes - Sheriff	14,913	0	0	0	0	0	14,913
Reserved for Inventory	5,564	8,964	0	0	0	0	14,528
Reserved for Long-Term Notes Receivable	0	0	0	5,679,905	3,841,600	0	9,521,505
Reserved for Other General Purposes	59,254	0	0	0	0	8,347	67,601
Unreserved, Reported In:							
General Fund	7,019,488	0	0	0	0	0	7,019,488
Special Revenue Funds	0	775,659	0	0	0	544,580	1,320,239
Debt Service Funds	0	0	1,108,701	468,072	1,471,873	0	3,048,646
Capital Projects Funds (Deficit)	0	0	0	0	0	(190,806)	(190,806)
Total Fund Balances	\$ 7,344,067	\$ 784,623	\$ 1,108,701	\$ 6,147,977	\$ 5,313,473	\$ 552,927	\$ 21,251,768
Total Liabilities and Fund Balances	\$ 19,913,435	\$ 1,528,573	\$ 4,219,082	\$ 6,571,612	\$ 6,447,084	\$ 1,119,951	\$ 39,799,737

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

Exhibit C-2

Anderson County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
June 30, 2007

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)		\$ 21,251,768
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,414,288	
Add: construction in progress	3,490,140	
Add: infrastructure net of accumulated depreciation	4,737,228	
Add: buildings and improvements net of accumulated depreciation	8,551,927	
Add: other capital assets net of accumulated depreciation	<u>3,032,926</u>	21,226,509
(2) 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.		318,674
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: notes payable	\$ (335,000)	
Less: other loans payable	(22,281,743)	
Less: bonds payable	(19,677,206)	
Add: deferred amount on refunding	590,609	
Add: deferred charges - debt issuance costs	316,951	
Less: compensated absences payable	(618,211)	
Less: accrued interest on bonds, notes, and other loans	<u>(239,436)</u>	(42,244,036)
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>1,466,376</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 2,019,291</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, 2007

	Major Funds					Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Rural Debt Service	Education Debt Service	Other Govern- mental Funds	
Revenues							
Local Taxes	\$ 13,444,772	\$ 558,721	\$ 2,417,078	\$ 50,116	\$ 959,290	\$ 23,397	\$ 17,453,374
Licenses and Permits	435,207	0	0	0	0	0	435,207
Fines, Forfeitures, and Penalties	389,020	0	0	0	0	83,509	472,529
Charges for Current Services	4,527,861	20,000	0	0	0	436,508	4,984,369
Other Local Revenues	778,897	386,209	81,076	291,348	153,844	56,153	1,747,527
Fees Received from County Officials	3,693,734	0	0	0	0	0	3,693,734
State of Tennessee	1,195,485	2,389,160	0	0	0	102,297	3,686,942
Federal Government	627,549	11,936	0	0	0	2,759	642,244
Other Governments and Citizens Groups	111,055	0	0	1,316,467	840,213	114,916	2,382,651
Total Revenues	\$ 25,203,580	\$ 3,366,026	\$ 2,498,154	\$ 1,657,931	\$ 1,953,347	\$ 819,539	\$ 35,498,577
Expenditures							
Current:							
General Government	\$ 3,092,260	\$ 0	\$ 0	\$ 0	\$ 0	\$ 198,494	\$ 3,290,754
Finance	2,495,518	0	0	0	0	0	2,495,518
Administration of Justice	2,328,670	0	0	0	0	26,517	2,355,187
Public Safety	7,706,466	0	0	0	0	103,044	7,809,510
Public Health and Welfare	4,399,627	0	0	0	0	1,343,006	5,742,633
Social, Cultural, and Recreational Services	3,000	0	0	0	0	315,068	318,068
Agriculture and Natural Resources	257,428	0	0	0	0	0	257,428
Other Operations	1,064,226	0	0	0	0	93,287	1,157,513
Highways	0	3,897,183	0	0	0	0	3,897,183
Debt Service:							
Principal on Debt	0	0	1,732,666	1,089,818	1,377,797	15,000	4,215,281
Interest on Debt	0	0	465,880	633,338	599,177	2,404	1,700,799
Other Debt Service	0	0	176,697	14,206	30,487	0	221,390
Capital Projects	770,736	0	0	0	0	3,178,270	3,949,006
Total Expenditures	\$ 22,117,931	\$ 3,897,183	\$ 2,375,243	\$ 1,737,362	\$ 2,007,461	\$ 5,275,090	\$ 37,410,270
Excess (Deficiency) of Revenues	\$ 3,085,649	\$ (531,157)	\$ 122,911	\$ (79,431)	\$ (54,114)	\$ (4,455,551)	\$ (1,911,693)
Over Expenditures							

(Continued)

Exhibit C-3

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

	Major Funds					Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Rural Debt Service	Education Debt Service	Other Govern- mental Funds	
<u>Other Financing Sources (Uses)</u>							
Other Loans Issued	\$ 0	\$ 0	\$ 0	\$ 1,056,682	\$ 1,586,949	\$ 2,856,344	\$ 5,499,975
Insurance Recovery	40,480	1,205	0	0	0	0	41,685
Transfers In	443,904	118,363	0	0	16,131	1,521,730	2,100,128
Transfers Out	(1,791,224)	0	0	0	0	(443,904)	(2,235,128)
Total Other Financing Sources (Uses)	\$ (1,306,840)	\$ 119,568	\$ 0	\$ 1,056,682	\$ 1,603,080	\$ 3,934,170	\$ 5,406,660
Net Change in Fund Balances	\$ 1,778,809	\$ (411,589)	\$ 122,911	\$ 977,251	\$ 1,548,966	\$ (521,381)	\$ 3,494,967
Fund Balance, July 1, 2006	5,565,258	1,196,212	985,790	5,170,726	3,764,507	1,074,308	17,756,801
Fund Balance, June 30, 2007	\$ 7,344,067	\$ 784,623	\$ 1,108,701	\$ 6,147,977	\$ 5,313,473	\$ 552,927	\$ 21,251,768

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

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
For the Year Ended June 30, 2007

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)	\$	3,494,967
(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 difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 4,443,431	
Less: current year depreciation expense	<u>(1,366,496)</u>	3,076,935
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		(10,042)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2007	\$ 1,466,376	
Less: deferred delinquent property taxes and other deferred June 30, 2006	<u>(1,198,011)</u>	268,365
(4) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:		
Less: other loan proceeds	\$ (5,499,975)	
Less: change in deferred debt issuance costs	(41,318)	
Add: principal payment on bonds	2,576,365	
Add: principal payment on notes	186,666	
Add: principal payment on other loans	1,452,250	
Less: change in deferred amount on refunding debt	<u>(112,031)</u>	(1,438,043)
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 25,337	
Change in compensated absences	(136,408)	
Change in other long-term liability	<u>329,760</u>	218,689
(6) 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>172,677</u>
Change in net assets of governmental activities (Exhibit B)	\$	<u><u>5,783,548</u></u>

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

Exhibit D-1

Anderson County, Tennessee
Statement of Net Assets
Proprietary Funds
June 30, 2007

	Business-type Activities	Governmental Activities- Internal Service Fund
	Enterprise Fund	Employee Health Insurance Fund
	Public Utility Fund	
<u>ASSETS</u>		
Current Assets:		
Cash	\$ 900	\$ 203,748
Equity in Pooled Cash and Investments	858,310	0
Investments	0	17,395
Accounts Receivable	344,626	180,929
Allowance for Uncollectibles	(86,561)	0
Due from Other Governments	1,579	0
Due from Other Funds	35,000	0
Total Current Assets	<u>\$ 1,153,854</u>	<u>\$ 402,072</u>
Noncurrent Assets:		
Restricted Assets:		
Revenue Bond Future Debt Service Account	\$ 363,205	\$ 0
Capital Assets:		
Assets not Depreciated:		
Land	124,149	0
Construction in Progress	120,830	0
Assets Net of Accumulated Depreciation:		
Water and Sewer Facilities	11,450,033	0
Total Noncurrent Assets	<u>\$ 12,058,217</u>	<u>\$ 0</u>
Total Assets	<u>\$ 13,212,071</u>	<u>\$ 402,072</u>
<u>LIABILITIES</u>		
Current Liabilities:		
Accounts Payable	\$ 15,277	\$ 0
Accrued Payroll	12,028	0
Payroll Deductions Payable	13,863	0
Due to Other Funds	2,820	0
Due to State of Tennessee	14,317	0
Other Current Liabilities	65,267	83,398
Current Portion of Long-term Liabilities	80,032	0
Total Current Liabilities	<u>\$ 203,604</u>	<u>\$ 83,398</u>

(Continued)

Exhibit D-1

Anderson County, Tennessee
Statement of Net Assets
Proprietary Funds (Cont.)

	Business-type Activities	Governmental Activities-
	Enterprise Fund	Internal Service Fund
	Public Utility Fund	Employee Health Insurance Fund
<u>LIABILITIES (Cont.)</u>		
Noncurrent Liabilities:		
Due in More Than One Year	\$ 1,022,723	\$ 0
Total Noncurrent Liabilities	<u>\$ 1,022,723</u>	<u>\$ 0</u>
Total Liabilities	<u>\$ 1,226,327</u>	<u>\$ 83,398</u>
<u>NET ASSETS</u>		
Invested in Capital Assets, net of related debt	\$ 10,592,256	\$ 0
Unrestricted	<u>1,393,488</u>	<u>318,674</u>
Net Assets	<u>\$ 11,985,744</u>	<u>\$ 318,674</u>

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

Exhibit D-2

Anderson County, Tennessee
Statement of Revenues, Expenses, and Changes
in Net Assets
Proprietary Funds
For the Year Ended June 30, 2007

	Business-type Activities	Governmental Activities- Internal Service Fund
	Enterprise Fund	Employee Health Insurance Fund
	Public Utility Fund	
<u>Operating Revenues</u>		
Charges for Services	\$ 2,279,290	\$ 2,130,992
Total Operating Revenue	<u>\$ 2,279,290</u>	<u>\$ 2,130,992</u>
<u>Operating Expenses</u>		
Salaries and Benefits	\$ 448,018	\$ 0
Board and Committee Member Fees	8,750	0
Fringe Benefits	146,322	0
Accounting Services	10,087	0
Communication	10,518	0
Water Treatment Charges	493,699	0
Dues and Memberships	8,450	0
Maintenance and Repair Services - Equipment	110,992	0
Maintenance and Repair Services - Vehicles	20,488	0
Postal Charges	12,443	0
Rental Expense	1,627	0
Other Contracted Services	16,212	0
Crushed Stone	3,858	0
Chemicals	40,462	0
Utilities	156,553	0
Water Purchased from Other Local Utilities	34,763	0
Equipment and Machinery Parts	8,692	0
Gasoline and Diesel Fuel	38,058	0
Office Supplies	3,445	0
Uniforms	9,625	0
Supplies and Materials	119,292	0
Insurance	74,000	0
Trustee's Commission	23,478	0
Workers' Compensation Insurance	20,819	0
Depreciation	488,621	0
Staff Development	570	0
Other Charges	36,883	120

(Continued)

Exhibit D-2

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>		
Medical and Dental Services	\$ 0	\$ 1,621,178
Other Contracted Services	0	97,505
Excess Risk Insurance	0	339,837
Premiums on Corporate Surety Bonds	0	738
Total Operating Expenses	<u>\$ 2,346,725</u>	<u>\$ 2,059,378</u>
Operating Income (Loss)	<u>\$ (67,435)</u>	<u>\$ 71,614</u>
<u>Nonoperating Revenues (Expenses)</u>		
Investment Income	\$ 36,280	\$ 1,063
Interest on Bonds	(43,964)	0
Interest on Notes	(382)	0
Interest on Other Loans Payable	(11,351)	0
Total Nonoperating Revenues (Expenses)	<u>\$ (19,417)</u>	<u>\$ 1,063</u>
Income (Loss) Before Transfers	\$ (86,852)	\$ 72,677
Transfers In (Out)	35,000	100,000
Change in Net Assets	<u>\$ (51,852)</u>	<u>\$ 172,677</u>
Net Assets, July 1, 2006	<u>12,037,596</u>	<u>145,997</u>
Net Assets, June, 30, 2007	<u>\$ 11,985,744</u>	<u>\$ 318,674</u>

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

Exhibit D-3

Anderson County, Tennessee
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2007

	Business-type Activities	Governmental Activities
	Enterprise Fund	Internal Service Fund
	Public Utility Fund	Employee Health Insurance Fund
<u>Cash Flows from Operating Activities</u>		
Receipts from Customers and Users	\$ 2,226,930	\$ 0
Receipts for Self Insurance Premiums	0	2,010,571
Payments to Vendors	(1,268,215)	0
Payments to Employees	(443,822)	0
Payments for Fringe Benefits	(146,322)	0
Payments to Fiscal Agents	0	(97,505)
Payments to Insurers	0	(339,837)
Payments for Claims	0	(1,593,578)
Payments for Administrative Costs	0	(858)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 368,571</u>	<u>\$ (21,207)</u>
<u>Cash Flows from Capital and Related Financing Activities</u>		
Acquisition and Construction of Capital Assets	\$ (353,120)	\$ 0
Principal Paid on Bonds	(54,720)	0
Interest Paid on Bonds	(43,964)	0
Principal Paid on Notes	(10,000)	0
Interest Paid on Notes	(660)	0
Principal Paid on Other Loans	(20,000)	0
Interest Paid on Other Loans	(11,351)	0
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (493,815)</u>	<u>\$ 0</u>
<u>Cash Flows from Noncapital Financing Activities</u>		
Transfers In (Out)	\$ (39,890)	\$ 100,000
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ (39,890)</u>	<u>\$ 100,000</u>
<u>Cash Flows from Investing Activities</u>		
Interest on Investments	\$ 36,280	\$ 175
Net Cash Provided By (Used In) Investing Activities	<u>\$ 36,280</u>	<u>\$ 175</u>
Increase (Decrease) in Cash	\$ (128,854)	\$ 78,968
Cash, July 1, 2006	<u>1,351,269</u>	<u>124,780</u>
Cash, June 30, 2007	<u>\$ 1,222,415</u>	<u>\$ 203,748</u>

(Continued)

Exhibit D-3

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)	\$ (67,435)	\$ 71,614
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:		
Depreciation	488,621	0
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivables	(76,823)	(120,421)
(Increase) Decrease in Prepaid Items	0	30,385
(Increase) Decrease in Due from Other Governments	(1,579)	0
Increase (Decrease) in Allowance for Uncollectibles	21,884	0
Increase (Decrease) in Accounts Payable	(5,427)	0
Increase (Decrease) in Accrued Payroll	2,604	0
Increase (Decrease) in Payroll Deductions	1,377	0
Increase (Decrease) in Due to Other Funds, Excluding Amount of Transfer	975	0
Increase (Decrease) in Due to State of Tennessee	4,007	0
Increase (Decrease) in Other Current Liabilities	367	(2,785)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 368,571</u>	<u>\$ (21,207)</u>
<u>Reconciliation of Cash with Statement of Net Assets</u>		
Cash per Net Assets	\$ 900	\$ 203,748
Equity in Pooled Cash and Investments per Net Assets	858,310	0
Revenue Bond Future Debt Service Account per Net Assets	<u>363,205</u>	<u>0</u>
Cash, June 30, 2007	<u>\$ 1,222,415</u>	<u>\$ 203,748</u>

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, 2007

	Other Employee Benefit Trust Fund	
	<u>Flexible Benefit Fund</u>	<u>Agency Funds</u>
<u>ASSETS</u>		
Cash	\$ 0	\$ 2,102,722
Equity in Pooled Cash and Investments	0	15,679
Accounts Receivable	0	2,240
Due from Other Governments	0	2,563,640
Taxes Receivable	0	9,365,520
Allowance for Uncollectible Taxes	0	<u>(304,304)</u>
Total Assets	<u>\$ 0</u>	<u>\$ 13,745,497</u>
<u>LIABILITIES</u>		
Cash Overdraft	\$ 14,656	\$ 0
Due to Other Taxing Units	0	11,640,535
Due to Litigants, Heirs, and Others	0	<u>2,104,962</u>
Total Liabilities	<u>\$ 14,656</u>	<u>\$ 13,745,497</u>
<u>NET ASSETS</u>		
Funds Held in Trust for Employees (Deficit)	<u>\$ (14,656)</u>	
Net Assets	<u>\$ (14,656)</u>	

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

Exhibit E-2

Anderson County, Tennessee
Statement of Changes in Fiduciary Net Assets
Fiduciary Fund
For the Year Ended June 30, 2007

	Other Employee Benefit Trust Fund <hr/> Flexible Benefit Fund
<u>ADDITIONS</u>	
Plan Member Contributions	\$ 62,315
Total Additions	<u>\$ 62,315</u>
<u>DEDUCTIONS</u>	
Employee Benefits:	
Other Fringe Benefits	\$ 68,669
Total Deductions	<u>\$ 68,669</u>
Change in Net Assets	\$ (6,354)
Net Assets, July 1, 2006	<u>(8,302)</u>
Net Assets, June 30, 2007	<u><u>\$ (14,656)</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, 2007

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. However, when applicable, interfund services provided and used between functions are not eliminated in the process of consolidation in the statement of activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The 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.

Anderson County issues all debt for the discretely presented Anderson County School Department. The county issued \$2,643,631 of other loans (\$1,056,682 in the Rural Debt Service Fund and \$1,586,949 in the Education Debt Service Fund) for the benefit of the School Department during the year ended June 30, 2007. The School Department in return borrowed this amount under a formal agreement with the primary government and reflected the funds as note proceeds in the School Department's Education Capital Projects Fund.

Separate financial statements are provided for governmental funds, proprietary funds (internal service and enterprise), 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 and the enterprise fund are reported as separate columns in the fund financial statements.

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

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

Fund financial statements of 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 single columns 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 grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest

on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the 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 (except for agency funds which have no measurement focus) and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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.

Highway/Public Works Fund – This fund accounts for transactions of the county’s Highway Department.

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:

Capital Projects Fund – The General Capital Projects Fund is used to account for the financial resources to be used for the acquisition or construction of major capital facilities.

Internal Service Fund – The Employee Health Insurance Fund is used to account for the county's self-insured employee health program. Premiums charged to the various county funds and employee payroll deductions are placed in this fund for the payment of claims of county employees.

Other Employee Benefit Trust Fund – The Flexible Benefits 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 fund:

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.

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.

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

Other Employee Benefit Trust Fund – The Flexible Benefits 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 the government-wide and

proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to the same limitation. Anderson County has elected not to follow subsequent private-sector guidance.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has two proprietary funds, an enterprise fund used to account for water and sewage treatment operations, and an internal service fund used to account for the employees' health insurance program. 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 capital assets. The principal operating revenue of the county's internal service fund is self-insurance premiums. Operating expenses for the internal service fund 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, equity in pooled cash and investments, and the restricted asset revenue bond future debt service account.

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, General Purpose School Fund, and the various 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.

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 with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 1.8 percent of total taxes levied.

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

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

an estimated allowance for uncollectible taxes, is reported as deferred revenue as of June 30.

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

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

Most payables are disaggregated on the face of the financial statements. The balance in the account Other Current Liabilities (\$371,930) in the governmental activities statement of net assets consists primarily of an environmental assessment from the State of Tennessee (\$261,879), performance bonds (\$22,200), and self-insurance claims (\$83,392). In the business-type activities, the balance in the account Other Current Liabilities (\$65,267) consists primarily of customers' deposits.

The balances in the retainage payable accounts in the governmental activities (\$304,714) and the discretely presented Anderson County School Department (\$39,845), on the statement of net assets represent amounts withheld from payments made to contractors on construction projects to ensure contract performance. These amounts are held by the county trustee as Equity in Pooled Cash and Investments.

3. Inventories and Prepaid Items

Inventories of Anderson County and the discretely presented Anderson County School Department are recorded at cost, determined 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. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

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. This asset is offset by a reserve of fund balance in the governmental funds to indicate that amounts are not available for appropriation.

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 governmental column and the business-type column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or more and an estimated useful life 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

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

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

The account Reserved for Other General Purposes in the General Fund (\$59,254) consists primarily of unexpended performance bond forfeitures (\$22,200), and unexpended grant funds to be used for law enforcement (\$21,055). The account Reserved for Other General Purposes in the nonmajor governmental funds (\$8,347) consists of amounts reserved for the Library (\$6,289) and Drug Control (\$2,058).

The account Other Local Education Reserves in the General Purpose School Fund (\$55,935) consists of E-Rate technology funds. The account Other Federal Reserves in the School Department (\$231,850) consists of various unexpended funds received under federal grant programs.

As of June 30, 2007, Anderson County had \$30,334,949 in outstanding debt for capital purposes for 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 Anderson County 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 – Long-term, 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. The following table reflects designations in the General Fund on June 30, 2007:

<u>Designation</u>	<u>Amount</u>
EMS Equipment	\$ 295,146
Jail Renovations	256,536
Bridge Construction	200,800
MHRIDA/Industrial Expenses	200,000
Briceville VFD	175,000
Bank Building Improvements	130,000
Health Department Site	102,812
Inmate Commissary	87,320
New River Water Project	62,292
Property Assessor Audit	60,819
Cops Grant	35,000
ADA Compliance	18,788
Lobbying Services	15,000
Property Assessor - GIS	7,400
Courthouse Security	5,401
Nonprofits	3,440
Jail Van	3,355
Courthouse Reward	1,200
Moral Kombat Grant	941
	<hr/>
Total General Fund	<u>\$ 1,661,250</u>

Management has also designated a portion of the unreserved fund balance of the discretely presented Anderson County School Department's General Purpose School Fund for use toward the Student Resource Officer Program (\$258,954) 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 with the government-wide statement of net assets.

Discretely Presented Anderson County School Department

Exhibit J-3 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide statement of net assets.

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

Primary Government

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

Discretely Presented Anderson County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

The budgetary level of control is at the major category level established by the 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 County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

B. Net Assets Deficit/Fund Deficit/Cash Overdraft

Primary Government

The Flexible Benefits Fund (fiduciary fund) had a cash overdraft and net assets deficit of \$14,656 at June 30, 2007. This resulted from cafeteria plan payments in excess of payroll deductions. Subsequent to June 30, 2007, additional payroll deductions will be deposited into this fund to liquidate the overdraft and net asset deficit by the plan year ending December 31, 2007.

The General Capital Projects Fund had a deficit unreserved fund balance of \$190,806 at June 30, 2007. This deficit resulted from the unperformed portions of construction contracts being reserved as encumbrances. Funding for these future expenditures will be received from transfers from the General Fund which have been budgeted in the 2007-2008 year.

Discretely Presented Anderson County School Department

The Education Capital Projects Fund had a deficit unreserved fund balance of \$7,917 on June 30, 2007. This deficit resulted from the unperformed portions of construction contracts of \$242,029 being reserved as encumbrances. Funding for these encumbrances will be provided through other loans.

C. Stolen Cash Collections

As noted in the prior report, an employee of the Office of County Trustee stole cash collections of at least \$30,126.34. These stolen collections were detected and restored prior to June 30, 2006. During the current year, this employee pled guilty to one count of theft greater than \$10,000. The individual made additional restitution to the Office of the County Trustee totaling \$770.08 for previously undetected collections also stolen from the office.

Also noted in the prior report, an employee stole cash collections of at least \$1,781.86 from the Office of County Clerk. Stolen collections of \$1,316.36 were detected and restored prior to June 30, 2006. The remaining \$465.50 was restored on July 17, 2006. This employee has been indicted on one count of theft greater than \$1,000 and one count of official misconduct. No trial date has been set for this case as of the date of this report.

During the current year, the county clerk reported a break-in at his branch office in Oak Ridge. A total of \$934 was reported stolen from this office. The police department investigation has not resulted in any arrest. The County

Commission restored the stolen funds to the Office of County Clerk from the General Fund.

D. Funds Invested in a Mutual Fund

On June 30, 2007, the trustee had investments of \$466,083 in a mutual fund, which is not an authorized investment type permitted by Section 5-8-301, Tennessee Code Annotated.

E. Expenditures Exceeded Appropriations/Appropriations Exceeded Estimated Available Funds

Expenditures exceeded appropriations approved by the County Commission in the following major appropriation categories (the legal level of control) in the following funds.

<u>Fund/Categories</u>	<u>Amount Overspent</u>
General Fund:	
Engineering	\$ 3,244
General Sessions Court	574
Commissary	257
County Coroner/Medical Examiner	5,203
Industrial Development	2,489
Other Charges	2,069
General Purpose School Fund:	
Transfer Out	5,679
Other Education Special Revenue Fund:	
Instruction:	
Regular Instruction Program	5,180

Such overexpenditures are a violation of state statutes. These overexpenditures were funded by available fund balances.

The budget submitted to and approved by the County Commission for the Central Cafeteria Fund contained appropriations that exceeded estimated funding of \$58,606.

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

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

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; 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, 2007, 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). See footnote III.D. for additional details pertaining to the investment in the mutual fund.

POOLED INVESTMENTS

Investment	Maturities	Fair Value or Cost
State Treasurer's Investment Pool	Daily	\$ 547,005
Other Investments (UBS Mutual Fund)	Daily	<u>466,083</u>
Total		<u><u>\$ 1,013,088</u></u>

NONPOOLED INVESTMENTS

Investment	Maturities	Cost
State Treasurer's Investment Pool	Daily	<u>\$ 17,395</u>
Total		<u><u>\$ 17,395</u></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, 2007, Anderson County's investments in the State Treasurer's Investment Pool and the Other Investments (mutual fund) were unrated.

B. Notes Receivable – Long-term

Anderson County entered into an agreement with the discretely presented Anderson County School Department where 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 (\$5,679,905) and Education Debt Service Fund (\$3,841,600) 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. The amounts of the notes not expected to be collected within one year are \$5,576,655 in the Rural Debt Service Fund and \$3,779,100 in the Education Debt Service Fund.

C. Capital Assets

Capital assets activity for the year ended June 30, 2007, was as follows:

Primary Government

Governmental Activities

	Balance 7-1-06	Increases	Decreases	Balance 6-30-07
Capital Assets Not Depreciated:				
Land	\$ 1,414,288	\$ 0	\$ 0	\$ 1,414,288
Construction in Progress	210,409	3,565,609	(285,878)	3,490,140
Total Capital Assets Not Depreciated	\$ 1,624,697	\$ 3,565,609	\$ (285,878)	\$ 4,904,428
Capital Assets Depreciated:				
Buildings and Improvements	\$ 13,625,857	\$ 250,950	\$ 0	\$ 13,876,807
Roads, Streets, and Bridges	42,343,675	0	0	42,343,675
Other Capital Assets	7,374,184	912,750	(624,053)	7,662,881
Total Capital Assets Depreciated	\$ 63,343,716	\$ 1,163,700	\$ (624,053)	\$ 63,883,363

Governmental Activities (Cont.)

	Balance 7-1-06	Increases	Decreases	Balance 6-30-07
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 4,960,187	\$ 364,693	\$ 0	\$ 5,324,880
Roads, Streets, and Bridges	37,232,550	373,897	0	37,606,447
Other Capital Assets	4,616,060	627,906	(614,011)	4,629,955
Total Accumulated Depreciation	<u>\$ 46,808,797</u>	<u>\$ 1,366,496</u>	<u>\$ (614,011)</u>	<u>\$ 47,561,282</u>
Total Capital Assets Depreciated, Net	<u>\$ 16,534,919</u>	<u>\$ (202,796)</u>	<u>\$ (10,042)</u>	<u>\$ 16,322,081</u>
Governmental Activities Capital Assets, Net	<u>\$ 18,159,616</u>	<u>\$ 3,362,813</u>	<u>\$ (295,920)</u>	<u>\$ 21,226,509</u>

Business-type Activities:

	Balance 7-1-06	Increases	Decreases	Ending 6-30-07
Capital Assets Not Depreciated:				
Land	\$ 124,149	\$ 0	\$ 0	\$ 124,149
Construction in Progress	445,032	0	(324,202)	120,830
Total Capital Assets Not Depreciated	<u>\$ 569,181</u>	<u>\$ 0</u>	<u>\$ (324,202)</u>	<u>\$ 244,979</u>
Capital Assets Depreciated:				
Water and Sewer Facilities	\$ 18,041,138	\$ 570,622	\$ 0	\$ 18,611,760
Total Capital Assets Depreciated	<u>\$ 18,041,138</u>	<u>\$ 570,622</u>	<u>\$ 0</u>	<u>\$ 18,611,760</u>
Less Accumulated Depreciation For:				
Water and Sewer Facilities	\$ 6,673,106	\$ 488,621	\$ 0	\$ 7,161,727
Total Accumulated Depreciation	<u>\$ 6,673,106</u>	<u>\$ 488,621</u>	<u>\$ 0</u>	<u>\$ 7,161,727</u>
Total Capital Assets Depreciated, Net	<u>\$ 11,368,032</u>	<u>\$ 82,001</u>	<u>\$ 0</u>	<u>\$ 11,450,033</u>
Business-type Activities Capital Assets, Net	<u>\$ 11,937,213</u>	<u>\$ 82,001</u>	<u>\$ (324,202)</u>	<u>\$ 11,695,012</u>

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

Governmental Activities:

General Government	\$	233,895
Finance		14,348
Administration of Justice		14,455
Public Safety		379,979
Public Health and Welfare		233,602
Social, Cultural, and Recreational		3,284
Agriculture and Natural Resources		939
Other General Government		8,616
Highways, including depreciation of infrastructure assets		<u>477,378</u>

Total Depreciation Expense - Governmental Activities	\$	<u><u>1,366,496</u></u>
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Business-type Activities:

Water and Sewer	\$	<u>488,621</u>
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Total Depreciation Expense - Business-type Activities	\$	<u><u>488,621</u></u>
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Discretely Presented Anderson County School Department

Governmental Activities:

	Balance 7-1-06	Increases	Decreases	Balance 6-30-07
Capital Assets Not Depreciated:				
Land	\$ 636,889	\$ 0	\$ 0	\$ 636,889
Construction in Progress	1,063,284	964,505	(1,480,494)	547,295
Total Capital Assets Not Depreciated	<u>\$ 1,700,173</u>	<u>\$ 964,505</u>	<u>\$ (1,480,494)</u>	<u>\$ 1,184,184</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	\$ 62,642,180	\$ 2,808,638	\$ (68,636)	\$ 65,382,182
Other Capital Assets	3,253,980	216,542	0	3,470,522
Total Capital Assets Being Depreciated	<u>\$ 65,896,160</u>	<u>\$ 3,025,180</u>	<u>\$ (68,636)</u>	<u>\$ 68,852,704</u>

Governmental Activities (Cont.):

	Balance 7-1-06	Increases	Decreases	Balance 6-30-07
Less Accumulated Depreciation For: Buildings and Improvements	\$ 24,438,191	\$ 1,515,065	\$ (19,832)	\$ 25,933,424
Other Capital Assets	2,269,344	254,061	0	2,523,405
Total Accumulated Depreciation	<u>\$ 26,707,535</u>	<u>\$ 1,769,126</u>	<u>\$ (19,832)</u>	<u>\$ 28,456,829</u>
Total Capital Assets Depreciated, Net	<u>\$ 39,188,625</u>	<u>\$ 1,256,054</u>	<u>\$ (48,804)</u>	<u>\$ 40,395,875</u>
Governmental Activities Capital Assets, Net	<u>\$ 40,888,798</u>	<u>\$ 2,220,559</u>	<u>\$ (1,529,298)</u>	<u>\$ 41,580,059</u>

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

Governmental Activities:

Instruction	\$ 1,636,798
Support Services	68,659
Operation of Non-Instruction Services	<u>63,669</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,769,126</u>

D. Construction Commitments

Primary Government

At June 30, 2007, Anderson County had an uncompleted construction contract of \$190,806 in the General Capital Projects Fund. Funding for the contract is to be provided by future transfers from the General Fund.

Discretely Presented Anderson County School Department

At June 30, 2007, the School Department had uncompleted construction and renovation contracts of \$242,029 in the Education Capital Projects Fund. Funding for these future expenditures is being provided through public building authority loans issued by the county and loaned to the School Department.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2007, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	General Debt Service	\$ 353,630
"	Nonmajor governmental	4,395
Highway/Public Works	General	30,201
"	Nonmajor governmental	359
"	Public Utility	2,820
Rural Debt Service	General Debt Service	23,838
"	Education Debt Service	60,000
Education Debt Service	General Debt Service	82,429
Nonmajor governmental	General	479,256
"	Highway/Public Works	73
"	General Debt Service	17,031
Public Utility	General	35,000
Discretely Presented		
School Department:		
General Purpose School	Nonmajor governmental	147,409
Nonmajor governmental	General Purpose School	8,085
"	Nonmajor governmental	5,751

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:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Component Unit:	
Highway/Public Works	School Department	\$ 55
Nonmajor governmental	"	4,622
	"	10,279
Component Unit:		
School Department	Primary Government:	
"	General Debt Service	155,276
"	Rural Debt Service	370,648
	Education Debt Service	83,454

Interfund Transfers:

Interfund transfers for the year ended June 30, 2007, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In		
	General Fund	Highway/ Public Works Fund	Education Debt Service Fund
General Fund	\$ 0	\$ 118,363	\$ 16,131
Nonmajor Governmental	443,904	0	0
Total	\$ 443,904	\$ 118,363	\$ 16,131

Transfers Out	Transfers In		
	Public Utility Funds	Employee Health Insurance Fund	Nonmajor Governmental Funds
General Fund	\$ 35,000	\$ 100,000	\$ 1,521,730
Nonmajor Governmental	0	0	0
Total	\$ 35,000	\$ 100,000	\$ 1,521,730

Discretely Presented Anderson County School Department

Transfers Out	Transfers In	
	General Purpose School Fund	Nonmajor Governmental Funds
Nonmajor governmental funds	\$ 223,468	\$ 170,799
General Purpose School Fund	0	42,805
Total	\$ 223,468	\$ 213,604

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. 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 \$1,477,462 at June 30, 2007. The original cost was \$2,791,805 and accumulated depreciation was \$1,314,343. Total lease revenues for the year ended June 30, 2007, were \$219,539. The future minimum lease payments under existing leases are as follows:

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Amount</u>
2008	\$ 105,130
2009	74,130
2010	48,000
2011	48,000
2012	<u>48,000</u>
Total	<u><u>\$ 323,260</u></u>

G. Capital Lease

During the 2003-04 year, the discretely presented Anderson County School Department entered into an agreement for the lease of a building for its daycare and head start programs. Generally accepted accounting principles require the lease to be capitalized 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. The School Department made advance payments totaling \$749,060 to decrease its future lease obligations, and the revised lease agreement provides for all required payments to be made during a 16-year period ending in 2020. 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.

The assets acquired through the capital lease outstanding at June 30, 2007, consist of the following:

	<u>Governmental Activities</u>
Building and Improvements	\$ 1,706,295
Less: Accumulated Depreciation	<u>(281,102)</u>
Total	<u><u>\$ 1,425,193</u></u>

Future minimum payments under this capital lease consisted of the following at June 30, 2007:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2008	\$ 112,446
2009	113,543
2010	114,641
2011	115,738
2012	116,835
2013-2017	600,629
2018-2020	<u>404,388</u>
Total Minimum Lease Payments	\$ 1,578,220
Less: Amount Representing Interest	<u>(777,536)</u>
Present Value of Minimum Payments	<u><u>\$ 800,684</u></u>

H. 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.

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, and other loans outstanding were issued for original terms of up to 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, 2007, are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-07
General Government Refunding Bonds	3 to 5 %	\$ 10,665,000	\$ 7,350,000
Rural School Refunding Bonds	2 to 5	16,035,000	12,225,000
Rural Development Water and Sewer Bonds	4.875	110,000	102,206
Capital Outlay Notes	3.6 to 5.59	550,000	335,000
Other Loans	Variable	27,733,000	22,281,743

In the prior year, Anderson County entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority loaned \$3,000,000 to Anderson County for renovations to the jail.

In prior years, Anderson County entered into two loan agreements with the Montgomery County Public Building Authority which provided for the authority to make a total of \$10,100,000 available for loan to Anderson County on an as-needed basis for school construction. As of June 30, 2007, Anderson County had drawn \$10,018,755 and loaned this amount to the discretely presented School Department as discussed in footnote IV.B.

The following table summarizes loan agreements outstanding at June 30, 2007:

Description	Original Amount of Loan Agreement	Outstanding Principal 6-30-07	Interest Type	Interest Rates as of 6-30-07	Other Fees
<u>Montgomery County Public Building Authority</u>					
Industrial Development	\$ 1,700,000	\$ 1,392,000	Variable	4%	0.38%
Rural Elementary School	6,000,000 (1)	5,679,905	Variable	3.95	0.38
Rural High School	4,100,000 (2)	3,841,599	Variable	3.95	0.38
Jail Renovation	3,000,000	2,882,000	Variable	3.95	0.38

Description	Original Amount of Loan Agreement	Outstanding Principal 6-30-07	Interest Type	Interest Rates as of 6-30-07	Other Fees
<u>City of Clarksville Public Building Authority</u>					
Rural School Refunding	\$ 5,746,000	\$ 3,915,654	Variable	3.95%	.38%
Rural High School Refunding	7,187,000	<u>4,570,585</u>	Variable	3.95	0.38
		<u>\$ 22,281,743</u>			

(1) \$10,345 of this amount had not been drawn as of June 30, 2007.

(2) \$70,900 of this amount had not been drawn as of June 30, 2007.

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2007, including interest payments and other loan fees, 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, debt remarketing, 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, 2007.

Year Ending June 30	Bonds		Notes	
	Principal	Interest	Principal	Interest
2008	\$ 2,611,433	\$ 752,720	\$ 55,000	\$ 12,366
2009	2,496,505	655,138	55,000	10,056
2010	2,576,580	562,581	45,000	8,030
2011	2,691,658	458,878	40,000	6,287
2012	2,301,741	348,390	40,000	4,793
2013-2017	6,110,098	723,062	100,000	6,135
2018-2022	817,878	50,234	0	0
2023-2027	16,425	15,495	0	0
2028-2032	20,948	10,972	0	0
2033-2037	26,716	5,204	0	0
2038-2039	7,224	222	0	0
Total	<u>\$ 19,677,206</u>	<u>\$ 3,582,896</u>	<u>\$ 335,000</u>	<u>\$ 47,667</u>

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2008	\$ 1,529,250	\$ 880,825	\$ 84,671	\$ 2,494,746
2009	1,618,900	820,384	78,859	2,518,143
2010	1,763,900	756,400	72,708	2,593,008
2011	1,817,600	686,687	66,005	2,570,292
2012	1,891,500	614,851	59,098	2,565,449
2013-2017	10,447,000	1,910,147	183,565	12,540,712
2018-2022	2,616,593	324,287	31,135	2,972,015
2023-2025	597,000	47,638	4,583	649,221
Total	\$ 22,281,743	\$ 6,041,219	\$ 580,624	\$ 28,903,586

There is \$3,048,646 available in the debt service funds to service long-term debt. Bonded debt per capita totaled \$103, based on the 2000 federal census for residents living inside the Oak Ridge School District, \$245 for residents living inside the Clinton School District, and \$420 for residents living outside of these school districts. Debt per capita, including bonds, notes, other loans, and capital leases, totaled \$192, based on the 2000 federal census for residents living inside the Oak Ridge School District, \$529 for residents living inside the Clinton School District, and \$978 for residents living outside of these school districts.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2007, was as follows:

Governmental Activities:

	Bonds	Notes
Balance, July 1, 2006	\$ 22,253,571	\$ 521,666
Deductions	<u>(2,576,365)</u>	<u>(186,666)</u>
Balance, June 30, 2007	<u>\$ 19,677,206</u>	<u>\$ 335,000</u>
Balance Due Within One Year	<u>\$ 2,611,433</u>	<u>\$ 55,000</u>

Governmental Activities (Cont.):	Other Loans	Compensated Absences
Balance, July 1, 2006	\$ 18,234,018	\$ 481,803
Additions	5,499,975	736,966
Deductions	<u>(1,452,250)</u>	<u>(600,558)</u>
Balance, June 30, 2007	<u>\$ 22,281,743</u>	<u>\$ 618,211</u>
Balance Due Within One Year	<u>\$ 1,529,250</u>	<u>\$ 587,302</u>

	Other Long-term Liabilities
Balance, July 1, 2006	\$ 329,760
Deductions	<u>(329,760)</u>
Balance, June 30, 2007	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2007	\$ 42,912,160
Less: Balance Due Within One Year	(4,782,985)
Less: Deferred Amount on Refunding	<u>(590,609)</u>
Noncurrent Liabilities - Due in More than One Year - Exhibit A	<u>\$ 37,538,566</u>

The other long-term liabilities account relates to an assessment from the State of Tennessee, Department of Environment and Conservation; Division of Super Fund. That assessment was made as a result of the state's investigation of alleged pollution at the Blockhouse Landfill site. Prior to this year, management was in negotiation with the state to finalize the amount and means of funding the liability. During the current year, management finalized negotiations with the state to accept future monies spent on approved environmental projects in-lieu-of a portion of the assessment. The negotiation also required that these projects be complete by December 2007. Therefore, management budgeted these payments, completed one project and reflected the remaining assessment as other current liabilities in the General Fund.

During the year, the discretely presented Anderson County School Department paid \$2,156,680 to the primary government to be applied toward the retirement of school debt.

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

Anderson County Public Utility Fund (Enterprise Fund)

Water Revenue and Tax Bonds, and Other Loans

Outstanding bonds and other loans of the Public Utility Fund at June 30, 2007, are as follows:

Type	Original Amount of Issue	Interest Rate	Last Maturity Date	Balance 6-30-07
Water Revenue and Tax Bond	\$ 1,400,000	5 %	1-1-18	\$ 604,934
Water Revenue and Tax Bond	257,000	5	7-20-22	173,114
Water Revenue and Tax Bond	105,000	6.125	6-27-24	74,464
Public Building Authority Loan	328,183	Variable	6-25-18	250,243

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 other loans of the Public Utility Fund at June 30, 2007, including interest and other fees, are presented in the following table. 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, debt remarketing, 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, 2007 (3.95 and .38 percent, respectively).

Year Ending June 30	Bonds	
	Principal	Interest
2008	\$ 59,032	\$ 43,767
2009	59,609	40,785
2010	64,957	37,777
2011	65,503	34,490
2012	71,079	31,173

Year Ending June 30	Bonds (Cont.)	
	Principal	Interest
2013-2017	\$ 399,884	\$ 98,708
2018-2022	85,223	27,778
2023-2026	47,225	4,983
Total	<u>\$ 852,512</u>	<u>\$ 319,461</u>

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2008	\$ 21,000	\$ 10,384	\$ 951	\$ 32,335
2009	22,000	9,501	871	32,372
2010	22,000	8,581	788	31,369
2011	23,000	7,657	704	31,361
2012	24,000	6,692	617	31,309
2013-2017	132,000	17,645	1,650	151,295
2018	6,243	237	24	6,504
Total	<u>\$ 250,243</u>	<u>\$ 60,697</u>	<u>\$ 5,605</u>	<u>\$ 316,545</u>

Changes in Long-term Liabilities

Long-term liability activity for the Public Utility Fund (enterprise fund) for the year ended June 30, 2007 was as follows:

Business-type Activities:

	Bonds	Notes
Balance, July 1, 2006	\$ 907,232	\$ 10,000
Deductions	(54,720)	(10,000)
Balance, June 30, 2007	<u>\$ 852,512</u>	<u>\$ 0</u>
Balance Due Within One Year	<u>\$ 59,032</u>	<u>\$ 0</u>

Business-type Activities (Cont.):

	<u>Other Loans</u>
Balance, July 1, 2006	\$ 270,243
Deductions	<u>(20,000)</u>
Balance, June 30, 2007	<u>\$ 250,243</u>
Balance Due Within One Year	<u>\$ 21,000</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2007	\$ 1,102,755
Less: Balance Due Within One Year	<u>(80,032)</u>
Noncurrent Liabilities - Due in More than One Year - Exhibit A	<u>\$ 1,022,723</u>

Discretely Presented Anderson County School Department

Capital Outlay Notes and Lease

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 up to 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 and the capital lease outstanding as of June 30, 2007, are as follows:

Purpose	Interest Rate	Original Amount of Issue	Balance 6-30-07
Capital Outlay Notes:			
Asbestos Removal	0 %	\$ 382,026	\$ 43,903
Renovation of Various Schools	3.6 to 5.27	2,272,000	866,999
Renovation of Various Schools	Variable	10,100,000 (1)	9,521,505
Capital Lease	11.4	957,236	800,684

(1) \$81,245 of this amount remains available for draws as of June 30, 2007. This amount is being loaned from the primary government from funds borrowed through public building authority loan agreements.

The capital outlay notes are to be retired from the General Purpose School Fund. The capital lease will be retired from the Other Education Special Revenue Fund and the General Purpose School Fund.

The annual requirements to amortize all notes and the lease outstanding as of June 30, 2007, including interest, are presented in the following table:

Year Ending June 30	Notes		Lease	
	Principal	Interest	Principal	Interest
2008	\$ 400,333	\$ 410,711	\$ 22,294	\$ 90,152
2009	941,957	394,298	26,129	87,415
2010	1,063,833	356,137	30,425	84,216
2011	928,629	314,864	35,236	80,502
2012	960,000	278,607	40,626	76,209
2013-2017	4,960,000	832,075	309,570	291,059
2018-2020	1,177,655	46,518	336,404	67,983
Total	\$ 10,432,407	\$ 2,633,210	\$ 800,684	\$ 777,536

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, 2007:

	Notes	Capital Lease
Balance, July 1, 2006	\$ 8,264,108	\$ 820,587
Additions	2,643,632	0
Deductions	(475,333)	(19,903)
Balance, June 30, 2007	\$ 10,432,407	\$ 800,684
Balance Due Within One Year	\$ 400,333	\$ 22,294

	<u>Compensated Absences</u>
Balance, July 1, 2006	\$ 248,862
Additions	241,618
Deductions	<u>(203,587)</u>
Balance, June 30, 2007	<u>\$ 286,893</u>
Balance Due Within One Year	<u>\$ 273,704</u>
Analysis of Noncurrent Liabilities Presented on Exhibit A:	
Total Noncurrent Liabilities, June 30, 2007	\$ 11,519,984
Less: Balance Due Within One Year	<u>(696,331)</u>
Noncurrent Liabilities - Due in More than One Year - Exhibit A	<u>\$ 10,823,653</u>

Compensated absences will be paid from the employing funds.

I. Short-term Debt

Anderson County issued revenue anticipation notes (interfund loans) in advance of property tax and other collections 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, 2007, was as follows:

Fund	Balance 7-1-06	Issued	Redeemed	Balance 6-30-07
General Purpose School (Borrowed from General)	\$ 0	\$ 3,000,000	\$ 3,000,000	\$ 0
School Federal Projects (Borrowed from General Purpose School)	0	300,000	300,000	0

V. OTHER INFORMATION

A. Risk Management

The county has chosen to establish the Employee 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 has obtained a stop/loss

commercial policy to cover claims beyond certain liabilities. Both the county health insurance plan and the stop/loss policy have a lifetime coverage amount of \$1,000,000 for each covered person. Annually, the county retains the risk of loss for the first \$60,000 per covered person. Once the stop/loss policy has provided reimbursement(s) of \$200,000, the county is responsible for an additional risk corridor of \$85,000 for the group, after which the stop loss policy will again assume the risk of coverage. An estimated liability for outstanding medical claims of \$83,398 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- and current-year claims and to establish a reserve for catastrophe losses. This reserve totaled \$318,674 at June 30, 2007. 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
2005-2006	\$ 70,783	\$ 1,687,021	\$ 1,671,621	\$ 86,183
2006-2007	86,183	1,621,178	1,623,963	83,398

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 was 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.

Anderson County and the discretely presented Anderson County School Department are exposed to various risks related to general liability, property, casualty, and workers' compensation losses. The county and 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 county and 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 districts. The county and the School Department pay annual premiums to the TSB-RMT for their 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. Subsequent Events

Subsequent to June 30, 2007, Anderson County and the discretely presented Anderson County School Department approved interfund loans in the form of revenue anticipation notes totaling \$4,500,000. As of the date of this report, the General Fund loaned the General Purpose School Fund \$1,000,000, which in turn loaned the School Federal Projects Fund \$350,000.

In July 2007, the Board of County Commissioners approved the adoption of a private act creating the Anderson County Water Authority on behalf of Anderson County, the Anderson County Utility Board, and the North Anderson County Utility District. The purpose of this authority includes planning, acquiring, constructing, improving, extending, furnishing, equipping, financing, owning, operating, and maintaining water and wastewater systems. The initial membership of the authority consists of individuals appointed by the Anderson County Mayor and confirmed by the Board of County Commissioners. As of the date of this report, the authority is still in the organizational stage.

C. Changes in Administration

On August 31, 2006, Patsy Stair-Lomeli left the Office of Trustee and was succeeded by Rodney Archer, and Bill White left the Office of Sheriff and was succeeded by Paul White.

D. Retirement Commitments

Employees

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 <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, 2007, was 7.67 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, 2007, Anderson County's annual pension cost of \$1,302,756 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2005, 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, 2005, was ten years. An actuarial valuation was performed as of July 1, 2005, which established contribution rates effective July 1, 2006.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-07	\$1,302,756	100%	\$0
6-30-06	894,042	100	0
6-30-05	901,430	100	0

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 <http://www.treasury.state.tn.us>.

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, 2007, was 6.13 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, 2007, 2006, and 2005, were \$1,585,011, \$1,364,450, and \$1,348,467, respectively, equal to the required contributions for each year.

E. Office of Central Accounting and Budgeting

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. These funds are maintained in the Office of Central Accounting and Budgeting under the supervision of the director of accounts and budgets.

F. 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 \$10,000.

VI. OTHER NOTES – DISCRETELY PRESENTED ANDERSON COUNTY EMERGENCY COMMUNICATIONS DISTRICT

A. Description of Organization

The Emergency Communications District of Anderson County, Tennessee, was created by a county-wide 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 assets groups:

Invested in capital assets: This category includes capital assets, net of accumulated depreciation. The amount invested in capital assets at June 30, 2007, has been calculated as follows:

Capital assets	\$ 542,066
Accumulated depreciation	<u>(199,622)</u>
Capital assets being depreciated, net	<u>\$ 342,444</u>

Restricted: This category includes 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. The district had no restricted net assets as of June 30, 2007.

Unrestricted: This category includes net assets that are not subject to externally imposed stipulations and that do not meet the definition of restricted or invested in capital assets. 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, 2007, no allowance for uncollectible accounts was considered necessary.

3. Property and Equipment

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives, which ranges from five to 25 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. Property and Equipment

Property and equipment activities for the year ended June 30, 2007, were as follows:

	Balance 7-1-06	Additions	Retirements	Balance 6-30-07
Capital assets being depreciated:				
Communications equipment	\$ 359,924	\$ 4,565	\$ 0	\$ 364,489
Furniture and fixtures	47,337	0	(2,401)	44,936
Vehicle	19,425	0	0	19,425
Leasehold improvements	50,240	0		50,240
Other capital assets	37,786	25,190	0	62,976
	<u>\$ 514,712</u>	<u>\$ 29,755</u>	<u>\$ (2,401)</u>	<u>\$ 542,066</u>
Accumulated depreciation	<u>(154,086)</u>	<u>(47,937)</u>	<u>2,401</u>	<u>(199,622)</u>
Capital assets being depreciated, net	<u>\$ 360,626</u>	<u>\$ (18,182)</u>	<u>\$ 0</u>	<u>\$ 342,444</u>

E. 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.

F. Leases

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, 2007

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 13,444,772	\$ 0	\$ 0	\$ 13,444,772	\$ 12,424,829	\$ 12,803,829	\$ 640,943
Licenses and Permits	435,207	0	0	435,207	303,500	303,500	131,707
Fines, Forfeitures, and Penalties	389,020	0	0	389,020	305,800	305,800	83,220
Charges for Current Services	4,527,861	0	0	4,527,861	4,102,250	4,272,250	255,611
Other Local Revenues	778,897	0	0	778,897	515,848	582,899	195,998
Fees Received from County Officials	3,693,734	0	0	3,693,734	3,800,000	3,383,987	309,747
State of Tennessee	1,195,485	0	0	1,195,485	848,923	1,391,348	(195,863)
Federal Government	627,549	0	0	627,549	12,921	769,547	(141,998)
Other Governments and Citizens Groups	111,055	0	0	111,055	44,117	57,597	53,458
Total Revenues	\$ 25,203,580	\$ 0	\$ 0	\$ 25,203,580	\$ 22,358,188	\$ 23,870,757	\$ 1,332,823
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 214,517	\$ 0	\$ 0	\$ 214,517	\$ 223,194	\$ 226,214	\$ 11,697
Board of Equalization	1,294	0	0	1,294	7,623	7,623	6,329
Other Boards and Committees	217,339	0	0	217,339	224,736	230,746	13,407
County Mayor/Executive	166,537	0	0	166,537	169,304	169,304	2,767
Personnel Office	84,406	0	0	84,406	89,499	89,599	5,193
County Attorney	243,910	0	0	243,910	242,840	258,592	14,682
Election Commission	356,683	0	0	356,683	333,846	369,007	12,324
Register of Deeds	364,378	0	0	364,378	363,419	371,769	7,391
Planning	105,059	0	0	105,059	123,181	127,991	22,932
Engineering	101,419	0	7,447	108,866	105,622	105,622	(3,244)
Codes Compliance	142,520	0	0	142,520	146,711	143,561	1,041
County Buildings	819,562	0	84,125	903,687	833,647	1,109,051	205,364
Other General Administration	236,263	0	3,612	239,875	225,700	375,910	136,035
Preservation of Records	38,373	0	9,477	47,850	60,539	61,294	13,444

(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)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	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	\$ 637,686	\$ 0	\$ 0	\$ 637,686	\$ 678,918	\$ 678,918	\$ 41,232
Purchasing	135,484	0	0	135,484	137,527	140,645	5,161
Property Assessor's Office	438,777	0	0	438,777	417,975	549,299	110,522
Reappraisal Program	109,848	0	0	109,848	135,251	135,251	25,403
County Trustee's Office	504,895	0	8,500	513,395	506,752	530,072	16,677
County Clerk's Office	668,828	0	0	668,828	682,824	685,199	16,371
<u>Administration of Justice</u>							
Circuit Court	802,100	0	0	802,100	783,940	820,607	18,507
Criminal Court	1,967	0	0	1,967	2,178	2,178	211
General Sessions Court	38,692	0	0	38,692	37,450	38,118	(574)
General Sessions Judge	425,310	0	0	425,310	401,896	434,496	9,186
Chancery Court	359,744	0	0	359,744	430,863	433,483	73,739
Juvenile Court	371,148	0	0	371,148	413,876	420,047	48,899
District Attorney General	46,348	0	0	46,348	25,934	52,434	6,086
Office of Public Defender	6,875	0	0	6,875	0	8,750	1,875
Judicial Commissioners	311	0	0	311	894	894	583
Probate Court	1,074	0	0	1,074	4,500	2,400	1,326
Other Administration of Justice	110,238	0	0	110,238	113,168	118,468	8,230
Probation Services	164,863	0	0	164,863	443,651	443,651	278,788
<u>Public Safety</u>							
Sheriff's Department	2,878,000	0	0	2,878,000	2,782,283	2,908,228	30,228
Jail	3,428,409	0	0	3,428,409	3,238,220	3,638,697	210,288
Commissary	87,612	0	0	87,612	85,189	87,355	(257)
Civil Defense	502,888	0	221	503,109	395,531	733,801	230,692
Rescue Squad	20,000	0	0	20,000	20,000	20,000	0
Other Emergency Management	483,233	0	0	483,233	604,086	533,233	50,000

(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)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	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	\$ 92,034	\$ 0	\$ 0	\$ 92,034	\$ 71,611	\$ 86,831	\$ (5,203)
Other Public Safety	214,290	0	0	214,290	219,942	232,042	17,752
<u>Public Health and Welfare</u>							
Local Health Center	189,777	0	0	189,777	228,856	229,156	39,379
Rabies and Animal Control	121,186	0	0	121,186	134,284	137,434	16,248
Ambulance/Emergency Medical Services	3,448,188	0	0	3,448,188	3,551,813	3,767,292	319,104
Dental Health Program	206,903	0	0	206,903	192,875	213,075	6,172
Alcohol and Drug Programs	22,000	0	0	22,000	0	22,000	0
Other Local Health Services	304,920	0	0	304,920	318,282	332,600	27,680
Appropriation to State	106,653	0	0	106,653	122,305	122,305	15,652
<u>Social, Cultural, and Recreational Services</u>							
Parks and Fair Boards	3,000	0	0	3,000	3,000	3,000	0
<u>Agriculture & Natural Resources</u>							
Agriculture Extension Service	133,034	0	0	133,034	149,556	149,556	16,522
Soil Conservation	35,741	0	0	35,741	37,050	40,296	4,555
Other Agriculture & Natural Resources	88,653	(27,928)	0	60,725	0	83,756	23,031
<u>Other Operations</u>							
Industrial Development	121,989	0	0	121,989	119,500	119,500	(2,489)
Housing and Urban Development	36,564	0	0	36,564	0	36,564	0
Other Economic and Community Development	216,604	0	0	216,604	0	273,106	56,502
Veterans' Services	19,813	0	0	19,813	20,314	20,314	501
Other Charges	426,543	0	0	426,543	419,474	424,474	(2,069)
Contributions to Other Agencies	95,711	0	0	95,711	70,000	99,151	3,440
Miscellaneous	147,002	0	0	147,002	155,860	156,010	9,008
<u>Capital Projects</u>							
General Administration Projects	0	0	0	0	1,000,000	471,000	471,000

(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)	Less: Encumbrances 7/1/2006	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Capital Projects (Cont.)</u>							
Public Health and Welfare Projects	\$ 120,712	\$ (45,348)	\$ 0	\$ 75,364	\$ 0	\$ 148,523	\$ 73,159
Social, Cultural, and Recreation Projects	75,000	0	0	75,000	0	75,000	0
Public Utility Projects	575,024	0	0	575,024	0	592,243	17,219
Other General Government Projects	0	0	0	0	0	200,000	200,000
Total Expenditures	\$ 22,117,931	\$ (73,276)	\$ 113,382	\$ 22,158,037	\$ 22,307,489	\$ 25,097,735	\$ 2,939,698
Excess (Deficiency) of Revenues Over Expenditures	\$ 3,085,649	\$ 73,276	\$ (113,382)	\$ 3,045,543	\$ 50,699	\$ (1,226,978)	\$ 4,272,521
<u>Other Financing Sources (Uses)</u>							
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,000,000	\$ 471,000	\$ (471,000)
Insurance Recovery	40,480	0	0	40,480	0	33,915	6,565
Transfers In	443,904	0	0	443,904	0	443,904	0
Transfers Out	(1,791,224)	0	0	(1,791,224)	(1,442,500)	(2,217,400)	426,176
Total Other Financing Sources (Uses)	\$ (1,306,840)	\$ 0	\$ 0	\$ (1,306,840)	\$ (442,500)	\$ (1,268,581)	\$ (38,259)
Net Change in Fund Balance	\$ 1,778,809	\$ 73,276	\$ (113,382)	\$ 1,738,703	\$ (391,801)	\$ (2,495,559)	\$ 4,234,262
Fund Balance, July 1, 2006	5,565,258	(73,276)	0	5,491,982	3,857,634	3,857,634	1,634,348
Fund Balance, June 30, 2007	\$ 7,344,067	\$ 0	\$ (113,382)	\$ 7,230,685	\$ 3,465,833	\$ 1,362,075	\$ 5,868,610

Exhibit F-2

Anderson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 558,721	\$ 465,000	\$ 465,000	\$ 93,721
Charges for Current Services	20,000	0	20,000	0
Other Local Revenues	386,209	375,000	400,000	(13,791)
State of Tennessee	2,389,160	2,187,000	2,317,000	72,160
Federal Government	11,936	0	11,936	0
Total Revenues	<u>\$ 3,366,026</u>	<u>\$ 3,027,000</u>	<u>\$ 3,213,936</u>	<u>\$ 152,090</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 242,556	\$ 250,599	\$ 254,421	\$ 11,865
Highway and Bridge Maintenance	2,062,385	1,474,318	2,294,338	231,953
Operation and Maintenance of Equipment	745,776	793,792	844,892	99,116
Other Charges	257,359	230,611	260,301	2,942
Capital Outlay	589,107	487,000	692,000	102,893
Total Expenditures	<u>\$ 3,897,183</u>	<u>\$ 3,236,320</u>	<u>\$ 4,345,952</u>	<u>\$ 448,769</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (531,157)</u>	<u>\$ (209,320)</u>	<u>\$ (1,132,016)</u>	<u>\$ 600,859</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 1,205	\$ 0	\$ 0	\$ 1,205
Transfers In	118,363	0	0	118,363
Total Other Financing Sources (Uses)	<u>\$ 119,568</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 119,568</u>
Net Change in Fund Balance	\$ (411,589)	\$ (209,320)	\$ (1,132,016)	\$ 720,427
Fund Balance, July 1, 2006	<u>1,196,212</u>	<u>1,172,418</u>	<u>1,172,418</u>	<u>23,794</u>
Fund Balance, June 30, 2007	<u>\$ 784,623</u>	<u>\$ 963,098</u>	<u>\$ 40,402</u>	<u>\$ 744,221</u>

Exhibit F-3

Anderson County, Tennessee
Schedule of Funding Progress – Pension Plan
June 30, 2007

Required Supplementary Information
 Schedule of Funding Progress

(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)
6-30-05	\$ 35,680	\$ 36,769	\$ 1,089	97.04 %	\$ 15,853	6.87 %
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	1,340	10.05

ANDERSON COUNTY, TENNESSEE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2007

A. BUDGETARY INFORMATION

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

The county's budgetary basis of accounting is consistent with 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.

B. EXPENDITURES EXCEEDED APPROPRIATIONS

Expenditures exceeded appropriations approved by the County Commission at the major appropriation category level of control (the legal level of control) in the General Fund as follows:

<u>Major Category</u>	<u>Amount Overspent</u>
Engineering	\$ 3,244
General Sessions Court	574
Commissary	257
County Coroner/Medical Examiner	5,203
Industrial Development	2,489
Other Charges	2,069

Such overexpenditures are a violation of state law. These overexpenditures were funded by excess funds resulting from expenditures being below estimates in other major categories and available fund balance.

**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.

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 transactions involving solid waste collection.

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.

Capital Projects Fund

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

General Capital Projects Fund – The General Capital Projects Fund is used to account for the financial resources used in a major public safety (jail renovations) program.

Exhibit G-1

Anderson County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2007

	Special Revenue Funds				
	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Drug Control	District Attorney General
<u>ASSETS</u>					
Cash	\$ 0	\$ 887	\$ 0	\$ 0	\$ 0
Equity in Pooled Cash and Investments	71,549	118,013	71,870	93,963	15,831
Accounts Receivable	0	0	79,249	378	0
Due from Other Governments	0	0	8,308	0	0
Due from Other Funds	0	7,917	178,669	15,776	0
Due from Component Units	0	0	10,279	0	0
Total Assets	<u>\$ 71,549</u>	<u>\$ 126,817</u>	<u>\$ 348,375</u>	<u>\$ 110,117</u>	<u>\$ 15,831</u>
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 13,998	\$ 11,298	\$ 45,730	\$ 10,620	\$ 1,750
Accrued Payroll	0	3,004	5,764	0	0
Payroll Deductions Payable	0	3,379	2,725	0	0
Contracts Payable	0	0	94,017	0	0
Retainage Payable	0	0	0	0	0
Due to Other Funds	0	0	359	0	286
Other Deferred Revenues	0	0	6,520	0	0
Total Liabilities	<u>\$ 13,998</u>	<u>\$ 17,681</u>	<u>\$ 155,115</u>	<u>\$ 10,620</u>	<u>\$ 2,036</u>
<u>Fund Balances</u>					
Reserved for Encumbrances	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Reserved for Other General Purposes	0	6,289	0	2,058	0
Unreserved (Deficit)	57,551	102,847	193,260	97,439	13,795
Total Fund Balances	<u>\$ 57,551</u>	<u>\$ 109,136</u>	<u>\$ 193,260</u>	<u>\$ 99,497</u>	<u>\$ 13,795</u>
Total Liabilities and Fund Balances	<u>\$ 71,549</u>	<u>\$ 126,817</u>	<u>\$ 348,375</u>	<u>\$ 110,117</u>	<u>\$ 15,831</u>

(Continued)

Exhibit G-1

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

	<u>Special Revenue Funds (Cont.)</u>			<u>Capital Projects Fund</u>	
	<u>Other Special Revenue</u>	<u>Constitu - tional Officers - Fees</u>	<u>Total</u>	<u>General Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
<u>ASSETS</u>					
Cash	\$ 0	\$ 3,954	\$ 4,841	\$ 0	\$ 4,841
Equity in Pooled Cash and Investments	53,928	0	425,154	848	426,002
Accounts Receivable	0	0	79,627	94,534	174,161
Due from Other Governments	0	0	8,308	0	8,308
Due from Other Funds	30,033	0	232,395	263,965	496,360
Due from Component Units	0	0	10,279	0	10,279
Total Assets	\$ 83,961	\$ 3,954	\$ 760,604	\$ 359,347	\$ 1,119,951
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 2,499	\$ 0	\$ 85,895	\$ 5,941	\$ 91,836
Accrued Payroll	807	0	9,575	0	9,575
Payroll Deductions Payable	812	0	6,916	0	6,916
Contracts Payable	0	0	94,017	48,692	142,709
Retainage Payable	0	0	0	304,714	304,714
Due to Other Funds	155	3,954	4,754	0	4,754
Other Deferred Revenues	0	0	6,520	0	6,520
Total Liabilities	\$ 4,273	\$ 3,954	\$ 207,677	\$ 359,347	\$ 567,024
<u>Fund Balances</u>					
Reserved for Encumbrances	\$ 0	\$ 0	\$ 0	\$ 190,806	\$ 190,806
Reserved for Other General Purposes	0	0	8,347	0	8,347
Unreserved (Deficit)	79,688	0	544,580	(190,806)	353,774
Total Fund Balances	\$ 79,688	\$ 0	\$ 552,927	\$ 0	\$ 552,927
Total Liabilities and Fund Balances	\$ 83,961	\$ 3,954	\$ 760,604	\$ 359,347	\$ 1,119,951

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, 2007

	Special Revenue Funds				
	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Drug Control	District Attorney General
<u>Revenues</u>					
Local Taxes	\$ 23,397	\$ 0	\$ 0	\$ 0	\$ 0
Fines, Forfeitures, and Penalties	0	0	0	71,464	12,045
Charges for Current Services	0	16,636	419,872	0	0
Other Local Revenues	0	11,909	29,669	8,055	5,000
State of Tennessee	0	0	102,297	0	0
Federal Government	0	0	0	2,759	0
Other Governments and Citizens Groups	0	114,916	0	0	0
Total Revenues	\$ 23,397	\$ 143,461	\$ 551,838	\$ 82,278	\$ 17,045
<u>Expenditures</u>					
Current:					
General Government	\$ 198,494	\$ 0	\$ 0	\$ 0	\$ 0
Administration of Justice	0	0	0	0	26,517
Public Safety	0	0	0	103,044	0
Public Health and Welfare	0	0	1,343,006	0	0
Social, Cultural, and Recreational Services	0	315,068	0	0	0
Other Operations	0	0	0	0	0
Debt Service:					
Principal on Debt	0	0	0	0	0
Interest on Debt	0	0	0	0	0
Capital Projects	0	0	0	0	0
Total Expenditures	\$ 198,494	\$ 315,068	\$ 1,343,006	\$ 103,044	\$ 26,517
Excess (Deficiency) of Revenues Over Expenditures	\$ (175,097)	\$ (171,607)	\$ (791,168)	\$ (20,766)	\$ (9,472)
<u>Other Financing Sources (Uses)</u>					
Other Loans Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Transfers In	75,900	189,616	826,350	0	0
Transfers Out	0	0	0	0	0
Total Other Financing Sources (Uses)	\$ 75,900	\$ 189,616	\$ 826,350	\$ 0	\$ 0
Net Change in Fund Balances	\$ (99,197)	\$ 18,009	\$ 35,182	\$ (20,766)	\$ (9,472)
Fund Balance, July 1, 2006	156,748	91,127	158,078	120,263	23,267
Fund Balance, June 30, 2007	\$ 57,551	\$ 109,136	\$ 193,260	\$ 99,497	\$ 13,795

(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.)			Capital Projects Fund	Total Nonmajor Governmental Funds
	Other Special Revenue	Constitu- tional - Officers - Fees	Total	General Capital Projects	
<u>Revenues</u>					
Local Taxes	\$ 0	\$ 0	\$ 23,397	\$ 0	\$ 23,397
Fines, Forfeitures, and Penalties	0	0	83,509	0	83,509
Charges for Current Services	0	0	436,508	0	436,508
Other Local Revenues	18	0	54,651	1,502	56,153
State of Tennessee	0	0	102,297	0	102,297
Federal Government	0	0	2,759	0	2,759
Other Governments and Citizens Groups	0	0	114,916	0	114,916
Total Revenues	\$ 18	\$ 0	\$ 818,037	\$ 1,502	\$ 819,539
<u>Expenditures</u>					
Current:					
General Government	\$ 0	\$ 0	\$ 198,494	\$ 0	\$ 198,494
Administration of Justice	0	0	26,517	0	26,517
Public Safety	0	0	103,044	0	103,044
Public Health and Welfare	0	0	1,343,006	0	1,343,006
Social, Cultural, and Recreational Services	0	0	315,068	0	315,068
Other Operations	93,287	0	93,287	0	93,287
Debt Service:					
Principal on Debt	15,000	0	15,000	0	15,000
Interest on Debt	2,404	0	2,404	0	2,404
Capital Projects	0	0	0	3,178,270	3,178,270
Total Expenditures	\$ 110,691	\$ 0	\$ 2,096,820	\$ 3,178,270	\$ 5,275,090
Excess (Deficiency) of Revenues Over Expenditures	\$ (110,673)	\$ 0	\$ (1,278,783)	\$ (3,176,768)	\$ (4,455,551)
<u>Other Financing Sources (Uses)</u>					
Other Loans Issued	\$ 0	\$ 0	\$ 0	\$ 2,856,344	\$ 2,856,344
Transfers In	157,400	0	1,249,266	272,464	1,521,730
Transfers Out	0	(443,904)	(443,904)	0	(443,904)
Total Other Financing Sources (Uses)	\$ 157,400	\$ (443,904)	\$ 805,362	\$ 3,128,808	\$ 3,934,170
Net Change in Fund Balances	\$ 46,727	\$ (443,904)	\$ (473,421)	\$ (47,960)	\$ (521,381)
Fund Balance, July 1, 2006	32,961	443,904	1,026,348	47,960	1,074,308
Fund Balance, June 30, 2007	\$ 79,688	\$ 0	\$ 552,927	\$ 0	\$ 552,927

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, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 23,397	\$ 24,000	\$ 24,000	\$ (603)
Total Revenues	\$ 23,397	\$ 24,000	\$ 24,000	\$ (603)
<u>Expenditures</u>				
<u>General Government</u>				
Building	\$ 198,494	\$ 124,000	\$ 219,000	\$ 20,506
Total Expenditures	\$ 198,494	\$ 124,000	\$ 219,000	\$ 20,506
Excess (Deficiency) of Revenues Over Expenditures	\$ (175,097)	\$ (100,000)	\$ (195,000)	\$ 19,903
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 75,900	\$ 100,000	\$ 100,000	\$ (24,100)
Total Other Financing Sources (Uses)	\$ 75,900	\$ 100,000	\$ 100,000	\$ (24,100)
Net Change in Fund Balance	\$ (99,197)	\$ 0	\$ (95,000)	\$ (4,197)
Fund Balance, July 1, 2006	156,748	156,748	156,748	0
Fund Balance, June 30, 2007	\$ 57,551	\$ 156,748	\$ 61,748	\$ (4,197)

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, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 16,636	\$ 0	\$ 18,800	\$ (2,164)
Other Local Revenues	11,909	0	5,800	6,109
Other Governments and Citizens Groups	114,916	139,724	114,916	0
Total Revenues	<u>\$ 143,461</u>	<u>\$ 139,724</u>	<u>\$ 139,516</u>	<u>\$ 3,945</u>
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Libraries	\$ 315,068	\$ 341,530	\$ 338,844	\$ 23,776
Total Expenditures	<u>\$ 315,068</u>	<u>\$ 341,530</u>	<u>\$ 338,844</u>	<u>\$ 23,776</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (171,607)</u>	<u>\$ (201,806)</u>	<u>\$ (199,328)</u>	<u>\$ 27,721</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 189,616	\$ 189,616	\$ 189,616	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 189,616</u>	<u>\$ 189,616</u>	<u>\$ 189,616</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 18,009	\$ (12,190)	\$ (9,712)	\$ 27,721
Fund Balance, July 1, 2006	<u>91,127</u>	<u>50,165</u>	<u>50,165</u>	<u>40,962</u>
Fund Balance, June 30, 2007	<u>\$ 109,136</u>	<u>\$ 37,975</u>	<u>\$ 40,453</u>	<u>\$ 68,683</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, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 419,872	\$ 408,050	\$ 408,050	\$ 11,822
Other Local Revenues	29,669	10,000	10,000	19,669
State of Tennessee	102,297	90,000	90,000	12,297
Total Revenues	<u>\$ 551,838</u>	<u>\$ 508,050</u>	<u>\$ 508,050</u>	<u>\$ 43,788</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Sanitation Management	\$ 96,119	\$ 106,222	\$ 106,298	\$ 10,179
Convenience Centers	455,702	560,750	538,024	82,322
Other Waste Collection	58,624	68,540	68,540	9,916
Recycling Center	5,548	8,200	10,850	5,302
Landfill Operation and Maintenance	638,608	687,000	687,000	48,392
Other Waste Disposal	88,405	87,500	107,500	19,095
Total Expenditures	<u>\$ 1,343,006</u>	<u>\$ 1,518,212</u>	<u>\$ 1,518,212</u>	<u>\$ 175,206</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (791,168)</u>	<u>\$ (1,010,162)</u>	<u>\$ (1,010,162)</u>	<u>\$ 218,994</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 826,350	\$ 1,010,162	\$ 1,010,162	\$ (183,812)
Total Other Financing Sources (Uses)	<u>\$ 826,350</u>	<u>\$ 1,010,162</u>	<u>\$ 1,010,162</u>	<u>\$ (183,812)</u>
Net Change in Fund Balance	\$ 35,182	\$ 0	\$ 0	\$ 35,182
Fund Balance, July 1, 2006	158,078	0	0	158,078
Fund Balance, June 30, 2007	<u>\$ 193,260</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 193,260</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, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 71,464	\$ 52,500	\$ 58,500	\$ 12,964
Other Local Revenues	8,055	500	700	7,355
Federal Government	2,759	6,000	2,759	0
Total Revenues	<u>\$ 82,278</u>	<u>\$ 59,000</u>	<u>\$ 61,959</u>	<u>\$ 20,319</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 103,044	\$ 79,000	\$ 126,852	\$ 23,808
Total Expenditures	<u>\$ 103,044</u>	<u>\$ 79,000</u>	<u>\$ 126,852</u>	<u>\$ 23,808</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (20,766)</u>	<u>\$ (20,000)</u>	<u>\$ (64,893)</u>	<u>\$ 44,127</u>
Net Change in Fund Balance	\$ (20,766)	\$ (20,000)	\$ (64,893)	\$ 44,127
Fund Balance, July 1, 2006	120,263	93,370	93,370	26,893
Fund Balance, June 30, 2007	<u>\$ 99,497</u>	<u>\$ 73,370</u>	<u>\$ 28,477</u>	<u>\$ 71,020</u>

Exhibit G-7

Anderson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
District Attorney General Fund
For the Year Ended June 30, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 12,045	\$ 15,000	\$ 15,000	\$ (2,955)
Other Local Revenues	5,000	0	0	5,000
Total Revenues	<u>\$ 17,045</u>	<u>\$ 15,000</u>	<u>\$ 15,000</u>	<u>\$ 2,045</u>
<u>Expenditures</u>				
<u>Administration of Justice</u>				
District Attorney General	\$ 26,517	\$ 11,451	\$ 29,310	\$ 2,793
Total Expenditures	<u>\$ 26,517</u>	<u>\$ 11,451</u>	<u>\$ 29,310</u>	<u>\$ 2,793</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (9,472)</u>	<u>\$ 3,549</u>	<u>\$ (14,310)</u>	<u>\$ 4,838</u>
Net Change in Fund Balance	\$ (9,472)	\$ 3,549	\$ (14,310)	\$ 4,838
Fund Balance, July 1, 2006	<u>23,267</u>	<u>23,266</u>	<u>23,266</u>	<u>1</u>
Fund Balance, June 30, 2007	<u>\$ 13,795</u>	<u>\$ 26,815</u>	<u>\$ 8,956</u>	<u>\$ 4,839</u>

Exhibit G-8

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, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 18	\$ 0	\$ 0	\$ 18
State of Tennessee	0	5,000	5,000	(5,000)
Total Revenues	\$ 18	\$ 5,000	\$ 5,000	\$ (4,982)
<u>Expenditures</u>				
<u>Other Operations</u>				
Tourism	\$ 93,287	\$ 132,615	\$ 116,302	\$ 23,015
<u>Principal on Debt</u>				
General Government	15,000	0	15,000	0
<u>Interest on Debt</u>				
General Government	2,404	0	2,413	9
Total Expenditures	\$ 110,691	\$ 132,615	\$ 133,715	\$ 23,024
Excess (Deficiency) of Revenues Over Expenditures	\$ (110,673)	\$ (127,615)	\$ (128,715)	\$ 18,042
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 157,400	\$ 126,520	\$ 126,520	\$ 30,880
Total Other Financing Sources (Uses)	\$ 157,400	\$ 126,520	\$ 126,520	\$ 30,880
Net Change in Fund Balance	\$ 46,727	\$ (1,095)	\$ (2,195)	\$ 48,922
Fund Balance, July 1, 2006	32,961	32,862	32,862	99
Fund Balance, June 30, 2007	\$ 79,688	\$ 31,767	\$ 30,667	\$ 49,021

Major Governmental Funds

Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, long-term 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, long-term 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 and Budget
General Debt Service Fund
For the Year Ended June 30, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,417,078	\$ 2,395,827	\$ 2,395,827	\$ 21,251
Other Local Revenues	81,076	85,000	85,000	(3,924)
Total Revenues	<u>\$ 2,498,154</u>	<u>\$ 2,480,827</u>	<u>\$ 2,480,827</u>	<u>\$ 17,327</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,732,666	\$ 1,732,667	\$ 1,732,667	\$ 1
<u>Interest on Debt</u>				
General Government	465,880	629,497	559,497	93,617
<u>Other Debt Service</u>				
General Government	176,697	129,000	199,000	22,303
Total Expenditures	<u>\$ 2,375,243</u>	<u>\$ 2,491,164</u>	<u>\$ 2,491,164</u>	<u>\$ 115,921</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 122,911</u>	<u>\$ (10,337)</u>	<u>\$ (10,337)</u>	<u>\$ 133,248</u>
Net Change in Fund Balance	\$ 122,911	\$ (10,337)	\$ (10,337)	\$ 133,248
Fund Balance, July 1, 2006	<u>985,790</u>	<u>985,789</u>	<u>985,789</u>	<u>1</u>
Fund Balance, June 30, 2007	<u>\$ 1,108,701</u>	<u>\$ 975,452</u>	<u>\$ 975,452</u>	<u>\$ 133,249</u>

Exhibit H-2

Anderson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Rural Debt Service Fund
For the Year Ended June 30, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 50,116	\$ 62,064	\$ 62,064	\$ (11,948)
Other Local Revenues	291,348	85,000	292,510	(1,162)
Other Governments and Citizens Groups	1,316,467	1,613,458	1,425,948	(109,481)
Total Revenues	<u>\$ 1,657,931</u>	<u>\$ 1,760,522</u>	<u>\$ 1,780,522</u>	<u>\$ (122,591)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 1,089,818	\$ 1,089,818	\$ 1,089,818	\$ 0
<u>Interest on Debt</u>				
Education	633,338	560,259	645,259	11,921
<u>Other Debt Service</u>				
Education	14,206	41,100	41,100	26,894
Total Expenditures	<u>\$ 1,737,362</u>	<u>\$ 1,691,177</u>	<u>\$ 1,776,177</u>	<u>\$ 38,815</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (79,431)</u>	<u>\$ 69,345</u>	<u>\$ 4,345</u>	<u>\$ (83,776)</u>
<u>Other Financing Sources (Uses)</u>				
Other Loans Issued	\$ 1,056,682	\$ 0	\$ 0	\$ 1,056,682
Transfers In	0	20,000	0	0
Total Other Financing Sources (Uses)	<u>\$ 1,056,682</u>	<u>\$ 20,000</u>	<u>\$ 0</u>	<u>\$ 1,056,682</u>
Net Change in Fund Balance	\$ 977,251	\$ 89,345	\$ 4,345	\$ 972,906
Fund Balance, July 1, 2006	<u>5,170,726</u>	<u>444,253</u>	<u>444,253</u>	<u>4,726,473</u>
Fund Balance, June 30, 2007	<u>\$ 6,147,977</u>	<u>\$ 533,598</u>	<u>\$ 448,598</u>	<u>\$ 5,699,379</u>

Exhibit H-3

Anderson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Education Debt Service Fund
For the Year Ended June 30, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 959,290	\$ 938,461	\$ 938,461	\$ 20,829
Other Local Revenues	153,844	20,000	151,415	2,429
Other Governments and Citizens Groups	840,213	1,044,523	913,108	(72,895)
Total Revenues	<u>\$ 1,953,347</u>	<u>\$ 2,002,984</u>	<u>\$ 2,002,984</u>	<u>\$ (49,637)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 1,377,797	\$ 1,377,797	\$ 1,377,797	\$ 0
<u>Interest on Debt</u>				
Education	599,177	540,506	615,506	16,329
<u>Other Debt Service</u>				
Education	30,487	70,500	70,500	40,013
Total Expenditures	<u>\$ 2,007,461</u>	<u>\$ 1,988,803</u>	<u>\$ 2,063,803</u>	<u>\$ 56,342</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (54,114)</u>	<u>\$ 14,181</u>	<u>\$ (60,819)</u>	<u>\$ 6,705</u>
<u>Other Financing Sources (Uses)</u>				
Other Loans Issued	\$ 1,586,949	\$ 0	\$ 0	\$ 1,586,949
Transfers In	16,131	16,200	16,200	(69)
Total Other Financing Sources (Uses)	<u>\$ 1,603,080</u>	<u>\$ 16,200</u>	<u>\$ 16,200</u>	<u>\$ 1,586,880</u>
Net Change in Fund Balance	\$ 1,548,966	\$ 30,381	\$ (44,619)	\$ 1,593,585
Fund Balance, July 1, 2006	<u>3,764,507</u>	<u>1,447,356</u>	<u>1,447,356</u>	<u>2,317,151</u>
Fund Balance, June 30, 2007	<u>\$ 5,313,473</u>	<u>\$ 1,477,737</u>	<u>\$ 1,402,737</u>	<u>\$ 3,910,736</u>

Exhibit I-1

Anderson County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2007

	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	\$ 2,102,722	\$ 2,102,722
Equity in Pooled Cash and Investments	0	2,715	12,964	0	15,679
Accounts Receivable	0	0	0	2,240	2,240
Due from Other Governments	1,766,053	138,095	659,492	0	2,563,640
Taxes Receivable	0	1,621,704	7,743,816	0	9,365,520
Allowance for Uncollectible Taxes	0	(52,692)	(251,612)	0	(304,304)
Total Assets	<u>\$ 1,766,053</u>	<u>\$ 1,709,822</u>	<u>\$ 8,164,660</u>	<u>\$ 2,104,962</u>	<u>\$ 13,745,497</u>
<u>LIABILITIES</u>					
Due to Other Taxing Units	\$ 1,766,053	\$ 1,709,822	\$ 8,164,660	\$ 0	\$ 11,640,535
Due to Litigants, Heirs, and Others	0	0	0	2,104,962	2,104,962
Total Liabilities	<u>\$ 1,766,053</u>	<u>\$ 1,709,822</u>	<u>\$ 8,164,660</u>	<u>\$ 2,104,962</u>	<u>\$ 13,745,497</u>

Exhibit I-2

Anderson County, Tennessee
Combining Statement of Changes in Assets
and Liabilities - All Agency Funds
For the Year Ended June 30, 2007

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 9,875,971	\$ 9,875,971	\$ 0
Due from Other Governments	1,365,087	1,766,053	1,365,087	1,766,053
Total Assets	\$ 1,365,087	\$ 11,642,024	\$ 11,241,058	\$ 1,766,053
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 1,365,087	\$ 11,642,024	\$ 11,241,058	\$ 1,766,053
Total Liabilities	\$ 1,365,087	\$ 11,642,024	\$ 11,241,058	\$ 1,766,053
<u>City School ADA - Clinton Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 4,221	\$ 2,257,208	\$ 2,258,714	\$ 2,715
Due from Other Governments	107,026	138,095	107,026	138,095
Taxes Receivable	1,559,485	1,621,704	1,559,485	1,621,704
Allowance for Uncollectible Taxes	(44,449)	(52,692)	(44,449)	(52,692)
Total Assets	\$ 1,626,283	\$ 3,964,315	\$ 3,880,776	\$ 1,709,822
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 1,626,283	\$ 3,964,315	\$ 3,880,776	\$ 1,709,822
Total Liabilities	\$ 1,626,283	\$ 3,964,315	\$ 3,880,776	\$ 1,709,822
<u>City School ADA - Oak Ridge Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 20,653	\$ 10,779,133	\$ 10,786,822	\$ 12,964
Due from Other Governments	523,558	659,492	523,558	659,492
Taxes Receivable	7,626,669	7,743,816	7,626,669	7,743,816
Allowance for Uncollectible Taxes	(217,376)	(251,612)	(217,376)	(251,612)
Total Assets	\$ 7,953,504	\$ 18,930,829	\$ 18,719,673	\$ 8,164,660
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 7,953,504	\$ 18,930,829	\$ 18,719,673	\$ 8,164,660
Total Liabilities	\$ 7,953,504	\$ 18,930,829	\$ 18,719,673	\$ 8,164,660
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,551,503	\$ 13,340,917	\$ 12,789,698	\$ 2,102,722
Accounts Receivable	0	2,240	0	2,240
Cash Shortage	465	0	465	0
Total Assets	\$ 1,551,968	\$ 13,343,157	\$ 12,790,163	\$ 2,104,962

(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	\$ 1,551,968	\$ 13,343,157	\$ 12,790,163	\$ 2,104,962
Total Liabilities	<u>\$ 1,551,968</u>	<u>\$ 13,343,157</u>	<u>\$ 12,790,163</u>	<u>\$ 2,104,962</u>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,551,503	\$ 13,340,917	\$ 12,789,698	\$ 2,102,722
Equity in Pooled Cash and Investments	24,874	22,912,312	22,921,507	15,679
Accounts Receivable	0	2,240	0	2,240
Due from Other Governments	1,995,671	2,563,640	1,995,671	2,563,640
Cash Shortage	465	0	465	0
Taxes Receivable	9,186,154	9,365,520	9,186,154	9,365,520
Allowance for Uncollectible Taxes	(261,825)	(304,304)	(261,825)	(304,304)
Total Assets	<u>\$ 12,496,842</u>	<u>\$ 47,880,325</u>	<u>\$ 46,631,670</u>	<u>\$ 13,745,497</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 10,944,874	\$ 34,537,168	\$ 33,841,507	\$ 11,640,535
Due to Litigants, Heirs, and Others	1,551,968	13,343,157	12,790,163	2,104,962
Total Liabilities	<u>\$ 12,496,842</u>	<u>\$ 47,880,325</u>	<u>\$ 46,631,670</u>	<u>\$ 13,745,497</u>

Fiduciary Funds

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

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

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.

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 School Department, 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
Statement of Activities
Discretely Presented Anderson County School Department
For the Year Ended June 30, 2007

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Assets Total Governmental Activities
Governmental Activities:				
Instruction	\$ 31,839,111	\$ 0	\$ 2,030,157	\$ (29,808,954)
Support Services	16,706,478	0	1,245,046	(15,461,432)
Operation of Non-Instructional Services	6,451,898	1,517,288	4,587,010	(347,600)
Interest	474,032	0	0	(474,032)
Other Debt Service	2,157,006	0	0	(2,157,006)
Total Governmental Activities	\$ 57,628,525	\$ 1,517,288	\$ 7,862,213	\$ (48,249,024)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 12,705,228
Local Option Sales Tax				6,709,874
Other Local Taxes				196,114
Grants and Contributions Not Restricted to Specific Programs				27,033,256
Unrestricted Investment Income				172,396
Miscellaneous				45,279
Total General Revenues				\$ 46,862,147
Change in Net Assets				\$ (1,386,877)
Net Assets, July 1, 2006				36,472,590
Net Assets, June 30, 2007				\$ 35,085,713

Exhibit J-2

Anderson County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Anderson County School Department
June 30, 2007

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
	General Purpose School	Other Govern- mental Funds	Govern- mental Funds
<u>ASSETS</u>			
Cash	\$ 10,129	\$ 105	\$ 10,234
Equity in Pooled Cash and Investments	3,062,800	889,482	3,952,282
Inventories	0	78,768	78,768
Accounts Receivable	37,547	22,600	60,147
Due from Other Governments	1,374,710	328,616	1,703,326
Due from Other Funds	147,409	13,836	161,245
Due from Primary Government	155,276	454,102	609,378
Property Taxes Receivable	13,761,048	0	13,761,048
Allowance for Uncollectible Property Taxes	(447,124)	0	(447,124)
Prepaid Items	89,892	0	89,892
Total Assets	<u>\$ 18,191,687</u>	<u>\$ 1,787,509</u>	<u>\$ 19,979,196</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 633,218	\$ 313,051	\$ 946,269
Payroll Deductions Payable	547,901	68,552	616,453
Contracts Payable	584	262,492	263,076
Retainage Payable	0	39,845	39,845
Due to Other Funds	8,085	153,160	161,245
Due to Primary Government	14,017	939	14,956
Due to State of Tennessee	0	4,132	4,132
Other Current Liabilities	713	0	713
Deferred Revenue - Current Property Taxes	12,884,131	0	12,884,131
Deferred Revenue - Delinquent Property Taxes	379,463	0	379,463
Other Deferred Revenues	641,272	0	641,272
Total Liabilities	<u>\$ 15,109,384</u>	<u>\$ 842,171</u>	<u>\$ 15,951,555</u>
<u>Fund Balances</u>			
Reserved for Encumbrances	\$ 9,416	\$ 242,029	\$ 251,445
Reserved for Prepaid Items	89,892	0	89,892
Reserved for Inventory	0	78,768	78,768
Other Local Education Reserves	55,935	0	55,935
Reserved for Career Ladder - Extended Contract	12,057	0	12,057
Reserved for Career Ladder Program	125,088	0	125,088

(Continued)

Exhibit J-2

Anderson County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Anderson County School Department (Cont.)

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
	General Purpose School	Other Govern- mental Funds	Govern- mental Funds
<u>LIABILITIES AND FUND BALANCES (CONT.)</u>			
<u>Fund Balances (Cont.)</u>			
Reserved for Basic Education Program	\$ 145,938	\$ 0	\$ 145,938
Reserved for Special Education - Grants to States	0	7,473	7,473
Other Federal Reserves	0	231,850	231,850
Unreserved, Reported In:			
General Fund	2,643,977	0	2,643,977
Special Revenue Funds	0	393,135	393,135
Capital Projects Funds (Deficit)	0	(7,917)	(7,917)
Total Fund Balances	<u>\$ 3,082,303</u>	<u>\$ 945,338</u>	<u>\$ 4,027,641</u>
Total Liabilities and Fund Balances	<u>\$ 18,191,687</u>	<u>\$ 1,787,509</u>	<u>\$ 19,979,196</u>

Exhibit J-3

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, 2007

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

Total fund balances - balance sheet- governmental funds (Exhibit J-2)		\$	4,027,641
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	636,889	
Add: construction in progress		547,295	
Add: buildings and improvements net of accumulated depreciation		39,448,758	
Add: other capital assets net of accumulated depreciation		<u>947,117</u>	41,580,059
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: notes payable	\$	(10,432,407)	
Less: lease payable		(800,684)	
Less: accrued interest on notes and capital lease		(22,738)	
Less: compensated absences		<u>(286,893)</u>	(11,542,722)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>1,020,735</u>
Net assets of governmental activities (Exhibit A)		\$	<u><u>35,085,713</u></u>

Exhibit J-4

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, 2007

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 19,972,690	\$ 0	\$ 19,972,690
Licenses and Permits	3,842	0	3,842
Charges for Current Services	70,206	1,442,945	1,513,151
Other Local Revenues	290,246	19,352	309,598
State of Tennessee	26,334,212	141,516	26,475,728
Federal Government	181,587	7,518,351	7,699,938
Other Governments and Citizens Groups	0	2,510	2,510
Total Revenues	<u>\$ 46,852,783</u>	<u>\$ 9,124,674</u>	<u>\$ 55,977,457</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 27,646,204	\$ 2,493,960	\$ 30,140,164
Support Services	15,858,818	807,377	16,666,195
Operation of Non-Instructional Services	497,989	5,787,196	6,285,185
Capital Outlay	49,240	0	49,240
Debt Service:			
Principal on Debt	478,619	16,617	495,236
Interest on Debt	400,638	79,157	479,795
Other Debt Service	2,157,006	0	2,157,006
Capital Projects	0	2,414,218	2,414,218
Total Expenditures	<u>\$ 47,088,514</u>	<u>\$ 11,598,525</u>	<u>\$ 58,687,039</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (235,731)</u>	<u>\$ (2,473,851)</u>	<u>\$ (2,709,582)</u>
<u>Other Financing Sources (Uses)</u>			
Notes Issued	\$ 0	\$ 2,643,632	\$ 2,643,632
Insurance Recovery	9,729	3,711	13,440
Transfers In	223,468	213,604	437,072
Transfers Out	(42,805)	(394,267)	(437,072)
Total Other Financing Sources (Uses)	<u>\$ 190,392</u>	<u>\$ 2,466,680</u>	<u>\$ 2,657,072</u>
Net Change in Fund Balances	\$ (45,339)	\$ (7,171)	\$ (52,510)
Fund Balance, July 1, 2006	3,127,642	952,509	4,080,151
Fund Balance, June 30, 2007	<u>\$ 3,082,303</u>	<u>\$ 945,338</u>	<u>\$ 4,027,641</u>

Exhibit J-5

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, 2007

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

Net change in fund balances - total governmental funds (Exhibit J-4)		\$	(52,510)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:			
Add: capital assets purchased in the current period	\$	2,509,191	
Less: current year depreciation expense		<u>(1,769,126)</u>	740,065
(2) Capital asset disposals do not use current financial resources and therefore are not recognized in the governmental funds. This adjustment reflects the book value of capital assets disposed during the current period.			(48,804)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Add: deferred delinquent property taxes/other deferred June 30, 2007	\$	1,020,735	
Less: deferred delinquent property taxes/other deferred June 30, 2006		<u>(865,699)</u>	155,036
(4) The issuance of long-term debt (e.g., notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.			
Less: note proceeds	\$	(2,643,632)	
Add: principal payment on notes		475,333	
Add: principal payment on leases		<u>19,903</u>	(2,148,396)
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in accrued interest	\$	5,763	
Change in compensated absences		<u>(38,031)</u>	<u>(32,268)</u>
Change in net assets of governmental activities (Exhibit B)			<u>\$ (1,386,877)</u>

Exhibit J-6

Anderson County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Anderson County School Department
June 30, 2007

	Special Revenue Funds				Capital Projects Fund	Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Total	Education Capital Projects	
<u>ASSETS</u>						
Cash	\$ 0	\$ 105	\$ 0	\$ 105	\$ 0	\$ 105
Equity in Pooled Cash and Investments	231,585	282,482	294,342	808,409	81,073	889,482
Inventories	0	78,768	0	78,768	0	78,768
Accounts Receivable	8,249	6,305	1,116	15,670	6,930	22,600
Due from Other Governments	78,780	140,859	108,977	328,616	0	328,616
Due from Other Funds	0	9,662	4,174	13,836	0	13,836
Due from Primary Government	0	0	0	0	454,102	454,102
Total Assets	\$ 318,614	\$ 518,181	\$ 408,609	\$ 1,245,404	\$ 542,105	\$ 1,787,509
<u>LIABILITIES AND FUND BALANCES</u>						
<u>Liabilities</u>						
Accounts Payable	\$ 117,355	\$ 24,550	\$ 165,490	\$ 307,395	\$ 5,656	\$ 313,051
Payroll Deductions Payable	33,951	14,752	19,849	68,552	0	68,552
Contracts Payable	0	0	0	0	262,492	262,492
Retainage Payable	0	0	0	0	39,845	39,845
Due to Other Funds	65,881	6,976	80,303	153,160	0	153,160
Due to Primary Government	0	0	939	939	0	939
Due to State of Tennessee	4,132	0	0	4,132	0	4,132
Total Liabilities	\$ 221,319	\$ 46,278	\$ 266,581	\$ 534,178	\$ 307,993	\$ 842,171
<u>Fund Balances</u>						
Reserved for Encumbrances	\$ 0	\$ 0	\$ 0	\$ 0	\$ 242,029	\$ 242,029
Reserved for Inventory	0	78,768	0	78,768	0	78,768
Reserved for Special Education - Grants to States	7,473	0	0	7,473	0	7,473
Other Federal Reserves	89,822	0	142,028	231,850	0	231,850
Unreserved (Deficit)	0	393,135	0	393,135	(7,917)	385,218
Total Fund Balances	\$ 97,295	\$ 471,903	\$ 142,028	\$ 711,226	\$ 234,112	\$ 945,338
Total Liabilities and Fund Balances	\$ 318,614	\$ 518,181	\$ 408,609	\$ 1,245,404	\$ 542,105	\$ 1,787,509

Exhibit J-7

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, 2007

	Special Revenue Funds				Capital Projects Fund	Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Total	Education Capital Projects	
<u>Revenues</u>						
Charges for Current Services	\$ 7,200	\$ 1,186,670	\$ 249,075	\$ 1,442,945	\$ 0	\$ 1,442,945
Other Local Revenues	2,000	16,841	259	19,100	252	19,352
State of Tennessee	77,109	33,597	30,810	141,516	0	141,516
Federal Government	3,144,714	1,569,013	2,804,624	7,518,351	0	7,518,351
Other Governments and Citizens Groups	2,510	0	0	2,510	0	2,510
Total Revenues	\$ 3,233,533	\$ 2,806,121	\$ 3,084,768	\$ 9,124,422	\$ 252	\$ 9,124,674
<u>Expenditures</u>						
Current:						
Instruction	\$ 2,488,780	\$ 0	\$ 5,180	\$ 2,493,960	\$ 0	\$ 2,493,960
Support Services	807,377	0	0	807,377	0	807,377
Operation of Non-Instructional Services	0	3,034,574	2,752,622	5,787,196	0	5,787,196
Debt Service:						
Principal on Debt	0	0	16,617	16,617	0	16,617
Interest on Debt	0	0	79,157	79,157	0	79,157
Capital Projects	0	0	0	0	2,414,218	2,414,218
Total Expenditures	\$ 3,296,157	\$ 3,034,574	\$ 2,853,576	\$ 9,184,307	\$ 2,414,218	\$ 11,598,525
Excess (Deficiency) of Revenues Over Expenditures	\$ (62,624)	\$ (228,453)	\$ 231,192	\$ (59,885)	\$ (2,413,966)	\$ (2,473,851)
<u>Other Financing Sources (Uses)</u>						
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,643,632	\$ 2,643,632
Insurance Recovery	0	3,711	0	3,711	0	3,711
Transfers In	0	213,604	0	213,604	0	213,604
Transfers Out	(58,144)	(110,000)	(226,123)	(394,267)	0	(394,267)
Total Other Financing Sources (Uses)	\$ (58,144)	\$ 107,315	\$ (226,123)	\$ (176,952)	\$ 2,643,632	\$ 2,466,680
Net Change in Fund Balances	\$ (120,768)	\$ (121,138)	\$ 5,069	\$ (236,837)	\$ 229,666	\$ (7,171)
Fund Balance, July 1, 2006	218,063	593,041	136,959	948,063	4,446	952,509
Fund Balance, June 30, 2007	\$ 97,295	\$ 471,903	\$ 142,028	\$ 711,226	\$ 234,112	\$ 945,338

Exhibit J-8

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, 2007

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 19,972,690	\$ 0	\$ 19,972,690	\$ 19,906,787	\$ 19,906,787	\$ 65,903
Licenses and Permits	3,842	0	3,842	4,000	4,000	(158)
Charges for Current Services	70,206	0	70,206	149,500	149,500	(79,294)
Other Local Revenues	290,246	0	290,246	274,768	274,768	15,478
State of Tennessee	26,334,212	0	26,334,212	26,886,906	27,258,060	(923,848)
Federal Government	181,587	0	181,587	411,776	423,776	(242,189)
Total Revenues	\$ 46,852,783	\$ 0	\$ 46,852,783	\$ 47,633,737	\$ 48,016,891	\$ (1,164,108)
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 19,787,401	\$ 0	\$ 19,787,401	\$ 20,784,702	\$ 20,735,272	\$ 947,871
Special Education Program	5,060,074	0	5,060,074	4,967,638	5,182,438	122,364
Vocational Education Program	2,689,611	0	2,689,611	2,751,945	2,796,637	107,026
Adult Education Program	109,118	0	109,118	128,327	128,327	19,209
<u>Support Services</u>						
Attendance	252,000	0	252,000	248,989	257,239	5,239
Health Services	304,391	0	304,391	331,509	328,509	24,118
Other Student Support	1,039,870	0	1,039,870	986,161	1,043,297	3,427
Regular Instruction Program	1,148,418	0	1,148,418	1,287,625	1,274,108	125,690
Special Education Program	405,926	0	405,926	431,691	435,228	29,302
Vocational Education Program	236,488	0	236,488	239,569	239,569	3,081
Adult Programs	92,528	0	92,528	98,596	100,038	7,510
Board of Education	906,729	0	906,729	972,118	974,118	67,389
Director of Schools	240,513	0	240,513	251,478	251,665	11,152
Office of the Principal	2,620,931	0	2,620,931	2,692,487	2,699,778	78,847
Fiscal Services	307,572	0	307,572	341,554	341,554	33,982

(Continued)

Exhibit J-8

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 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Support Services (Cont.)</u>						
Operation of Plant	\$ 4,250,942	\$ 0	\$ 4,250,942	\$ 4,332,087	\$ 4,397,077	\$ 146,135
Maintenance of Plant	1,115,361	0	1,115,361	1,184,889	1,164,889	49,528
Transportation	2,303,349	0	2,303,349	2,320,517	2,322,517	19,168
Central and Other	633,800	0	633,800	479,515	668,862	35,062
<u>Operation of Non-Instructional Services</u>						
Early Childhood Education	497,989	0	497,989	434,291	522,709	24,720
<u>Capital Outlay</u>						
Regular Capital Outlay	49,240	9,416	58,656	65,000	114,000	55,344
<u>Principal on Debt</u>						
Education	478,619	0	478,619	390,000	555,750	77,131
<u>Interest on Debt</u>						
Education	400,638	0	400,638	65,000	403,925	3,287
<u>Other Debt Service</u>						
Education	2,157,006	0	2,157,006	2,661,855	2,157,180	174
Total Expenditures	<u>\$ 47,088,514</u>	<u>\$ 9,416</u>	<u>\$ 47,097,930</u>	<u>\$ 48,447,543</u>	<u>\$ 49,094,686</u>	<u>\$ 1,996,756</u>
Excess (Deficiency) of Revenues						
Over Expenditures	\$ (235,731)	\$ (9,416)	\$ (245,147)	\$ (813,806)	\$ (1,077,795)	\$ 832,648
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 9,729	\$ 0	\$ 9,729	\$ 18,700	\$ 18,700	\$ (8,971)
Transfers In	223,468	0	223,468	260,000	260,000	(36,532)
Transfers Out	(42,805)	0	(42,805)	(22,126)	(37,126)	(5,679)
Total Other Financing Sources (Uses)	<u>\$ 190,392</u>	<u>\$ 0</u>	<u>\$ 190,392</u>	<u>\$ 256,574</u>	<u>\$ 241,574</u>	<u>\$ (51,182)</u>

(Continued)

Exhibit J-8

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 6/30/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Net Change in Fund Balance	\$ (45,339)	\$ (9,416)	\$ (54,755)	\$ (557,232)	\$ (836,221)	\$ 781,466
Fund Balance, July 1, 2006	3,127,642	0	3,127,642	1,810,485	1,810,485	1,317,157
Fund Balance, June 30, 2007	\$ 3,082,303	\$ (9,416)	\$ 3,072,887	\$ 1,253,253	\$ 974,264	\$ 2,098,623

Exhibit J-9

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, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 7,200	\$ 7,200	\$ 7,200	\$ 0
Other Local Revenues	2,000	0	2,000	0
State of Tennessee	77,109	113,490	118,150	(41,041)
Federal Government	3,144,714	3,602,123	3,602,348	(457,634)
Other Governments and Citizens Groups	2,510	20,642	20,642	(18,132)
Total Revenues	<u>\$ 3,233,533</u>	<u>\$ 3,743,455</u>	<u>\$ 3,750,340</u>	<u>\$ (516,807)</u>
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 1,343,457	\$ 1,632,265	\$ 1,631,441	\$ 287,984
Special Education Program	932,077	963,240	1,023,369	91,292
Vocational Education Program	213,246	231,076	237,576	24,330
<u>Support Services</u>				
Regular Instruction Program	226,629	298,549	301,399	74,770
Special Education Program	476,875	660,199	600,968	124,093
Board of Education	130	315	154	24
Office of the Principal	938	2,400	1,120	182
Transportation	102,805	105,078	104,000	1,195
Total Expenditures	<u>\$ 3,296,157</u>	<u>\$ 3,893,122</u>	<u>\$ 3,900,027</u>	<u>\$ 603,870</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (62,624)</u>	<u>\$ (149,667)</u>	<u>\$ (149,687)</u>	<u>\$ 87,063</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (58,144)	\$ (68,396)	\$ (68,376)	\$ 10,232
Total Other Financing Sources (Uses)	<u>\$ (58,144)</u>	<u>\$ (68,396)</u>	<u>\$ (68,376)</u>	<u>\$ 10,232</u>
Net Change in Fund Balance	\$ (120,768)	\$ (218,063)	\$ (218,063)	\$ 97,295
Fund Balance, July 1, 2006	<u>218,063</u>	<u>218,063</u>	<u>218,063</u>	<u>0</u>
Fund Balance, June 30, 2007	<u>\$ 97,295</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 97,295</u>

Exhibit J-10

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, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 1,186,670	\$ 1,269,801	\$ 1,180,601	\$ 6,069
Other Local Revenues	16,841	22,667	22,667	(5,826)
State of Tennessee	33,597	34,100	33,596	1
Federal Government	1,569,013	1,485,953	1,554,469	14,544
Total Revenues	<u>\$ 2,806,121</u>	<u>\$ 2,812,521</u>	<u>\$ 2,791,333</u>	<u>\$ 14,788</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 3,034,574	\$ 3,311,479	\$ 3,317,791	\$ 283,217
Total Expenditures	<u>\$ 3,034,574</u>	<u>\$ 3,311,479</u>	<u>\$ 3,317,791</u>	<u>\$ 283,217</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (228,453)</u>	<u>\$ (498,958)</u>	<u>\$ (526,458)</u>	<u>\$ 298,005</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 3,711	\$ 200	\$ 3,650	\$ 61
Transfers In	213,604	157,758	181,808	31,796
Transfers Out	(110,000)	(110,000)	(110,000)	0
Total Other Financing Sources (Uses)	<u>\$ 107,315</u>	<u>\$ 47,958</u>	<u>\$ 75,458</u>	<u>\$ 31,857</u>
Net Change in Fund Balance	\$ (121,138)	\$ (451,000)	\$ (451,000)	\$ 329,862
Fund Balance, July 1, 2006	<u>593,041</u>	<u>392,394</u>	<u>392,394</u>	<u>200,647</u>
Fund Balance, June 30, 2007	<u>\$ 471,903</u>	<u>\$ (58,606)</u>	<u>\$ (58,606)</u>	<u>\$ 530,509</u>

Exhibit J-11

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, 2007

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 249,075	\$ 223,050	\$ 246,705	\$ 2,370
Other Local Revenues	259	0	423	(164)
State of Tennessee	30,810	25,200	26,233	4,577
Federal Government	2,804,624	2,755,242	2,899,892	(95,268)
Total Revenues	<u>\$ 3,084,768</u>	<u>\$ 3,003,492</u>	<u>\$ 3,173,253</u>	<u>\$ (88,485)</u>
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 5,180	\$ 0	\$ 0	\$ (5,180)
<u>Operation of Non-Instructional Services</u>				
Community Services	2,752,622	2,797,851	2,859,723	107,101
<u>Principal on Debt</u>				
Education	16,617	0	16,617	0
<u>Interest on Debt</u>				
Education	79,157	0	79,157	0
Total Expenditures	<u>\$ 2,853,576</u>	<u>\$ 2,797,851</u>	<u>\$ 2,955,497</u>	<u>\$ 101,921</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 231,192</u>	<u>\$ 205,641</u>	<u>\$ 217,756</u>	<u>\$ 13,436</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (226,123)	\$ (205,641)	\$ (233,591)	\$ 7,468
Total Other Financing Sources (Uses)	<u>\$ (226,123)</u>	<u>\$ (205,641)</u>	<u>\$ (233,591)</u>	<u>\$ 7,468</u>
Net Change in Fund Balance	\$ 5,069	\$ 0	\$ (15,835)	\$ 20,904
Fund Balance, July 1, 2006	<u>136,959</u>	<u>133,347</u>	<u>133,347</u>	<u>3,612</u>
Fund Balance, June 30, 2007	<u>\$ 142,028</u>	<u>\$ 133,347</u>	<u>\$ 117,512</u>	<u>\$ 24,516</u>

Exhibit J-12

Anderson County, Tennessee
Statement of Fiduciary Net Assets
Discretely Presented Anderson County School Department
Fiduciary Fund
June 30, 2007

	<u>Other Employee Benefit Trust Fund</u> <u>Flexible Benefits Fund</u>
<u>ASSETS</u>	
Cash	\$ 23,062
Total Assets	<u>\$ 23,062</u>
<u>NET ASSETS</u>	
Funds Held in Trust for Employees	<u>\$ 23,062</u>
Total Net Assets	<u><u>\$ 23,062</u></u>

Exhibit J-13

Anderson County, Tennessee
Statement of Changes in Fiduciary Net Assets
Discretely Presented Anderson County School Department
Fiduciary Fund
For the Year Ended June 30, 2007

	Other Employee Benefit Trust Fund
	<u>Flexible Benefits Fund</u>
<u>ADDITIONS</u>	
Plan Member Contributions	\$ 145,220
Total Additions	<u>\$ 145,220</u>
<u>DEDUCTIONS</u>	
Employee Benefits	
Other Fringe Benefits	\$ 146,667
Total Deductions	<u>\$ 146,667</u>
Change in Net Assets	\$ (1,447)
Net Assets, July 1, 2006	<u>24,509</u>
Net Assets, June 30, 2007	<u><u>\$ 23,062</u></u>

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, 2007

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-06	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-07
<u>PRIMARY GOVERNMENT</u>								
<u>NOTES PAYABLE</u>								
<u>Payable through Other Special Revenue Fund</u>								
Land Purchased for Tourism Board	\$ 100,000	5.59%	8-26-1998	8-1-08	\$ 30,000	\$ 0	\$ 10,000	\$ 20,000
Tourism Facilities Improvements	50,000	4.98	10-1-1999	10-1-09	20,000	0	5,000	15,000
Total Payable through Other Special Revenue Fund					\$ 50,000	\$ 0	\$ 15,000	\$ 35,000
<u>Payable through General Debt Service Fund</u>								
Anderson County Utility Board	600,000	5.3559	6-1-1995	6-1-07	\$ 65,000	\$ 0	\$ 65,000	\$ 0
Anderson County Utility Board	600,000	4.76 to 4.9	12-1-1997	12-1-06	66,666	0	66,666	0
Roof Repairs	100,000	3.6	6-12-03	12-1-12	70,000	0	10,000	60,000
Health Department	300,000	3.78	5-4-05	5-1-15	270,000	0	30,000	240,000
Total Payable through General Debt Service Fund					\$ 471,666	\$ 0	\$ 171,666	\$ 300,000
Total Notes Payable					\$ 521,666	\$ 0	\$ 186,666	\$ 335,000
<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	\$ 1,460,000	\$ 0	\$ 68,000	\$ 1,392,000
Jail Renovation - Montgomery Co. PBA	3,000,000	Variable	5-22-06	5-25-25	143,656	2,856,344	118,000	2,882,000
Total Payable through General Debt Service Fund					\$ 1,603,656	\$ 2,856,344	\$ 186,000	\$ 4,274,000
<u>Payable through Rural Debt Service Fund</u>								
School Refunding - City of Clarksville PBA	\$ 5,746,000	Variable	4-1-03	5-25-17	\$ 4,380,857	\$ 0	\$ 465,203	\$ 3,915,654
Rural Elementary School Project - Montgomery Co. PBA	(1)	Variable	4-19-04	6-25-18	4,726,473	1,056,682	103,250	5,679,905
Total Payable through Rural Debt Service Fund					\$ 9,107,330	\$ 1,056,682	\$ 568,453	\$ 9,595,559

(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 7-1-06	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-07
<u>PRIMARY GOVERNMENT (Cont.)</u>								
<u>OTHER LOANS PAYABLE (Cont.)</u>								
<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	\$ 5,205,882	\$ 0	\$ 635,297	\$ 4,570,585
Rural High School Project - Montgomery Co. PBA	(2)	Variable	4-19-04	6-25-18	2,317,150	1,586,949	62,500	3,841,599
Total Payable through Education Debt Service Fund					<u>\$ 7,523,032</u>	<u>\$ 1,586,949</u>	<u>\$ 697,797</u>	<u>\$ 8,412,184</u>
Total Other Loans Payable					<u>\$ 18,234,018</u>	<u>\$ 5,499,975</u>	<u>\$ 1,452,250</u>	<u>\$ 22,281,743</u>
<u>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
General Obligation Refunding	\$ 7,520,000	4.5 to 5%	4-1-1998	9-1-06	\$ 650,000	\$ 0	\$ 650,000	\$ 0
General Obligation Refunding	6,085,000	3 to 5	8-1-01	4-1-13	4,180,000	0	710,000	3,470,000
General Obligation Refunding	4,580,000	3.5 to 3.7	12-15-05	9-1-12	3,895,000	0	15,000	3,880,000
Total Payable through General Debt Service Fund					<u>\$ 8,725,000</u>	<u>\$ 0</u>	<u>\$ 1,375,000</u>	<u>\$ 7,350,000</u>
<u>Payable through Rural Debt Service Fund</u>								
Rural Development Water and Sewer	110,000	4.875	12-28-00	8-28-38	\$ 103,571	\$ 0	\$ 1,365	\$ 102,206
Rural School Refunding	4,145,000	3 to 5	8-1-01	4-1-13	2,925,000	0	275,000	2,650,000
Rural School Refunding	3,505,000	2 to 3.875	3-1-04	3-1-18	3,415,000	0	245,000	3,170,000
Total Payable through Rural Debt Service Fund					<u>\$ 6,443,571</u>	<u>\$ 0</u>	<u>\$ 521,365</u>	<u>\$ 5,922,206</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	\$ 45,000	\$ 0	\$ 45,000	\$ 0
Rural High School Refunding	3,490,000	3 to 5	8-1-01	4-1-13	2,275,000	0	290,000	1,985,000
Rural High School Refunding	4,895,000	2 to 3.875	3-1-04	3-1-18	4,765,000	0	345,000	4,420,000
Total Payable through Education Debt Service Fund					<u>\$ 7,085,000</u>	<u>\$ 0</u>	<u>\$ 680,000</u>	<u>\$ 6,405,000</u>
Total Bonds Payable					<u>\$ 22,253,571</u>	<u>\$ 0</u>	<u>\$ 2,576,365</u>	<u>\$ 19,677,206</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 7-1-06	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-07
<u>DISCRETELY PRESENTED ANDERSON COUNTY SCHOOL DEPARTMENT</u>								
<u>NOTES PAYABLE</u>								
<u>Payable through General Purpose School Fund</u>								
Norwood Elementary (EPA - Asbestos)	\$ 292,497	0 %	11-1-1989	11-1-08	\$ 40,624	\$ 0	\$ 16,250	\$ 24,374
Clinton Middle (EPA - Asbestos)	89,529	0	4-17-1992	5-30-11	24,529	0	5,000	19,529
Renovation of Various Schools	700,000	4.9 to 6.7	4-5-1995	4-5-07	75,000	0	75,000	0
Schools	1,000,000	4.79 to 5.27	6-30-1997	7-2-09	333,332	0	83,333	249,999
Renovation of Various Schools	572,000	4.89	10-1-1999	10-1-09	257,000	0	60,000	197,000
Renovation of Various Schools	700,000	3.6	6-12-03	12-1-12	490,000	0	70,000	420,000
Renovation of Various Schools - Borrowed from Primary Government	(3)	Varies	4-15-04	6-25-18	7,043,623	2,643,632	165,750	9,521,505
Total Payable through General Purpose School Fund					<u>\$ 8,264,108</u>	<u>\$ 2,643,632</u>	<u>\$ 475,333</u>	<u>\$ 10,432,407</u>
Total Notes Payable					<u>\$ 8,264,108</u>	<u>\$ 2,643,632</u>	<u>\$ 475,333</u>	<u>\$ 10,432,407</u>
<u>CAPITAL LEASES PAYABLE</u>								
<u>Payable through Other Education Special Revenue Fund and General Purpose School Fund</u>								
Headstart Facility	957,236	11.4	12-1-03	12-1-19	820,587	0	19,903	800,684
Total Capital Leases Payable					<u>\$ 820,587</u>	<u>\$ 0</u>	<u>\$ 19,903</u>	<u>\$ 800,684</u>

(1) Total amount approved was \$6,000,000, of which \$10,345 remains available for draws as of June 30, 2007.

(2) Total amount approved was \$4,100,000, of which \$70,900 remains available for draws as of June 30, 2007.

(3) Total amount authorized was \$10,100,000, of which \$81,245 remains available for draws as of June 30, 2007.

Exhibit K-2

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

Year Ending June 30	Bond Requirements	Interest Requirements	Total Requirements
2008	\$ 2,611,433	\$ 752,720	\$ 3,364,153
2009	2,496,505	655,138	3,151,643
2010	2,576,580	562,581	3,139,161
2011	2,691,658	458,878	3,150,536
2012	2,301,741	348,390	2,650,131
2013	2,391,828	256,375	2,648,203
2014	1,076,919	175,362	1,252,281
2015	1,112,015	135,000	1,247,015
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	\$ 19,677,206	\$ 3,582,896	\$ 23,260,102

Exhibit K-3

Anderson County, Tennessee
Schedule of Notes Receivable
June 30, 2007

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	\$ 5,679,905
Education Debt Service Fund:						
Payment of Other Loan Principal and Interest	Anderson County School Department	(2)	4-19-04	6-25-18	Variable	<u>3,841,600</u>
Total Notes Receivable						<u>\$ 9,521,505</u>

The county borrows funds through loan agreements with the Montgomery County Public Building Authority and loans those amounts to the Anderson County School Department.

- (1) Total amount approved was \$6,000,000, of which \$10,345 remains available for draws as of June 30, 2007.
(2) Total amount approved was \$4,100,000, of which \$70,990 remains available for draws as of June 30, 2007.

Exhibit K-4

Anderson County, Tennessee
Schedule of Investments
June 30, 2007

<u>Fund and Type</u>	<u>Amount</u>
<u>Employee Health Insurance Fund</u>	
State Treasurer's Investment Pool	\$ <u>17,395</u>
Total Investments	\$ <u><u>17,395</u></u>

Exhibit K-5

Anderson County, Tennessee

Schedule of Transfers - Primary Government and Discretely Presented Anderson County School Department

For the Year Ended June 30, 2007

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
Primary Government:			
General	Courthouse and Jail Maintenance	To provide funds for operations	\$ 75,900
"	Public Library	"	189,616
"	Solid Waste/Sanitation	"	826,350
"	Other Special Revenue	"	157,400
"	Highway/Public Works	To provide funds for various county projects	118,363
"	Education Debt Service	To provide funds for operations	16,131
"	Capital Projects	To provide funds for various county projects	272,464
"	Public Utility	To provide funds for capital projects	35,000
"	Employee Health Insurance	To provide funds for operations	100,000
Constitutional Officers - Fees	General	Excess fee balances, 7-1-06	<u>443,904</u>
Total Primary Government			<u><u>\$ 2,235,128</u></u>
Discretely Presented Anderson County School Department:			
General Purpose School	Central Cafeteria	To provide funds for cafeteria expenditures	\$ 42,805
School Federal Projects	General Purpose School	Indirect costs	57,199
"	Central Cafeteria	To provide funds for cafeteria expenditures	945
Central Cafeteria	General Purpose School	To provide funds for utilities	110,000
Other Education Special Revenue	"	Indirect costs	56,269
"	Central Cafeteria	To provide funds for cafeteria expenditures	<u>169,854</u>
Total Discretely Presented Anderson County School Department			<u><u>\$ 437,072</u></u>

Exhibit K-6

Anderson County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Anderson County School Department
For the Year Ended June 30, 2007

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <u>TCA</u>	\$ 91,552	\$ 50,000	RLI Insurance Company
Highway Superintendent	Section 8-24-102, <u>TCA</u>	72,126	100,000	"
Director of Schools	State Board of Education and County Board of Education	100,077	100,000	Travelers Casualty and Surety Company of America
Trustee:				
Patsy Stair-Lomeli (7-1-06 through 8-31-06)	Section 8-24-102, <u>TCA</u>	11,138	2,110,470	Cincinnati Insurance Company
Rodney Archer (9-1-06 through 6-30-07)	Section 8-24-102, <u>TCA</u>	54,431	2,186,000	"
Assessor of Property	Section 8-24-102, <u>TCA</u>	65,569	50,000	Travelers Casualty and Surety Company of America
Director of Accounts and Budgets	County Commission	65,569	25,000	RLI Insurance Company
County Clerk	Section 8-24-102, <u>TCA</u>	65,569	50,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, <u>TCA</u>	65,569	50,000	"
Clerk and Master	Section 8-24-102, <u>TCA</u> , and Chancery Court Judge	81,751 (1)	300,000	State Automobile Mutual Insurance Company
Register	Section 8-24-102, <u>TCA</u>	65,569	25,000	Ohio Casualty Insurance Company
Sheriff:				
Bill White (7-1-06 through 8-31-06)	Section 8-24-102, <u>TCA</u>	12,770 (2)	25,000	Cincinnati Insurance Company
Paul White (9-1-06 through 6-30-07)	Section 8-24-102, <u>TCA</u>	59,875	25,000	Ohio Casualty Insurance Company
Purchasing Agent	County Commission	44,081	25,000	RLI Insurance Company
Employee Blanket Bonds				
Public Employee Dishonesty - County Departments			150,000	Tennessee School Boards Risk Management Trust
Public Employee Dishonesty - School Department			150,000	"

(1) Includes special commissioner fees of \$16,182.

(2) Includes law enforcement training supplement of \$519.

Exhibit K-7

Anderson County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2007

	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	\$ 9,286,776	\$ 0	\$ 0	\$ 0	\$ 0	0
Trustee's Collections - Prior Year	264,435	0	0	0	0	0
Circuit/Clerk & Master Collections - Prior Years	91,498	0	0	0	0	0
Interest and Penalty	93,806	0	0	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	16,131	0	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	595,025	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	641,513	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	607,550	0	0	0	0	0
Hotel/Motel Tax	177,196	0	0	0	0	0
Litigation Tax - General	202,714	0	0	0	0	0
Litigation Tax - Special Purpose	0	23,397	0	0	0	0
Litigation Tax - Office of Public Defender	12,541	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0
Litigation Tax - Victim/Offender Mediation Center	6,361	0	0	0	0	0
Business Tax	1,307,583	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
Other County Local Option Taxes	273	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	134,095	0	0	0	0	0
Coal Severance Tax	0	0	0	0	0	0
Interstate Telecommunications Tax	5,248	0	0	0	0	0
Other Statutory Local Taxes	2,027	0	0	0	0	0
Total Local Taxes	\$ 13,444,772	\$ 23,397	\$ 0	\$ 0	\$ 0	0
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 249,586	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Permits</u>						
Beer Permits	1,427	0	0	0	0	0
Building Permits	184,194	0	0	0	0	0
Total Licenses and Permits	\$ 435,207	\$ 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	\$ 2,340	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	22,437	0	0	0	0	0
Drug Control Fines	2,027	0	0	0	2,027	0
DUI Treatment Fines	1,643	0	0	0	0	0
Data Entry Fee - Circuit Court	2,382	0	0	0	0	0
<u>Criminal Court</u>						
Fines	28,500	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	45,930	0	0	0	0	0
Officers Costs	85,363	0	0	0	0	0
Drug Control Fines	4,548	0	0	0	4,548	0
Drug Court Fees	8,832	0	0	0	0	0
Jail Fees	93,439	0	0	0	0	0
Interpreter Fees	796	0	0	0	0	0
DUI Treatment Fines	9,088	0	0	0	0	0
Data Entry Fee - General Sessions Court	13,663	0	0	0	0	0
Courtroom Security Fee	2,307	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	9,442	0	0	0	0	0
Officers Costs	18,717	0	0	0	0	0
Jail Fees	6,809	0	0	0	0	0
Courtroom Security Fee	2	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	26,483	0	0	0	0	0
Data Entry Fee - Chancery Court	3,144	0	0	0	0	0
Courtroom Security Fee	78	0	0	0	0	0
<u>Courts in Other District Counties</u>						
District Attorney General Fees	0	0	0	0	0	12,045
<u>Judicial District Drug Program</u>						
Drug Task Force Forfeitures and Seizures	0	0	0	0	64,889	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	1,000	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 (Cont.)</u>						
<u>Other Fines, Forfeitures, and Penalties (Cont.)</u>						
Other Fines, Forfeitures, and Penalties	\$ 50	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Fines, Forfeitures, and Penalties	\$ 389,020	\$ 0	\$ 0	\$ 0	\$ 71,464	\$ 12,045
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Other Employee Benefit Charges/Contributions	\$ 495	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Convenience Waste Centers Collection Charge	0	0	0	49,060	0	0
Surcharge - Host Agency	0	0	0	366,655	0	0
Solid Waste Disposal Fees	0	0	0	4,157	0	0
Patient Charges	3,946,244	0	0	0	0	0
Health Department Collections	166,862	0	0	0	0	0
Other General Service Charges	175,256	0	0	0	0	0
<u>Fees</u>						
Recreation Fees	45,144	0	0	0	0	0
Copy Fees	1,792	0	0	0	0	0
Library Fees	0	0	16,636	0	0	0
Telephone Commissions	15,951	0	0	0	0	0
Vending Machine Collections	196	0	0	0	0	0
Data Processing Fee - Register	32,196	0	0	0	0	0
Probation Fees	120,822	0	0	0	0	0
Data Processing Fee - Sheriff	13,473	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	3,000	0	0	0	0	0
<u>Other Charges for Services</u>						
Other Charges for Services	6,430	0	0	0	0	0
Total Charges for Current Services	\$ 4,527,861	\$ 0	\$ 16,636	\$ 419,872	\$ 0	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 353,912	\$ 0	\$ 7,917	\$ 0	\$ 7,614	\$ 0
Lease/Rentals	219,539	0	0	0	0	0
Sale of Materials and Supplies	6,879	0	0	0	0	0
Commissary Sales	106,910	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>Other Local Revenues (Cont.)</u>						
<u>Recurring Items (Cont.)</u>						
Sale of Gasoline	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Sale of Maps	8,922	0	0	0	0	0
Sale of Recycled Materials	0	0	0	10,969	0	0
Miscellaneous Refunds	3,954	0	0	0	0	0
<u>Nonrecurring Items</u>						
Sale of Equipment	14,940	0	0	0	0	0
Sale of Property	51,304	0	0	0	0	0
Damages Recovered from Individuals	100	0	0	0	241	0
Contributions & Gifts	450	0	3,992	18,700	200	5,000
<u>Other Local Revenues</u>						
Other Local Revenues	11,987	0	0	0	0	0
Total Other Local Revenues	\$ 778,897	\$ 0	\$ 11,909	\$ 29,669	\$ 8,055	\$ 5,000
<u>Fees Received from County Officials</u>						
<u>Fees-In-Lieu of Salary</u>						
County Clerk	\$ 808,108	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
General Sessions Court Clerk	845,217	0	0	0	0	0
Clerk and Master	393,337	0	0	0	0	0
Register	456,415	0	0	0	0	0
Sheriff	49,566	0	0	0	0	0
Trustee	1,141,091	0	0	0	0	0
Total Fees Received from County Officials	\$ 3,693,734	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 13,005	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
State Reappraisal Grant	22,198	0	0	0	0	0
Solid Waste Grants	0	0	0	51,777	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	18,000	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	285,272	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</u>						
State Aid Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Litter Program	0	0	0	50,520	0	0
<u>Other State Revenues</u>						
Income Tax	57,692	0	0	0	0	0
Alcoholic Beverage Tax	76,740	0	0	0	0	0
Mixed Drink Tax	4,342	0	0	0	0	0
State Revenue Sharing - T.V.A.	152,830	0	0	0	0	0
Board of Jurors	3,234	0	0	0	0	0
Prisoner Transportation	10,713	0	0	0	0	0
Contracted Prisoner Boarding	311,500	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	138,497	0	0	0	0	0
Other State Revenues	85,082	0	0	0	0	0
Total State of Tennessee	\$ 1,195,485	\$ 0	\$ 0	\$ 102,297	\$ 0	0
<u>Federal Government</u>						
<u>Federal Through State</u>						
Homeland Security Grants	\$ 310,639	\$ 0	\$ 0	\$ 0	\$ 0	0
Other Federal through State	230,536	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	86,374	0	0	0	2,759	0
Total Federal Government	\$ 627,549	\$ 0	\$ 0	\$ 0	\$ 2,759	0
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 55,000	\$ 0	\$ 106,926	\$ 0	\$ 0	0
Contracted Services	56,055	0	0	0	0	0
<u>Citizens Groups</u>						
Donations	0	0	7,990	0	0	0
Total Other Governments and Citizens Groups	\$ 111,055	\$ 0	\$ 114,916	\$ 0	\$ 0	0
Total	\$ 25,203,580	\$ 23,397	\$ 143,461	\$ 551,838	\$ 82,278	\$ 17,045

(Continued)

Exhibit K-7

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

	Special Revenue Funds		Debt Service Funds			Capital Projects Fund	Total
	Other Special Revenue	Highway / Public Works	General Debt Service	Rural Debt Service	Education Debt Service	General Capital Projects	
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 0	\$ 0	\$ 2,262,163	\$ 46,133	\$ 900,724	\$ 0	\$ 12,495,796
Trustee's Collections - Prior Year	0	0	64,807	1,943	30,817	0	362,002
Circuit/Clerk & Master Collections - Prior Years	0	0	22,432	1,181	15,348	0	130,459
Interest and Penalty	0	0	22,998	859	12,401	0	130,064
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	0	0	16,131
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	0	0	0	595,025
Payments in-Lieu-of Taxes - Other	0	0	0	0	0	0	641,513
<u>County Local Option Taxes</u>							
Local Option Sales Tax	0	356,815	0	0	0	0	964,365
Hotel/Motel Tax	0	0	0	0	0	0	177,196
Litigation Tax - General	0	0	0	0	0	0	202,714
Litigation Tax - Special Purpose	0	0	0	0	0	0	23,397
Litigation Tax - Office of Public Defender	0	0	0	0	0	0	12,541
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	44,678	0	0	0	44,678
Litigation Tax - Victim/Offender Mediation Center	0	0	0	0	0	0	6,361
Business Tax	0	0	0	0	0	0	1,307,583
Mineral Severance Tax	0	181,814	0	0	0	0	181,814
Other County Local Option Taxes	0	0	0	0	0	0	273
<u>Statutory Local Taxes</u>							
Bank Excise Tax	0	0	0	0	0	0	134,095
Coal Severance Tax	0	20,092	0	0	0	0	20,092
Interstate Telecommunications Tax	0	0	0	0	0	0	5,248
Other Statutory Local Taxes	0	0	0	0	0	0	2,027
Total Local Taxes	\$ 0	\$ 558,721	\$ 2,417,078	\$ 50,116	\$ 959,290	\$ 0	\$ 17,453,374
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 249,586
<u>Permits</u>							
Beer Permits	0	0	0	0	0	0	1,427
Building Permits	0	0	0	0	0	0	184,194
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 435,207

(Continued)

Exhibit K-7

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

	Special Revenue Funds		Debt Service Funds			Capital Projects Fund	Total
	Other Special Revenue	Highway / Public Works	General Debt Service	Rural Debt Service	Education Debt Service	General Capital Projects	
<u>Fines, Forfeitures, and Penalties</u>							
<u>Circuit Court</u>							
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	2,340
Officers Costs	0	0	0	0	0	0	22,437
Drug Control Fines	0	0	0	0	0	0	4,054
DUI Treatment Fines	0	0	0	0	0	0	1,643
Data Entry Fee - Circuit Court	0	0	0	0	0	0	2,382
<u>Criminal Court</u>							
Fines	0	0	0	0	0	0	28,500
<u>General Sessions Court</u>							
Fines	0	0	0	0	0	0	45,930
Officers Costs	0	0	0	0	0	0	85,363
Drug Control Fines	0	0	0	0	0	0	9,096
Drug Court Fees	0	0	0	0	0	0	8,832
Jail Fees	0	0	0	0	0	0	93,439
Interpreter Fees	0	0	0	0	0	0	796
DUI Treatment Fines	0	0	0	0	0	0	9,088
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	13,663
Courtroom Security Fee	0	0	0	0	0	0	2,307
<u>Juvenile Court</u>							
Fines	0	0	0	0	0	0	9,442
Officers Costs	0	0	0	0	0	0	18,717
Jail Fees	0	0	0	0	0	0	6,809
Courtroom Security Fee	0	0	0	0	0	0	2
<u>Chancery Court</u>							
Officers Costs	0	0	0	0	0	0	26,483
Data Entry Fee - Chancery Court	0	0	0	0	0	0	3,144
Courtroom Security Fee	0	0	0	0	0	0	78
<u>Courts in Other District Counties</u>							
District Attorney General Fees	0	0	0	0	0	0	12,045
<u>Judicial District Drug Program</u>							
Drug Task Force Forfeitures and Seizures	0	0	0	0	0	0	64,889
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property	0	0	0	0	0	0	1,000

(Continued)

Exhibit K-7

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

	Special Revenue Funds		Debt Service Funds			Capital Projects Fund	Total
	Other Special Revenue	Highway / Public Works	General Debt Service	Rural Debt Service	Education Debt Service	General Capital Projects	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>							
<u>Other Fines, Forfeitures, and Penalties (Cont.)</u>							
Other Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	50
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	472,529
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Other Employee Benefit Charges/Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	495
Convenience Waste Centers Collection Charge	0	0	0	0	0	0	49,060
Surcharge - Host Agency	0	0	0	0	0	0	366,655
Solid Waste Disposal Fees	0	0	0	0	0	0	4,157
Patient Charges	0	0	0	0	0	0	3,946,244
Health Department Collections	0	0	0	0	0	0	166,862
Other General Service Charges	0	0	0	0	0	0	175,256
<u>Fees</u>							
Recreation Fees	0	0	0	0	0	0	45,144
Copy Fees	0	0	0	0	0	0	1,792
Library Fees	0	0	0	0	0	0	16,636
Telephone Commissions	0	0	0	0	0	0	15,951
Vending Machine Collections	0	0	0	0	0	0	196
Data Processing Fee - Register	0	0	0	0	0	0	32,196
Probation Fees	0	0	0	0	0	0	120,822
Data Processing Fee - Sheriff	0	0	0	0	0	0	13,473
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	0	3,000
<u>Other Charges for Services</u>							
Other Charges for Services	0	20,000	0	0	0	0	26,430
Total Charges for Current Services	\$ 0	\$ 20,000	\$ 0	\$ 0	\$ 0	\$ 0	4,984,369
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	\$ 0	\$ 0	\$ 81,076	\$ 291,348	\$ 153,844	\$ 1,502	\$ 897,213
Lease/Rentals	0	0	0	0	0	0	219,539
Sale of Materials and Supplies	0	0	0	0	0	0	6,879
Commissary Sales	0	0	0	0	0	0	106,910

(Continued)

Exhibit K-7

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

	<u>Special Revenue Funds</u>		<u>Debt Service Funds</u>			<u>Capital</u>	<u>Total</u>
	<u>Other</u> <u>Special</u> <u>Revenue</u>	<u>Highway /</u> <u>Public</u> <u>Works</u>	<u>General</u> <u>Debt</u> <u>Service</u>	<u>Rural</u> <u>Debt</u> <u>Service</u>	<u>Education</u> <u>Debt</u> <u>Service</u>	<u>General</u> <u>Capital</u> <u>Projects</u> <u>Fund</u>	
<u>Other Local Revenues (Cont.)</u>							
<u>Recurring Items (Cont.)</u>							
Sale of Gasoline	\$ 0	\$ 386,180	\$ 0	\$ 0	\$ 0	\$ 0	\$ 386,180
Sale of Maps	0	0	0	0	0	0	8,922
Sale of Recycled Materials	0	0	0	0	0	0	10,969
Miscellaneous Refunds	0	0	0	0	0	0	3,954
<u>Nonrecurring Items</u>							
Sale of Equipment	18	29	0	0	0	0	14,987
Sale of Property	0	0	0	0	0	0	51,304
Damages Recovered from Individuals	0	0	0	0	0	0	341
Contributions & Gifts	0	0	0	0	0	0	28,342
<u>Other Local Revenues</u>							
Other Local Revenues	0	0	0	0	0	0	11,987
Total Other Local Revenues	\$ 18	\$ 386,209	\$ 81,076	\$ 291,348	\$ 153,844	\$ 1,502	\$ 1,747,527
<u>Fees Received from County Officials</u>							
<u>Fees-In-Lieu of Salary</u>							
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 808,108
General Sessions Court Clerk	0	0	0	0	0	0	845,217
Clerk and Master	0	0	0	0	0	0	393,337
Register	0	0	0	0	0	0	456,415
Sheriff	0	0	0	0	0	0	49,566
Trustee	0	0	0	0	0	0	1,141,091
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,693,734
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 13,005
State Reappraisal Grant	0	0	0	0	0	0	22,198
Solid Waste Grants	0	0	0	0	0	0	51,777
<u>Public Safety Grants</u>							
Law Enforcement Training Programs	0	0	0	0	0	0	18,000
<u>Health and Welfare Grants</u>							
Health Department Programs	0	0	0	0	0	0	285,272

(Continued)

Exhibit K-7

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

	Special Revenue Funds		Debt Service Funds			Capital Projects Fund	Total
	Other Special Revenue	Highway / Public Works	General Debt Service	Rural Debt Service	Education Debt Service	General Capital Projects	
<u>State of Tennessee (Cont.)</u>							
<u>Public Works Grants</u>							
State Aid Program	\$ 0	\$ 376,580	\$ 0	\$ 0	\$ 0	\$ 0	\$ 376,580
Litter Program	0	0	0	0	0	0	50,520
<u>Other State Revenues</u>							
Income Tax	0	0	0	0	0	0	57,692
Alcoholic Beverage Tax	0	0	0	0	0	0	76,740
Mixed Drink Tax	0	0	0	0	0	0	4,342
State Revenue Sharing - T.V.A.	0	0	0	0	0	0	152,830
Board of Jurors	0	0	0	0	0	0	3,234
Prisoner Transportation	0	0	0	0	0	0	10,713
Contracted Prisoner Boarding	0	0	0	0	0	0	311,500
Gasoline and Motor Fuel Tax	0	1,955,200	0	0	0	0	1,955,200
Petroleum Special Tax	0	57,380	0	0	0	0	57,380
Registrar's Salary Supplement	0	0	0	0	0	0	16,380
Other State Grants	0	0	0	0	0	0	138,497
Other State Revenues	0	0	0	0	0	0	85,082
Total State of Tennessee	\$ 0	\$ 2,389,160	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,686,942
<u>Federal Government</u>							
<u>Federal Through State</u>							
Homeland Security Grants	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 310,639
Other Federal through State	0	11,936	0	0	0	0	242,472
<u>Direct Federal Revenue</u>							
Other Direct Federal Revenue	0	0	0	0	0	0	89,133
Total Federal Government	\$ 0	\$ 11,936	\$ 0	\$ 0	\$ 0	\$ 0	\$ 642,244
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Contributions	\$ 0	\$ 0	\$ 0	\$ 1,316,467	\$ 840,213	\$ 0	\$ 2,318,606
Contracted Services	0	0	0	0	0	0	56,055
<u>Citizens Groups</u>							
Donations	0	0	0	0	0	0	7,990
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 1,316,467	\$ 840,213	\$ 0	\$ 2,382,651
Total	\$ 18	\$ 3,366,026	\$ 2,498,154	\$ 1,657,931	\$ 1,953,347	\$ 1,502	\$ 35,498,577

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, 2007

	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Education Capital Projects	Total
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 12,114,479	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,114,479
Trustee's Collections - Prior Year	348,374	0	0	0	0	348,374
Circuit/Clerk & Master Collections - Prior Years	121,145	0	0	0	0	121,145
Interest and Penalty	123,136	0	0	0	0	123,136
Payments in-Lieu-of Taxes - Other	492,000	0	0	0	0	492,000
<u>County Local Option Taxes</u>						
Local Option Sales Tax	6,577,283	0	0	0	0	6,577,283
<u>Statutory Local Taxes</u>						
Wholesale Beer Tax	177,279	0	0	0	0	177,279
Coal Severance Tax	11,962	0	0	0	0	11,962
Interstate Telecommunications Tax	7,032	0	0	0	0	7,032
Total Local Taxes	\$ 19,972,690	\$ 0	\$ 0	\$ 0	\$ 0	\$ 19,972,690
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 3,842	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,842
Total Licenses and Permits	\$ 3,842	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,842
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Tuition - Adult Education	\$ 25,633	\$ 0	\$ 0	\$ 0	\$ 0	\$ 25,633
Tuition - Other	0	0	0	249,075	0	249,075
Lunch Payments - Children	0	0	754,366	0	0	754,366
Lunch Payments - Adults	0	0	60,704	0	0	60,704
Income from Breakfast	0	0	190,065	0	0	190,065
Special Milk Sales	0	0	5,345	0	0	5,345
A la carte Sales	0	0	157,597	0	0	157,597
Contract for Administrative Services with Other LEAs	0	7,200	0	0	0	7,200
Receipts from Individual Schools	38,292	0	0	0	0	38,292
<u>Other Charges for Services</u>						
Other Charges for Services	6,281	0	18,593	0	0	24,874
Total Charges for Current Services	\$ 70,206	\$ 7,200	\$ 1,186,670	\$ 249,075	\$ 0	\$ 1,513,151

(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	Education Capital Projects	Total
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 155,303	\$ 0	\$ 16,841	\$ 0	\$ 252	\$ 172,396
Lease/Rentals	295	0	0	0	0	295
Sale of Materials and Supplies	0	0	0	259	0	259
Miscellaneous Refunds	38,121	0	0	0	0	38,121
<u>Nonrecurring Items</u>						
Sale of Equipment	1,104	0	0	0	0	1,104
Damages Recovered from Individuals	1,970	0	0	0	0	1,970
Contributions & Gifts	1,825	2,000	0	0	0	3,825
<u>Other Local Revenues</u>						
Other Local Revenues	91,628	0	0	0	0	91,628
Total Other Local Revenues	\$ 290,246	\$ 2,000	\$ 16,841	\$ 259	\$ 252	\$ 309,598
<u>State of Tennessee</u>						
<u>State Education Funds</u>						
Basic Education Program	\$ 24,382,999	\$ 0	\$ 0	\$ 0	\$ 0	\$ 24,382,999
School Food Service	0	0	33,597	0	0	33,597
Driver Education	14,212	0	0	0	0	14,212
Other State Education Funds	168,428	77,109	0	0	0	245,537
Career Ladder Program	463,104	0	0	0	0	463,104
Career Ladder - Extended Contract	347,355	0	0	0	0	347,355
<u>Other State Revenues</u>						
Income Tax	86,538	0	0	0	0	86,538
Beer Tax	18,753	0	0	0	0	18,753
State Revenue Sharing - T.V.A.	655,000	0	0	0	0	655,000
Other State Grants	86,103	0	0	0	0	86,103
Other State Revenues	111,720	0	0	30,810	0	142,530
Total State of Tennessee	\$ 26,334,212	\$ 77,109	\$ 33,597	\$ 30,810	\$ 0	\$ 26,475,728
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,162,155	\$ 0	\$ 0	\$ 1,162,155
Breakfast	0	0	406,397	0	0	406,397
USDA - Other	39,811	0	461	152,603	0	192,875
Adult Education State Grant Program	4,389	0	0	0	0	4,389
Vocational Education - Basic Grants to States	0	144,441	0	0	0	144,441

(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	Education Capital Projects	Total
<u>Federal Government (Cont.)</u>						
<u>Federal Through State (Cont.)</u>						
Title I Grants to Local Education Agencies	\$ 0	\$ 1,268,533	\$ 0	\$ 0	\$ 0	\$ 1,268,533
Innovative Education Program Strategies	0	10,785	0	0	0	10,785
Special Education - Grants to States	361	1,244,685	0	0	0	1,245,046
Special Education Preschool Grants	0	84,053	0	0	0	84,053
Eisenhower Professional Development State Grants	0	305,779	0	0	0	305,779
Other Federal through State	81,919	60,109	0	0	0	142,028
<u>Direct Federal Revenue</u>						
ROTC Reimbursement	55,107	0	0	0	0	55,107
Other Direct Federal Revenue	0	26,329	0	2,652,021	0	2,678,350
Total Federal Government	\$ 181,587	\$ 3,144,714	\$ 1,569,013	\$ 2,804,624	\$ 0	\$ 7,699,938
<u>Other Governments and Citizens Groups</u>						
<u>Other</u>						
Other	\$ 0	\$ 2,510	\$ 0	\$ 0	\$ 0	\$ 2,510
Total Other Governments and Citizens Groups	\$ 0	\$ 2,510	\$ 0	\$ 0	\$ 0	\$ 2,510
Total	\$ 46,852,783	\$ 3,233,533	\$ 2,806,121	\$ 3,084,768	\$ 252	\$ 55,977,457

Exhibit K-9

Anderson County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2007

General Fund

General Government

County Commission

Secretary to Board	\$	38,386	
Board and Committee Members Fees		101,089	
Social Security		7,722	
State Retirement		7,192	
Life Insurance		454	
Medical Insurance		34,423	
Dental Insurance		5,523	
Unemployment Compensation		42	
Employer Medicare		1,807	
Communication		42	
Legal Notices, Recording, and Court Costs		717	
Maintenance Agreements		1,074	
Postal Charges		581	
Printing, Stationery, and Forms		206	
Travel		8,691	
Office Supplies		1,799	
Other Supplies and Materials		460	
Workers' Compensation Insurance		359	
In Service/Staff Development		3,645	
Other Charges		305	
Total County Commission			\$ 214,517

Board of Equalization

Board and Committee Members Fees	\$	1,255	
Social Security		18	
Employer Medicare		4	
Workers' Compensation Insurance		17	
Total Board of Equalization			1,294

Other Boards and Committees

County Official/Administrative Officer	\$	34,434	
Guards		2,640	
Secretary(ies)		5,862	
Maintenance Personnel		44,827	
Part-time Personnel		21,375	
Social Security		6,423	
State Retirement		6,477	
Life Insurance		109	
Medical Insurance		13,373	
Dental Insurance		1,058	

(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.)

Unemployment Compensation	\$	258	
Employer Medicare		1,502	
Advertising		296	
Communication		1,708	
Dues and Memberships		505	
Maintenance & Repair Services - Equipment		125	
Maintenance & Repair Services - Vehicles		295	
Postal Charges		135	
Rentals		2,795	
Travel		957	
Disposal Fees		1,164	
Other Contracted Services		3,860	
Crushed Stone		2,404	
Custodial Supplies		1,194	
Equipment Parts - Light		100	
Gasoline		5,782	
Office Supplies		506	
Uniforms		646	
Utilities		15,506	
Water and Sewer		90	
Wood Products		980	
Other Supplies and Materials		10,658	
Vehicle and Equipment Insurance		4,500	
Workers' Compensation Insurance		5,320	
In Service/Staff Development		603	
Other Charges		77	
Other Capital Outlay		18,795	
Total Other Boards and Committees			\$ 217,339

County Mayor/Executive

County Official/Administrative Officer	\$	91,552
Assistant(s)		32,028
Social Security		6,944
State Retirement		9,332
Life Insurance		70
Medical Insurance		13,837
Dental Insurance		929
Unemployment Compensation		30
Employer Medicare		1,624
Communication		1,122

(Continued)

Exhibit K-9

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

General Fund (Cont.)

General Government (Cont.)

County Mayor/Executive (Cont.)

Dues and Memberships	\$	4,006	
Postal Charges		248	
Printing, Stationery, and Forms		265	
Travel		3,081	
Office Supplies		744	
Other Supplies and Materials		417	
Workers' Compensation Insurance		308	
Total County Mayor/Executive			\$ 166,537

Personnel Office

Assistant(s)	\$	21,965	
Supervisor/Director		37,132	
Part-time Personnel		1,724	
Other Salaries & Wages		116	
Social Security		3,469	
State Retirement		4,459	
Life Insurance		40	
Medical Insurance		7,821	
Dental Insurance		525	
Unemployment Compensation		94	
Employer Medicare		811	
Communication		431	
Dues and Memberships		190	
Legal Notices, Recording, and Court Costs		728	
Postal Charges		253	
Travel		809	
Office Supplies		3,344	
Other Supplies and Materials		30	
Workers' Compensation Insurance		175	
In Service/Staff Development		190	
Other Charges		100	
Total Personnel Office			84,406

County Attorney

County Official/Administrative Officer	\$	101,089
Assistant(s)		10,837
Paraprofessionals		25,796
Secretary(ies)		26,013
Social Security		9,800
State Retirement		9,410

(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.)

Life Insurance	\$	76	
Medical Insurance		11,031	
Dental Insurance		958	
Unemployment Compensation		218	
Employer Medicare		2,292	
Communication		1,710	
Dues and Memberships		659	
Legal Services		2,382	
Legal Notices, Recording, and Court Costs		307	
Postal Charges		436	
Travel		767	
Other Contracted Services		2,009	
Library Books/Media		698	
Office Supplies		4,649	
Other Supplies and Materials		1,543	
Premiums on Corporate Surety Bonds		100	
Workers' Compensation Insurance		252	
In Service/Staff Development		1,000	
Other Charges		1,981	
Building Improvements		73	
Communication Equipment		1,000	
Data Processing Equipment		7,881	
Furniture and Fixtures		9,250	
Office Equipment		5,680	
Other Capital Outlay		4,013	
Total County Attorney			\$ 243,910

Election Commission

County Official/Administrative Officer	\$	59,012
Deputy(ies)		90,867
Part-time Personnel		1,822
Overtime Pay		50
Other Salaries & Wages		10,201
Election Commission		10,379
Election Workers		76,329
Social Security		12,833
State Retirement		11,316
Life Insurance		284
Medical Insurance		24,016
Dental Insurance		3,353

(Continued)

Exhibit K-9

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Unemployment Compensation	\$	178	
Employer Medicare		3,001	
Communication		1,320	
Data Processing Services		3,994	
Dues and Memberships		1,132	
Legal Notices, Recording, and Court Costs		9,437	
Maintenance Agreements		5,490	
Maintenance & Repair Services - Equipment		424	
Postal Charges		4,273	
Printing, Stationery, and Forms		5,941	
Travel		4,082	
Other Contracted Services		398	
Office Supplies		3,374	
Water and Sewer		53	
Other Supplies and Materials		6,298	
Workers' Compensation Insurance		793	
In Service/Staff Development		1,578	
Data Processing Equipment		4,455	
Total Election Commission			\$ 356,683

Register of Deeds

County Official/Administrative Officer	\$	65,569
Clerical Personnel		171,847
Part-time Personnel		4,535
Social Security		14,052
State Retirement		17,695
Life Insurance		198
Medical Insurance		24,016
Dental Insurance		2,002
Unemployment Compensation		439
Employer Medicare		3,286
Communication		382
Dues and Memberships		627
Maintenance & Repair Services - Office Equipment		30,092
Postal Charges		3,688
Printing, Stationery, and Forms		596
Rentals		40
Travel		2,958
Data Processing Supplies		1,486
Duplicating Supplies		548

(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 (Cont.)

Office Supplies	\$	494	
Other Supplies and Materials		2,500	
Workers' Compensation Insurance		1,210	
In Service/Staff Development		1,540	
Building Improvements		3,082	
Data Processing Equipment		3,825	
Furniture and Fixtures		7,671	
Total Register of Deeds			\$ 364,378

Planning

Clerical Personnel	\$	51,773	
Other Salaries & Wages		15,360	
Social Security		3,764	
State Retirement		3,906	
Life Insurance		79	
Medical Insurance		9,158	
Dental Insurance		1,068	
Unemployment Compensation		157	
Employer Medicare		880	
Communication		1,241	
Dues and Memberships		325	
Legal Notices, Recording, and Court Costs		2,426	
Maintenance & Repair Services - Vehicles		1,000	
Postal Charges		1,024	
Printing, Stationery, and Forms		287	
Duplicating Supplies		1,372	
Office Supplies		2,372	
Other Supplies and Materials		144	
Vehicle and Equipment Insurance		2,250	
Workers' Compensation Insurance		181	
Data Processing Equipment		2,380	
Furniture and Fixtures		3,912	
Total Planning			105,059

Engineering

County Official/Administrative Officer	\$	64,012	
Social Security		3,945	
State Retirement		4,830	
Life Insurance		40	
Dental Insurance		525	

(Continued)

Exhibit K-9

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

General Fund (Cont.)

General Government (Cont.)

Engineering (Cont.)

Unemployment Compensation	\$	42	
Employer Medicare		922	
Maintenance Agreements		1,000	
Printing, Stationery, and Forms		121	
Other Contracted Services		17,353	
Gasoline		432	
Other Supplies and Materials		5,338	
Workers' Compensation Insurance		159	
In Service/Staff Development		200	
Other Charges		2,500	
Total Engineering			\$ 101,419

Codes Compliance

Supervisor/Director	\$	38,245	
Deputy(ies)		29,090	
Investigator(s)		29,458	
Social Security		5,844	
State Retirement		7,303	
Life Insurance		111	
Medical Insurance		4,804	
Dental Insurance		1,150	
Unemployment Compensation		127	
Employer Medicare		1,366	
Communication		1,012	
Maintenance & Repair Services - Vehicles		2,600	
Travel		652	
Gasoline		4,005	
Tires and Tubes		704	
Other Supplies and Materials		671	
Workers' Compensation Insurance		3,873	
In Service/Staff Development		1,428	
Data Processing Equipment		10,077	
Total Codes Compliance			142,520

County Buildings

Supervisor/Director	\$	46,263
Clerical Personnel		30,800
Custodial Personnel		154,068
Maintenance Personnel		30,540
Overtime Pay		1,716

(Continued)

Exhibit K-9

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Social Security	\$	15,447	
State Retirement		14,619	
Life Insurance		287	
Medical Insurance		40,986	
Dental Insurance		3,108	
Unemployment Compensation		564	
Employer Medicare		3,613	
Advertising		450	
Communication		2,106	
Maintenance & Repair Services - Buildings		81,811	
Travel		2,997	
Disposal Fees		3,111	
Other Contracted Services		1,325	
Custodial Supplies		16,771	
Electricity		227,891	
Gasoline		600	
Natural Gas		34,335	
Office Supplies		601	
Small Tools		121	
Uniforms		728	
Water and Sewer		21,455	
Other Supplies and Materials		24,238	
Workers' Compensation Insurance		10,933	
Liability Claims		576	
In Service/Staff Development		890	
Other Charges		3,719	
Building Improvements		42,750	
Other Construction		143	
Total County Buildings			\$ 819,562

Other General Administration

State Retirement	\$	6,095
Audit Services		16,489
Contracts with Private Agencies		4,396
Legal Services		25,216
Legal Notices, Recording, and Court Costs		193
Rentals		9,048
Remittance of Revenue Collected		15,839
Other Contracted Services		87,877
Other Supplies and Materials		717

(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.)

Premiums on Corporate Surety Bonds	\$	7,190	
Liability Claims		13,880	
Other Charges		45,241	
Site Development		4,082	
Total Other General Administration			\$ 236,263

Preservation of Records

Clerical Personnel	\$	25,750	
Part-time Personnel		1,202	
Social Security		1,604	
State Retirement		1,939	
Life Insurance		26	
Medical Insurance		2,791	
Dental Insurance		525	
Unemployment Compensation		49	
Employer Medicare		375	
Postal Charges		14	
Other Supplies and Materials		2,137	
Workers' Compensation Insurance		78	
Office Equipment		1,883	
Total Preservation of Records			38,373

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	65,569	
Accountants/Bookkeepers		353,077	
Part-time Personnel		4,407	
Social Security		24,136	
State Retirement		30,870	
Life Insurance		443	
Medical Insurance		60,005	
Dental Insurance		5,462	
Unemployment Compensation		565	
Employer Medicare		5,644	
Communication		2,055	
Data Processing Services		1,300	
Dues and Memberships		1,325	
Legal Notices, Recording, and Court Costs		1,144	
Maintenance Agreements		25,948	
Maintenance & Repair Services - Office Equipment		1,876	

(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.)

Postal Charges	\$	12,221	
Printing, Stationery, and Forms		5,044	
Rentals		585	
Travel		4,738	
Other Contracted Services		2,170	
Office Supplies		15,731	
Other Supplies and Materials		40	
Workers' Compensation Insurance		2,093	
In Service/Staff Development		2,706	
Data Processing Equipment		2,950	
Office Equipment		5,582	
Total Accounting and Budgeting			\$ 637,686

Purchasing

County Official/Administrative Officer	\$	44,081	
Purchasing Personnel		49,881	
Social Security		5,482	
State Retirement		6,428	
Life Insurance		79	
Medical Insurance		7,821	
Dental Insurance		525	
Unemployment Compensation		158	
Employer Medicare		1,282	
Advertising		661	
Communication		660	
Dues and Memberships		385	
Maintenance Agreements		424	
Postal Charges		3,507	
Printing, Stationery, and Forms		1,342	
Travel		2,504	
Other Contracted Services		1,670	
Gasoline		293	
Office Supplies		2,381	
Other Supplies and Materials		777	
Vehicle and Equipment Insurance		750	
Workers' Compensation Insurance		234	
In Service/Staff Development		2,100	
Data Processing Equipment		2,059	
Total Purchasing			135,484

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office

County Official/Administrative Officer	\$	65,569	
Deputy(ies)		136,591	
Social Security		11,812	
State Retirement		13,033	
Life Insurance		145	
Medical Insurance		21,225	
Dental Insurance		1,569	
Unemployment Compensation		168	
Employer Medicare		2,762	
Audit Services		110,880	
Communication		7,041	
Data Processing Services		17,372	
Dues and Memberships		1,765	
Operating Lease Payments		548	
Maintenance Agreements		3,000	
Postal Charges		2,273	
Printing, Stationery, and Forms		257	
Rentals		1,664	
Travel		1,889	
Other Contracted Services		18,972	
Office Supplies		1,452	
Other Supplies and Materials		2,677	
Workers' Compensation Insurance		11,552	
Data Processing Equipment		4,561	
Total Property Assessor's Office			\$ 438,777

Reappraisal Program

Deputy(ies)	\$	79,229
Social Security		4,694
State Retirement		5,583
Life Insurance		106
Medical Insurance		9,772
Dental Insurance		836
Unemployment Compensation		137
Employer Medicare		1,098
Data Processing Services		6,871
Postal Charges		500
Printing, Stationery, and Forms		81
Travel		93
Office Supplies		456

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program (Cont.)

Other Supplies and Materials	\$	206	
Workers' Compensation Insurance		186	
Total Reappraisal Program			\$ 109,848

County Trustee's Office

County Official/Administrative Officer	\$	65,569	
Clerical Personnel		266,843	
Part-time Personnel		18,459	
Social Security		20,324	
State Retirement		18,533	
Life Insurance		285	
Medical Insurance		35,285	
Dental Insurance		3,691	
Unemployment Compensation		894	
Employer Medicare		4,753	
Audit Services		3,920	
Communication		1,939	
Dues and Memberships		942	
Legal Notices, Recording, and Court Costs		196	
Maintenance & Repair Services - Office Equipment		755	
Postal Charges		12,924	
Printing, Stationery, and Forms		2,523	
Travel		6,398	
Other Contracted Services		7,792	
Office Supplies		3,205	
Other Supplies and Materials		3,487	
Workers' Compensation Insurance		828	
In Service/Staff Development		795	
Building Improvements		6,953	
Data Processing Equipment		11,802	
Furniture and Fixtures		5,800	
Total County Trustee's Office			504,895

County Clerk's Office

County Official/Administrative Officer	\$	65,569
Clerical Personnel		387,292
Part-time Personnel		20,568
Social Security		27,762
State Retirement		32,642
Life Insurance		564

(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.)

Medical Insurance	\$	44,036	
Dental Insurance		5,205	
Unemployment Compensation		1,352	
Employer Medicare		6,493	
Communication		7,727	
Data Processing Services		17,927	
Dues and Memberships		667	
Legal Notices, Recording, and Court Costs		259	
Maintenance & Repair Services - Buildings		2,575	
Postal Charges		18,410	
Printing, Stationery, and Forms		1,762	
Travel		2,105	
Other Contracted Services		4,030	
Data Processing Supplies		297	
Office Supplies		6,614	
Other Supplies and Materials		819	
Workers' Compensation Insurance		2,248	
In Service/Staff Development		640	
Other Charges		659	
Data Processing Equipment		2,955	
Furniture and Fixtures		7,651	
Total County Clerk's Office			\$ 668,828

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	65,569
Clerical Personnel		461,316
Part-time Personnel		45,387
Overtime Pay		1,652
Board and Committee Members Fees		450
Social Security		33,023
State Retirement		35,442
Life Insurance		655
Medical Insurance		73,240
Dental Insurance		7,102
Unemployment Compensation		1,725
Employer Medicare		7,723
Communication		82
Data Processing Services		495
Dues and Memberships		587

(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.)

Legal Notices, Recording, and Court Costs	\$	363	
Maintenance & Repair Services - Office Equipment		6,771	
Postal Charges		4,648	
Printing, Stationery, and Forms		2,155	
Travel		588	
Other Contracted Services		20,307	
Data Processing Supplies		929	
Duplicating Supplies		1,229	
Office Supplies		4,496	
Other Supplies and Materials		2,060	
Workers' Compensation Insurance		2,348	
Liability Claims		9,810	
In Service/Staff Development		944	
Other Charges		5,479	
Data Processing Equipment		4,871	
Office Equipment		654	
Total Circuit Court			\$ 802,100

Criminal Court

Postal Charges	\$	333	
Printing, Stationery, and Forms		270	
Duplicating Supplies		256	
Office Supplies		983	
Other Supplies and Materials		125	
Total Criminal Court			1,967

General Sessions Court

Communication	\$	8,611	
Data Processing Services		12,742	
Postal Charges		6,790	
Printing, Stationery, and Forms		2,859	
Travel		2,569	
Data Processing Supplies		732	
Duplicating Supplies		1,374	
Office Supplies		1,795	
Other Supplies and Materials		1,220	
Total General Sessions Court			38,692

General Sessions Judge

Judge(s)	\$	256,246	
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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.)

General Sessions Judge (Cont.)

Assistant(s)	\$	64,414	
Other Salaries & Wages		20,719	
Social Security		18,597	
State Retirement		25,971	
Life Insurance		170	
Medical Insurance		25,997	
Dental Insurance		2,034	
Unemployment Compensation		118	
Employer Medicare		4,768	
Communication		32	
Dues and Memberships		900	
Postal Charges		164	
Printing, Stationery, and Forms		267	
Travel		2,342	
Office Supplies		1,288	
Workers' Compensation Insurance		736	
In Service/Staff Development		215	
Other Charges		332	
Total General Sessions Judge			\$ 425,310

Chancery Court

County Official/Administrative Officer	\$	65,569
Clerical Personnel		171,385
Part-time Personnel		17,246
Social Security		14,764
State Retirement		17,299
Life Insurance		244
Medical Insurance		32,118
Dental Insurance		2,837
Unemployment Compensation		653
Employer Medicare		3,453
Communication		433
Dues and Memberships		467
Maintenance Agreements		3,125
Maintenance & Repair Services - Office Equipment		4,499
Postal Charges		4,587
Printing, Stationery, and Forms		1,346
Data Processing Supplies		121
Duplicating Supplies		2,749
Office Supplies		1,999

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Other Supplies and Materials	\$	2,414	
Workers' Compensation Insurance		604	
Data Processing Equipment		11,832	
Total Chancery Court			\$ 359,744

Juvenile Court

Judge(s)	\$	84,446
Probation Officer(s)		150,668
Secretary(ies)		25,263
Part-time Personnel		568
Overtime Pay		5,720
Other Salaries & Wages		2,078
Social Security		16,319
State Retirement		14,451
Life Insurance		211
Medical Insurance		13,404
Dental Insurance		1,502
Unemployment Compensation		314
Employer Medicare		3,816
Communication		619
Contracts with Government Agencies		20,390
Dues and Memberships		384
Evaluation and Testing		9,283
Maintenance Agreements		1,500
Maintenance & Repair Services - Buildings		405
Maintenance & Repair Services - Office Equipment		124
Maintenance & Repair Services - Vehicles		500
Postal Charges		777
Printing, Stationery, and Forms		454
Travel		3,072
Other Contracted Services		550
Food Supplies		65
Gasoline		431
Office Supplies		2,302
Utilities		230
Other Supplies and Materials		730
Vehicle and Equipment Insurance		750
Workers' Compensation Insurance		1,296
In Service/Staff Development		500
Data Processing Equipment		4,163

(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.)

Furniture and Fixtures	\$ 3,863	
Total Juvenile Court		\$ 371,148

District Attorney General

Secretary(ies)	\$ 21,328	
Overtime Pay	49	
Other Salaries & Wages	12,986	
Social Security	1,947	
State Retirement	1,586	
Life Insurance	46	
Medical Insurance	7,283	
Dental Insurance	366	
Unemployment Compensation	112	
Employer Medicare	455	
Communication	142	
Workers' Compensation Insurance	48	
Total District Attorney General		46,348

Office of Public Defender

Other Contracted Services	\$ 6,875	
Total Office of Public Defender		6,875

Judicial Commissioners

Postal Charges	\$ 78	
Office Supplies	233	
Total Judicial Commissioners		311

Probate Court

Communication	\$ 318	
Office Supplies	271	
Other Supplies and Materials	485	
Total Probate Court		1,074

Other Administration of Justice

Probation Officer(s)	\$ 76,175
Overtime Pay	4,218
Social Security	4,642
State Retirement	5,704
Life Insurance	106
Medical Insurance	13,321

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Administration of Justice (Cont.)

Other Administration of Justice (Cont.)

Dental Insurance	\$	959	
Unemployment Compensation		108	
Employer Medicare		1,086	
Communication		519	
Maintenance & Repair Services - Office Equipment		181	
Postal Charges		78	
Printing, Stationery, and Forms		106	
Travel		1,802	
Office Supplies		992	
Other Supplies and Materials		30	
Workers' Compensation Insurance		211	
Total Other Administration of Justice			\$ 110,238

Probation Services

Probation Officer(s)	\$	85,162	
Other Salaries & Wages		23,512	
Social Security		6,624	
State Retirement		7,187	
Life Insurance		88	
Medical Insurance		13,704	
Dental Insurance		985	
Unemployment Compensation		114	
Employer Medicare		1,549	
Communication		4,795	
Data Processing Services		3,000	
Maintenance & Repair Services - Buildings		24	
Postal Charges		660	
Printing, Stationery, and Forms		295	
Rentals		3,123	
Travel		2,669	
Other Contracted Services		1,100	
Instructional Supplies and Materials		1,020	
Office Supplies		2,127	
Utilities		408	
Other Supplies and Materials		5,406	
Workers' Compensation Insurance		1,311	
Total Probation Services			164,863

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	72,645
Deputy(ies)		1,361,881
Secretary(ies)		40,124
Clerical Personnel		37,876
Overtime Pay		79,524
Other Salaries & Wages		83,656
Social Security		99,039
State Retirement		101,654
Life Insurance		1,689
Medical Insurance		216,205
Dental Insurance		21,014
Unemployment Compensation		2,621
Employer Medicare		23,163
Advertising		1,282
Communication		16,989
Data Processing Services		3,750
Dues and Memberships		2,580
Maintenance & Repair Services - Equipment		23,865
Maintenance & Repair Services - Office Equipment		530
Maintenance & Repair Services - Vehicles		7,319
Medical and Dental Services		8,715
Postal Charges		9,717
Printing, Stationery, and Forms		2,071
Tow-in Services		660
Travel		4,768
Other Contracted Services		265
Data Processing Supplies		739
Gasoline		155,781
Law Enforcement Supplies		7,318
Office Supplies		5,459
Tires and Tubes		13,622
Uniforms		22,546
Utilities		3,607
Other Supplies and Materials		2,077
Liability Insurance		48,500
Premiums on Corporate Surety Bonds		200
Vehicle and Equipment Insurance		75,000
Workers' Compensation Insurance		71,684
Liability Claims		10,000
In Service/Staff Development		1,570

(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.)

Communication Equipment	\$	6,699	
Data Processing Equipment		5,864	
Furniture and Fixtures		3,786	
Law Enforcement Equipment		13,128	
Motor Vehicles		206,818	
Total Sheriff's Department			\$ 2,878,000

Jail

Medical Personnel	\$	6,601
Guards		1,381,795
Clerical Personnel		53,584
Cafeteria Personnel		23,876
Overtime Pay		11,464
Other Salaries & Wages		32,349
Social Security		88,243
State Retirement		91,673
Life Insurance		1,849
Medical Insurance		221,200
Dental Insurance		19,372
Unemployment Compensation		3,240
Employer Medicare		20,636
Communication		13,029
Contracts with Private Agencies		8,663
Contributions		250
Dues and Memberships		100
Maintenance & Repair Services - Buildings		5,335
Medical and Dental Services		7,027
Pest Control		480
Printing, Stationery, and Forms		1,871
Rentals		1,342
Travel		5,359
Disposal Fees		5,427
Other Contracted Services		183,308
Custodial Supplies		35,268
Drugs and Medical Supplies		18,132
Duplicating Supplies		4,812
Electricity		55,136
Food Preparation Supplies		1,961
Food Supplies		253,492
Gasoline		15,610

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Law Enforcement Supplies	\$	2,472	
Natural Gas		39,628	
Office Supplies		6,218	
Prisoners Clothing		9,783	
Uniforms		14,345	
Water and Sewer		82,780	
Other Supplies and Materials		29,824	
Building and Contents Insurance		18,316	
Liability Insurance		33,089	
Medical Claims		443,183	
Vehicle and Equipment Insurance		7,000	
Workers' Compensation Insurance		70,339	
Liability Claims		1,275	
In Service/Staff Development		1,054	
Communication Equipment		5,829	
Motor Vehicles		74,320	
Other Equipment		16,470	
Total Jail			\$ 3,428,409

Commissary

Guards	\$	5,186	
Social Security		314	
State Retirement		389	
Life Insurance		5	
Medical Insurance		365	
Dental Insurance		34	
Unemployment Compensation		11	
Employer Medicare		73	
Other Supplies and Materials		81,117	
Workers' Compensation Insurance		78	
Other Charges		40	
Total Commissary			87,612

Civil Defense

County Official/Administrative Officer	\$	27,913
Other Salaries & Wages		14,628
Social Security		2,554
State Retirement		2,106
Life Insurance		40
Dental Insurance		238

(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.)

Unemployment Compensation	\$	99	
Employer Medicare		597	
Communication		2,554	
Contracts with Government Agencies		2,000	
Contributions		102,500	
Maintenance & Repair Services - Vehicles		1,074	
Postal Charges		99	
Rentals		4,230	
Travel		501	
Other Contracted Services		9,358	
Gasoline		3,790	
Office Supplies		888	
Other Supplies and Materials		12,678	
Building and Contents Insurance		906	
Vehicle and Equipment Insurance		4,250	
Workers' Compensation Insurance		93	
In Service/Staff Development		40	
Data Processing Equipment		8,980	
Furniture and Fixtures		16,579	
Motor Vehicles		1,602	
Other Equipment		282,591	
Total Civil Defense			\$ 502,888

Rescue Squad

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

Other Emergency Management

Dispatchers/Radio Operators	\$	365,868	
Overtime Pay		4,628	
Social Security		21,860	
State Retirement		15,712	
Life Insurance		325	
Medical Insurance		40,336	
Dental Insurance		3,727	
Unemployment Compensation		911	
Employer Medicare		5,112	
Communication		14,638	
Contracts with Government Agencies		1,600	
Medical and Dental Services		1,824	

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management (Cont.)

Travel	\$	3,392	
Office Supplies		1,417	
Uniforms		190	
Other Supplies and Materials		90	
Workers' Compensation Insurance		1,603	
Total Other Emergency Management			\$ 483,233

County Coroner/Medical Examiner

County Official/Administrative Officer	\$	6,889	
Other Per Diem & Fees		6,408	
Social Security		594	
State Retirement		478	
Life Insurance		36	
Medical Insurance		8,869	
Dental Insurance		595	
Unemployment Compensation		9	
Employer Medicare		139	
Communication		56	
Maintenance & Repair Services - Vehicles		808	
Other Contracted Services		51,614	
Office Supplies		71	
Other Supplies and Materials		1,430	
Vehicle and Equipment Insurance		750	
Workers' Compensation Insurance		41	
Communication Equipment		993	
Data Processing Equipment		1,425	
Motor Vehicles		10,829	
Total County Coroner/Medical Examiner			92,034

Other Public Safety

Mechanic(s)	\$	73,175	
Clerical Personnel		1,988	
Social Security		4,440	
State Retirement		5,672	
Life Insurance		81	
Medical Insurance		8,223	
Dental Insurance		1,077	
Unemployment Compensation		86	
Employer Medicare		1,039	
Communication		1,428	

(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.)

Maintenance & Repair Services - Vehicles	\$	1,470	
Rentals		5,400	
Tow-in Services		2,565	
Disposal Fees		221	
Other Contracted Services		7,327	
Garage Supplies		8,429	
Lubricants		7,673	
Office Supplies		389	
Small Tools		1,026	
Tires and Tubes		265	
Uniforms		551	
Utilities		5,641	
Vehicle Parts		66,913	
Other Supplies and Materials		90	
Vehicle and Equipment Insurance		750	
Workers' Compensation Insurance		2,268	
In Service/Staff Development		375	
Maintenance Equipment		5,728	
Total Other Public Safety			\$ 214,290

Public Health and Welfare

Local Health Center

Medical Personnel	\$	30,147
Clerical Personnel		34,443
Overtime Pay		90
Other Salaries & Wages		23,471
Social Security		5,191
State Retirement		1,817
Life Insurance		68
Medical Insurance		9,285
Dental Insurance		764
Unemployment Compensation		343
Employer Medicare		1,214
Communication		2,736
Contracts with Other Public Agencies		11,739
Dues and Memberships		425
Laundry Service		1,957
Maintenance & Repair Services - Buildings		7,311
Postal Charges		5,735
Printing, Stationery, and Forms		159

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Rentals	\$	1,149	
Travel		56	
Disposal Fees		4,386	
Other Contracted Services		409	
Custodial Supplies		545	
Drugs and Medical Supplies		3,424	
Electricity		24,447	
Office Supplies		7,188	
Uniforms		692	
Other Supplies and Materials		1,326	
Building and Contents Insurance		4,500	
Workers' Compensation Insurance		216	
In Service/Staff Development		1,000	
Other Charges		3,544	
Total Local Health Center			\$ 189,777

Rabies and Animal Control

Part-time Personnel	\$	19,759	
Other Salaries & Wages		21,483	
Social Security		2,302	
State Retirement		1,618	
Life Insurance		59	
Medical Insurance		9,776	
Dental Insurance		656	
Unemployment Compensation		124	
Employer Medicare		538	
Communication		802	
Contracts with Government Agencies		42,328	
Maintenance & Repair Services - Vehicles		1,300	
Printing, Stationery, and Forms		45	
Travel		604	
Gasoline		6,868	
Tires and Tubes		431	
Uniforms		2,232	
Other Supplies and Materials		4,108	
Vehicle and Equipment Insurance		1,500	
Workers' Compensation Insurance		2,968	
In Service/Staff Development		645	
Other Charges		1,040	
Total Rabies and Animal Control			121,186

(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

Supervisor/Director	\$	61,765
Accountants/Bookkeepers		57,468
Medical Personnel		1,093,879
Overtime Pay		707,654
Social Security		113,977
State Retirement		118,058
Life Insurance		1,572
Medical Insurance		195,574
Dental Insurance		16,610
Unemployment Compensation		2,689
Employer Medicare		26,656
Communication		23,318
Dues and Memberships		278
Laundry Service		32,919
Maintenance & Repair Services - Vehicles		3,615
Pest Control		1,200
Postal Charges		263
Printing, Stationery, and Forms		1,900
Travel		3,208
Tuition		18,622
Other Contracted Services		27,015
Custodial Supplies		4,266
Drugs and Medical Supplies		150,438
Duplicating Supplies		1,389
Gasoline		108,151
Natural Gas		2,464
Office Supplies		6,058
Tires and Tubes		12,285
Uniforms		20,150
Utilities		16,416
Other Supplies and Materials		13,893
Building and Contents Insurance		3,000
Liability Insurance		25,000
Vehicle and Equipment Insurance		24,500
Workers' Compensation Insurance		233,761
In Service/Staff Development		28,045
Building Improvements		19,890
Communication Equipment		8,943
Data Processing Equipment		21,795
Furniture and Fixtures		848

(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.)

Motor Vehicles	\$	232,191	
Other Equipment		6,465	
Total Ambulance/Emergency Medical Services			\$ 3,448,188

Dental Health Program

Medical Personnel	\$	140,728	
Social Security		8,028	
State Retirement		9,840	
Life Insurance		135	
Medical Insurance		24,115	
Dental Insurance		2,010	
Unemployment Compensation		198	
Employer Medicare		1,877	
Maintenance & Repair Services - Equipment		1,099	
Medical and Dental Services		195	
Travel		1,617	
Drugs and Medical Supplies		5,352	
Other Supplies and Materials		6,830	
Liability Insurance		996	
Workers' Compensation Insurance		3,227	
In Service/Staff Development		185	
Health Equipment		471	
Total Dental Health Program			206,903

Alcohol and Drug Programs

Contributions	\$	22,000	
Total Alcohol and Drug Programs			22,000

Other Local Health Services

Medical Personnel	\$	121,286	
Clerical Personnel		102,428	
Overtime Pay		34	
Social Security		12,620	
State Retirement		12,690	
Life Insurance		332	
Medical Insurance		39,220	
Dental Insurance		3,866	
Unemployment Compensation		542	
Employer Medicare		2,951	
Travel		7,899	

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Local Health Services (Cont.)

Workers' Compensation Insurance	\$ 1,052	
Total Other Local Health Services		\$ 304,920

Appropriation to State

Contracts with Other Public Agencies	\$ 106,653	
Total Appropriation to State		106,653

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	\$ 23,092	
Part-time Personnel	18,596	
Social Security	2,366	
Extension Service Medicare	11,104	
State Retirement	1,742	
Life Insurance	76	
Medical Insurance	7,821	
Dental Insurance	454	
Unemployment Compensation	91	
Employer Medicare	553	
Communication	92	
Maintenance Agreements	250	
Maintenance & Repair Services - Equipment	48	
Travel	1,700	
Other Contracted Services	62,234	
Workers' Compensation Insurance	88	
Data Processing Equipment	2,727	
Total Agriculture Extension Service		133,034

Soil Conservation

Secretary(ies)	\$ 29,303
Overtime Pay	465
Social Security	1,739
State Retirement	2,246
Life Insurance	40
Dental Insurance	525

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Agriculture & Natural Resources (Cont.)

Soil Conservation (Cont.)

Unemployment Compensation	\$	42	
Employer Medicare		407	
Dues and Memberships		25	
Postal Charges		245	
Travel		433	
Office Supplies		198	
Workers' Compensation Insurance		73	
Total Soil Conservation			\$ 35,741

Other Agriculture & Natural Resources

Other Contracted Services	\$	88,653	
Total Other Agriculture & Natural Resources			88,653

Other Operations

Industrial Development

Contributions	\$	121,989	
Total Industrial Development			121,989

Housing and Urban Development

Contracts with Private Agencies	\$	36,564	
Total Housing and Urban Development			36,564

Other Economic and Community Development

Clerical Personnel	\$	71,613	
Part-time Personnel		9,604	
Social Security		4,565	
State Retirement		2,945	
Life Insurance		61	
Medical Insurance		11,961	
Dental Insurance		1,153	
Unemployment Compensation		273	
Employer Medicare		1,068	
Licenses		821	
Maintenance & Repair Services - Vehicles		762	
Postal Charges		492	
Printing, Stationery, and Forms		280	
Rentals		200	
Travel		1,399	
Tuition		42,490	
Gasoline		10,693	

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Other Operations (Cont.)

Other Economic and Community Development (Cont.)

Office Supplies	\$	2,313	
Textbooks		7,782	
Uniforms		4,450	
Testing		1,154	
Other Supplies and Materials		13,259	
Vehicle and Equipment Insurance		400	
Workers' Compensation Insurance		536	
Other Charges		26,330	
Total Other Economic and Community Development			\$ 216,604

Veterans' Services

County Official/Administrative Officer	\$	15,640	
Social Security		950	
State Retirement		1,180	
Life Insurance		26	
Dental Insurance		525	
Unemployment Compensation		42	
Employer Medicare		222	
Dues and Memberships		25	
Rentals		341	
Travel		498	
Other Supplies and Materials		325	
Workers' Compensation Insurance		39	
Total Veterans' Services			19,813

Other Charges

Contributions	\$	11,000	
Other Contracted Services		3,376	
Duplicating Supplies		1,901	
Building and Contents Insurance		42,000	
Liability Insurance		76,474	
Trustee's Commission		291,792	
Total Other Charges			426,543

Contributions to Other Agencies

Contributions	\$	95,711	
Total Contributions to Other Agencies			95,711

Miscellaneous

County Official/Administrative Officer	\$	27,747	
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(Continued)

Exhibit K-9

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

General Fund (Cont.)

Other Operations (Cont.)

Miscellaneous (Cont.)

Part-time Personnel	\$	20,244	
Social Security		2,816	
State Retirement		2,292	
Life Insurance		17	
Medical Insurance		2,791	
Dental Insurance		260	
Unemployment Compensation		161	
Employer Medicare		659	
Communication		65,680	
Dues and Memberships		23,635	
Office Supplies		441	
Workers' Compensation Insurance		259	
Total Miscellaneous			\$ 147,002

Capital Projects

Public Health and Welfare Projects

Architects	\$	486	
Contracts with Government Agencies		66,529	
Building Improvements		53,697	
Total Public Health and Welfare Projects			120,712

Social, Cultural, and Recreation Projects

Contracts with Government Agencies	\$	75,000	
Total Social, Cultural, and Recreation Projects			75,000

Public Utility Projects

Contributions	\$	353,479	
Engineering Services		2,750	
Other Contracted Services		3,862	
Other Construction		214,933	
Total Public Utility Projects			575,024

Total General Fund \$ 22,117,931

Courthouse & Jail Maintenance Fund

General Government

Building

Maintenance & Repair Services - Buildings	\$	86,208	
Maintenance & Repair Services - Equipment		5,485	
Other Supplies and Materials		12,413	

(Continued)

Exhibit K-9

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

Courthouse & Jail Maintenance Fund (Cont.)

General Government (Cont.)

Building (Cont.)

Trustee's Commission	\$	239	
Building Improvements		74,056	
Data Processing Equipment		4,638	
Furniture and Fixtures		15,455	
Total Building			\$ 198,494

Total Courthouse & Jail Maintenance Fund

\$ 198,494

Public Library Fund

Social, Cultural, and Recreational Services

Libraries

Librarians	\$	92,847
Part-time Personnel		63,848
Social Security		9,337
State Retirement		7,006
Life Insurance		172
Medical Insurance		16,195
Dental Insurance		2,098
Unemployment Compensation		621
Employer Medicare		2,184
Communication		4,685
Data Processing Services		2,205
Dues and Memberships		155
Maintenance Agreements		2,457
Maintenance & Repair Services - Buildings		337
Maintenance & Repair Services - Equipment		967
Pest Control		220
Postal Charges		2,721
Rentals		780
Travel		2,573
Maintenance and Repair Services - Records		2,075
Custodial Supplies		1,859
Data Processing Supplies		326
Library Books/Media		35,381
Office Supplies		4,270
Periodicals		4,468
Utilities		27,469
Other Supplies and Materials		8,613
Trustee's Commission		166
Workers' Compensation Insurance		747

(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.)

In Service/Staff Development	\$	280	
Data Processing Equipment		9,540	
Furniture and Fixtures		2,315	
Office Equipment		987	
Other Equipment		5,164	
Total Libraries			\$ 315,068

Total Public Library Fund \$ 315,068

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

County Official/Administrative Officer	\$	49,304	
Laborers		18,752	
Overtime Pay		138	
Social Security		3,836	
State Retirement		4,118	
Life Insurance		47	
Medical Insurance		7,121	
Dental Insurance		573	
Unemployment Compensation		99	
Employer Medicare		897	
Advertising		546	
Communication		843	
Maintenance & Repair Services - Vehicles		1,000	
Travel		1,048	
Gasoline		1,803	
Other Supplies and Materials		42	
Trustee's Commission		3,957	
Workers' Compensation Insurance		1,895	
In Service/Staff Development		100	
Total Sanitation Management			\$ 96,119

Convenience Centers

Rentals	\$	8,200	
Other Contracted Services		441,282	
Electricity		383	
Water and Sewer		1,490	
Other Charges		4,347	
Total Convenience Centers			455,702

(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.)

Other Waste Collection

Supervisor/Director	\$	5,038	
Deputy(ies)		28,152	
Social Security		1,886	
State Retirement		2,277	
Life Insurance		37	
Medical Insurance		6,258	
Dental Insurance		449	
Unemployment Compensation		60	
Employer Medicare		442	
Communication		465	
Maintenance & Repair Services - Vehicles		327	
Gasoline		2,675	
Instructional Supplies and Materials		6,818	
Other Supplies and Materials		924	
Vehicle and Equipment Insurance		1,500	
Workers' Compensation Insurance		1,316	
Total Other Waste Collection			\$ 58,624

Recycling Center

Contracts with Private Agencies	\$	5,548	
Total Recycling Center			5,548

Landfill Operation and Maintenance

Contracts with Private Agencies	\$	633,608	
Contributions		5,000	
Total Landfill Operation and Maintenance			638,608

Other Waste Disposal

Contracts with Private Agencies	\$	86,101	
Rentals		2,304	
Total Other Waste Disposal			88,405

Total Solid Waste/Sanitation Fund \$ 1,343,006

Drug Control Fund

Public Safety

Drug Enforcement

Advertising	\$	170	
Communication		6,478	
Contracts with Private Agencies		1,132	

(Continued)

Exhibit K-9

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

Drug Control Fund (Cont.)

Public Safety (Cont.)

Drug Enforcement (Cont.)

Confidential Drug Enforcement Payments	\$	1,537	
Dues and Memberships		370	
Maintenance & Repair Services - Vehicles		3,448	
Medical and Dental Services		1,684	
Tow-in Services		2,435	
Travel		1,885	
Animal Food and Supplies		554	
Garage Supplies		499	
Law Enforcement Supplies		7,242	
Office Supplies		449	
Uniforms		1,466	
Other Supplies and Materials		980	
Trustee's Commission		638	
Vehicle and Equipment Insurance		3,000	
In Service/Staff Development		705	
Communication Equipment		22,298	
Law Enforcement Equipment		28,644	
Motor Vehicles		17,430	
Total Drug Enforcement			\$ 103,044
Total Drug Control Fund			\$ 103,044

District Attorney General Fund

Administration of Justice

District Attorney General

Clerical Personnel	\$	2,029
Social Security		127
State Retirement		163
Life Insurance		2
Medical Insurance		257
Dental Insurance		24
Employer Medicare		30
Communication		506
Dues and Memberships		879
Printing, Stationery, and Forms		623
Travel		906
Other Contracted Services		1,965
Periodicals		700
Uniforms		881
Other Supplies and Materials		3,748

(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	\$	120	
In Service/Staff Development		1,175	
Other Charges		700	
Data Processing Equipment		1,424	
Furniture and Fixtures		5,634	
Law Enforcement Equipment		2,632	
Office Equipment		1,992	
Total District Attorney General			\$ 26,517

Total District Attorney General Fund \$ 26,517

Other Special Revenue Fund

Other Operations

Tourism

Supervisor/Director	\$	37,295	
Clerical Personnel		10,590	
Social Security		2,872	
State Retirement		2,814	
Life Insurance		40	
Medical Insurance		2,791	
Dental Insurance		260	
Unemployment Compensation		105	
Employer Medicare		771	
Advertising		19,081	
Communication		3,202	
Dues and Memberships		3,250	
Maintenance & Repair Services - Buildings		508	
Postal Charges		849	
Printing, Stationery, and Forms		214	
Travel		3,543	
Office Supplies		244	
Utilities		2,376	
Other Supplies and Materials		30	
Building and Contents Insurance		750	
Liability Insurance		911	
Workers' Compensation Insurance		208	
In Service/Staff Development		249	
Other Charges		334	
Total Tourism			\$ 93,287

(Continued)

Exhibit K-9

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

Other Special Revenue Fund (Cont.)

Principal on Debt

General Government

Principal on Notes	\$ 15,000	
Total General Government		\$ 15,000

Interest on Debt

General Government

Interest on Notes	\$ 2,404	
Total General Government		<u>2,404</u>

Total Other Special Revenue Fund		\$ 110,691
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Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 72,126	
Clerical Personnel	106,872	
Social Security	10,706	
State Retirement	17,101	
Life Insurance	145	
Medical Insurance	18,433	
Dental Insurance	1,569	
Unemployment Compensation	63	
Employer Medicare	2,504	
Dues and Memberships	3,534	
Licenses	750	
Maintenance Agreements	7,325	
Maintenance & Repair Services - Equipment	158	
Pest Control	240	
Postal Charges	143	
Travel	25	
Disposal Fees	291	
Office Supplies	<u>571</u>	
Total Administration		\$ 242,556

Highway and Bridge Maintenance

Foremen	\$ 58,931
Equipment Operators	114,729
Truck Drivers	105,676
Laborers	212,326
Overtime Pay	30,998
Social Security	30,163

(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.)

State Retirement	\$	35,809	
Life Insurance		672	
Medical Insurance		101,982	
Dental Insurance		8,036	
Unemployment Compensation		476	
Employer Medicare		7,054	
Contracts with Private Agencies		665	
Rentals		1,386	
Other Contracted Services		40,612	
Asphalt		1,198,123	
Crushed Stone		57,911	
Custodial Supplies		4,109	
Fertilizer, Lime, and Seed		3,881	
General Construction Materials		1,301	
Other Road Supplies		18,424	
Pipe - Metal		10,838	
Road Signs		13,084	
Uniforms		5,199	
Total Highway and Bridge Maintenance			\$ 2,062,385

Operation and Maintenance of Equipment

Mechanic(s)	\$	54,494
Nightwatchmen		72,605
Overtime Pay		2,233
Social Security		7,256
State Retirement		8,776
Life Insurance		172
Medical Insurance		34,076
Dental Insurance		2,094
Unemployment Compensation		122
Employer Medicare		1,697
Licenses		17
Other Contracted Services		898
Equipment and Machinery Parts		91,902
Garage Supplies		762
Gasoline		439,703
Lubricants		4,009
Tires and Tubes		9,766
Other Supplies and Materials		12,832
Other Charges		1,885

(Continued)

Exhibit K-9

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Communication Equipment	\$ 477	
Total Operation and Maintenance of Equipment		\$ 745,776

Other Charges

Accounting Services	\$ 5,110	
Communication	3,131	
Electricity	11,018	
Natural Gas	7,920	
Water and Sewer	403	
Building and Contents Insurance	20,000	
Liability Insurance	26,500	
Trustee's Commission	25,541	
Vehicle and Equipment Insurance	62,500	
Workers' Compensation Insurance	71,811	
Liability Claims	23,425	
Total Other Charges		257,359

Capital Outlay

Bridge Construction	\$ 82,922	
Highway Construction	477,939	
Highway Equipment	28,246	
Total Capital Outlay		589,107

Total Highway/Public Works Fund		\$ 3,897,183
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General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 1,375,000	
Principal on Notes	171,666	
Principal on Other Loans	186,000	
Total General Government		\$ 1,732,666

Interest on Debt

General Government

Interest on Bonds	\$ 347,882	
Interest on Notes	17,431	
Interest on Other Loans	100,567	
Total General Government		465,880

(Continued)

Exhibit K-9

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

General Debt Service Fund (Cont.)

Other Debt Service

General Government

Accounting Services	\$ 118,266	
Fiscal Agent Charges	3,940	
Trustee's Commission	54,491	
Total General Government		\$ 176,697

Total General Debt Service Fund \$ 2,375,243

Rural Debt Service Fund

Principal on Debt

Education

Principal on Bonds	\$ 521,365	
Principal on Other Loans	568,453	
Total Education		\$ 1,089,818

Interest on Debt

Education

Interest on Bonds	\$ 242,345	
Interest on Other Loans	390,993	
Total Education		633,338

Other Debt Service

Education

Accounting Services	\$ 10,600	
Fiscal Agent Charges	2,620	
Trustee's Commission	986	
Total Education		14,206

Total Rural Debt Service Fund 1,737,362

Education Debt Service Fund

Principal on Debt

Education

Principal on Bonds	\$ 680,000	
Principal on Other Loans	697,797	
Total Education		\$ 1,377,797

Interest on Debt

Education

Interest on Bonds	\$ 249,990	
Interest on Other Loans	349,187	
Total Education		599,177

(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

Accounting Services	\$ 8,720	
Fiscal Agent Charges	2,784	
Trustee's Commission	<u>18,983</u>	
Total Education		\$ <u>30,487</u>

Total Education Debt Service Fund \$ 2,007,461

General Capital Projects Fund

Capital Projects

Public Safety Projects

Architects	\$ 90,590	
Other Supplies and Materials	17,530	
Building Improvements	<u>3,070,150</u>	
Total Public Safety Projects		\$ <u>3,178,270</u>

Total General Capital Projects Fund 3,178,270

Total Governmental Funds - Primary Government \$ 37,410,270

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, 2007

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 14,199,674	
Career Ladder Program	218,152	
Career Ladder Extended Contracts	378,515	
Homebound Teachers	64,246	
Educational Assistants	362,889	
Certified Substitute Teachers	32,562	
Non-certified Substitute Teachers	188,145	
Social Security	901,231	
State Retirement	933,780	
Life Insurance	18,630	
Medical Insurance	1,307,319	
Unemployment Compensation	15,198	
Employer Medicare	210,770	
Payments to Retirees	18,239	
Contracts with Government Agencies	221,579	
Maintenance & Repair Services - Equipment	1,177	
Other Contracted Services	52,365	
Gasoline	55	
Instructional Supplies and Materials	224,969	
Textbooks	228,475	
Other Supplies and Materials	9,018	
Refund to Applicant for Criminal Investigation	3,768	
Other Charges	20,731	
Regular Instruction Equipment	175,914	
Total Regular Instruction Program		\$ 19,787,401

Special Education Program

Teachers	\$ 3,495,295
Career Ladder Program	49,744
Homebound Teachers	37,928
Educational Assistants	381,397
Other Salaries & Wages	93,057
Certified Substitute Teachers	4,000
Non-certified Substitute Teachers	26,575
Social Security	239,935
State Retirement	250,216
Life Insurance	6,009
Medical Insurance	320,333
Unemployment Compensation	4,991

(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.)

Employer Medicare	\$	56,116	
Payments to Retirees		5,103	
Contracts with Private Agencies		40,437	
Dues and Memberships		70	
Instructional Supplies and Materials		26,353	
Other Supplies and Materials		11,526	
Special Education Equipment		10,989	
Total Special Education Program			\$ 5,060,074

Vocational Education Program

Teachers	\$	1,866,318	
Career Ladder Program		24,000	
Clerical Personnel		81,201	
Other Salaries & Wages		23,482	
Certified Substitute Teachers		7,512	
Non-certified Substitute Teachers		29,275	
Social Security		116,316	
State Retirement		122,116	
Life Insurance		2,400	
Medical Insurance		193,474	
Unemployment Compensation		1,860	
Employer Medicare		27,205	
Maintenance & Repair Services - Equipment		8,305	
Instructional Supplies and Materials		84,761	
Other Supplies and Materials		11,824	
Vocational Instruction Equipment		89,562	
Total Vocational Education Program			2,689,611

Adult Education Program

Teachers	\$	87,808	
Career Ladder Program		2,000	
Other Salaries & Wages		6,871	
Social Security		5,957	
State Retirement		3,776	
Life Insurance		50	
Unemployment Compensation		119	
Employer Medicare		1,393	
Instructional Supplies and Materials		121	
In Service/Staff Development		1,023	
Total Adult Education Program			109,118

(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

Attendance

Supervisor/Director	\$	67,224	
Career Ladder Program		2,000	
Clerical Personnel		28,538	
Other Salaries & Wages		126,038	
Social Security		13,824	
State Retirement		7,835	
Life Insurance		202	
Unemployment Compensation		225	
Employer Medicare		3,233	
Travel		1,400	
Other Supplies and Materials		1,481	
Total Attendance			\$ 252,000

Health Services

Medical Personnel	\$	231,159	
Social Security		13,750	
State Retirement		13,411	
Life Insurance		307	
Medical Insurance		15,450	
Unemployment Compensation		249	
Employer Medicare		3,216	
Printing, Stationery, and Forms		342	
Travel		10,015	
Drugs and Medical Supplies		14,357	
Other Supplies and Materials		2,135	
Total Health Services			304,391

Other Student Support

Career Ladder Program	\$	6,500	
Guidance Personnel		793,121	
Social Security		46,841	
State Retirement		49,057	
Life Insurance		967	
Medical Insurance		48,005	
Unemployment Compensation		670	
Employer Medicare		10,955	
Contracts with Other School Systems		69,750	
Evaluation and Testing		2,192	
Other Contracted Services		214	

(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.)

Other Supplies and Materials	\$ 11,598	
Total Other Student Support		\$ 1,039,870

Regular Instruction Program

Supervisor/Director	\$ 68,166	
Career Ladder Program	16,000	
Librarians	608,815	
Secretary(ies)	24,421	
Clerical Personnel	33,277	
Other Salaries & Wages	89,361	
Social Security	49,264	
State Retirement	50,221	
Life Insurance	1,025	
Medical Insurance	62,283	
Unemployment Compensation	824	
Employer Medicare	11,522	
Payments to Retirees	7,264	
Maintenance & Repair Services - Equipment	5,972	
Travel	352	
Library Books/Media	67,717	
Other Supplies and Materials	36,127	
In Service/Staff Development	15,807	
Total Regular Instruction Program		1,148,418

Special Education Program

Supervisor/Director	\$ 69,317	
Career Ladder Program	9,700	
Psychological Personnel	141,399	
Clerical Personnel	79,504	
Social Security	17,040	
State Retirement	19,478	
Life Insurance	338	
Medical Insurance	30,343	
Unemployment Compensation	197	
Employer Medicare	3,986	
Payments to Retirees	1,450	
Consultants	24,447	
Rentals	4,000	
In Service/Staff Development	4,727	
Total Special Education Program		405,926

(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.)

Vocational Education Program

Supervisor/Director	\$	88,574	
Career Ladder Program		3,000	
Other Salaries & Wages		74,152	
Social Security		9,685	
State Retirement		11,212	
Life Insurance		202	
Medical Insurance		12,323	
Unemployment Compensation		126	
Employer Medicare		2,265	
Travel		34,949	
Total Vocational Education Program			\$ 236,488

Adult Programs

Other Salaries & Wages	\$	61,034	
Social Security		3,717	
State Retirement		4,608	
Life Insurance		101	
Medical Insurance		3,600	
Unemployment Compensation		64	
Employer Medicare		869	
Communication		526	
Travel		1,786	
Other Supplies and Materials		7,170	
Regular Instruction Equipment		9,053	
Total Adult Programs			92,528

Board of Education

Secretary to Board	\$	6,000	
Board and Committee Members Fees		38,500	
Social Security		2,759	
State Retirement		1,125	
Life Insurance		399	
Unemployment Compensation		28	
Employer Medicare		646	
Advertising		921	
Audit Services		11,500	
Dues and Memberships		6,942	
Legal Services		23,104	
Travel		9,564	

(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.)

Office Supplies	\$	19	
Liability Insurance		153,994	
Trustee's Commission		415,084	
Workers' Compensation Insurance		236,144	
Total Board of Education			\$ 906,729

Director of Schools

County Official/Administrative Officer	\$	100,077	
Career Ladder Program		1,000	
Secretary(ies)		28,538	
Social Security		7,522	
State Retirement		8,350	
Life Insurance		101	
Medical Insurance		4,879	
Unemployment Compensation		64	
Employer Medicare		1,835	
Communication		68,206	
Dues and Memberships		2,209	
Postal Charges		7,174	
Travel		681	
Office Supplies		2,302	
Other Charges		7,575	
Total Director of Schools			240,513

Office of the Principal

Principals	\$	1,134,301	
Career Ladder Program		27,790	
Assistant Principals		452,454	
Secretary(ies)		513,598	
Social Security		126,287	
State Retirement		134,403	
Life Insurance		2,709	
Medical Insurance		137,692	
Unemployment Compensation		1,777	
Employer Medicare		29,535	
Payments to Retirees		10,856	
Communication		25,837	
Travel		8,206	
Other Supplies and Materials		1,898	

(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.)

In Service/Staff Development	\$	1,272	
Administration Equipment		12,316	
Total Office of the Principal			\$ 2,620,931

Fiscal Services

Supervisor/Director	\$	68,499	
Accountants/Bookkeepers		166,608	
Social Security		14,161	
State Retirement		16,300	
Life Insurance		307	
Medical Insurance		10,799	
Unemployment Compensation		247	
Employer Medicare		3,312	
Maintenance & Repair Services - Office Equipment		384	
Travel		3,159	
Office Supplies		6,018	
Other Supplies and Materials		17,778	
Total Fiscal Services			307,572

Operation of Plant

Supervisor/Director	\$	25,369	
Clerical Personnel		15,286	
Custodial Personnel		1,264,625	
Social Security		74,856	
State Retirement		87,272	
Life Insurance		2,684	
Medical Insurance		188,299	
Unemployment Compensation		1,862	
Employer Medicare		17,507	
Payments to Retirees		3,358	
Maintenance & Repair Services - Vehicles		6,565	
Rentals		53,903	
Disposal Fees		50,032	
Other Contracted Services		46,185	
Custodial Supplies		173,375	
Electricity		1,465,369	
Natural Gas		315,513	
Water and Sewer		201,606	
Other Supplies and Materials		14,910	

(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.)

Building and Contents Insurance	\$	189,157	
Plant Operation Equipment		<u>53,209</u>	
Total Operation of Plant	\$		4,250,942

Maintenance of Plant

Maintenance Personnel	\$	513,905	
Social Security		30,486	
State Retirement		37,673	
Life Insurance		605	
Medical Insurance		48,025	
Unemployment Compensation		830	
Employer Medicare		7,130	
Communication		74,895	
Maintenance & Repair Services - Buildings		31,226	
Maintenance & Repair Services - Equipment		28,052	
Other Contracted Services		67,588	
Gasoline		34,095	
Office Supplies		2,000	
Other Supplies and Materials		188,904	
Furniture and Fixtures		<u>49,947</u>	
Total Maintenance of Plant			1,115,361

Transportation

Supervisor/Director	\$	67,656	
Clerical Personnel		15,286	
Social Security		4,747	
State Retirement		5,301	
Life Insurance		76	
Medical Insurance		9,172	
Unemployment Compensation		48	
Employer Medicare		1,110	
Contracts with Vehicle Owners		2,195,408	
Other Contracted Services		<u>4,545</u>	
Total Transportation			2,303,349

Central and Other

Supervisor/Director	\$	76,871	
Secretary(ies)		21,902	
Other Salaries & Wages		218,668	

(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.)

Central and Other (Cont.)

Social Security	\$	18,150	
State Retirement		21,009	
Life Insurance		353	
Medical Insurance		21,481	
Unemployment Compensation		290	
Employer Medicare		4,244	
Travel		1,911	
Other Contracted Services		32,456	
Other Supplies and Materials		57,883	
In Service/Staff Development		772	
Administration Equipment		14,976	
Data Processing Equipment		142,834	
Total Central and Other			\$ 633,800

Operation of Non-Instructional Services

Early Childhood Education

Supervisor/Director	\$	14,895
Teachers		252,458
Secretary(ies)		8,310
Educational Assistants		77,045
Non-certified Substitute Teachers		1,625
Social Security		20,080
State Retirement		22,739
Life Insurance		674
Medical Insurance		42,974
Unemployment Compensation		509
Employer Medicare		4,696
Communication		1,095
Consultants		1,575
Contributions		50
Maintenance & Repair Services - Office Equipment		1,139
Postal Charges		14
Travel		2,601
Other Contracted Services		4,655
Drugs and Medical Supplies		586
Food Supplies		149
General Construction Materials		920
Instructional Supplies and Materials		13,234
Natural Gas		2,435

(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.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

Office Supplies	\$	962	
Other Supplies and Materials		2,416	
Liability Insurance		581	
In Service/Staff Development		5,149	
Refund to Applicant for Criminal Investigation		48	
Other Charges		3,598	
Data Processing Equipment		4,046	
Furniture and Fixtures		4,454	
Other Equipment		<u>2,277</u>	
Total Early Childhood Education	\$		497,989

Capital Outlay

Regular Capital Outlay

Architects	\$	584	
Building Improvements		<u>48,656</u>	
Total Regular Capital Outlay			49,240

Principal on Debt

Education

Principal on Notes	\$	475,333	
Principal on Capital Leases		<u>3,286</u>	
Total Education			478,619

Interest on Debt

Education

Interest on Notes	\$	387,252	
Interest on Capital Leases		<u>13,386</u>	
Total Education			400,638

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	2,156,680	
Other Debt Service		<u>326</u>	
Total Education			<u>2,157,006</u>

Total General Purpose School Fund \$ 47,088,514

(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

Instruction

Regular Instruction Program

Teachers	\$	1,013,637	
Educational Assistants		14,638	
Other Salaries & Wages		1,442	
Certified Substitute Teachers		385	
Non-certified Substitute Teachers		2,520	
Social Security		60,634	
State Retirement		63,275	
Life Insurance		1,201	
Medical Insurance		70,499	
Unemployment Compensation		810	
Employer Medicare		14,181	
Other Contracted Services		36,110	
Instructional Supplies and Materials		51,680	
Workers' Compensation Insurance		5,675	
Regular Instruction Equipment		6,770	
Total Regular Instruction Program			\$ 1,343,457

Special Education Program

Teachers	\$	385,654	
Educational Assistants		196,387	
Other Salaries & Wages		23,583	
Certified Substitute Teachers		110	
Non-certified Substitute Teachers		2,125	
Social Security		36,176	
State Retirement		39,734	
Life Insurance		1,271	
Medical Insurance		43,840	
Unemployment Compensation		504	
Employer Medicare		8,461	
Travel		404	
Other Contracted Services		8,379	
Instructional Supplies and Materials		144,545	
Other Supplies and Materials		37,451	
Workers' Compensation Insurance		3,213	
Refund to Applicant for Criminal Investigation		240	
Total Special Education Program			932,077

Vocational Education Program

Teachers	\$	7,000	
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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.)

Instruction (Cont.)

Vocational Education Program (Cont.)

Educational Assistants	\$	16,955	
Other Salaries & Wages		28,750	
Social Security		1,585	
State Retirement		1,709	
Life Insurance		50	
Medical Insurance		3,600	
Unemployment Compensation		164	
Employer Medicare		371	
Consultants		2,500	
Travel		18,788	
Instructional Supplies and Materials		24,282	
Workers' Compensation Insurance		252	
In Service/Staff Development		13,649	
Other Charges		117	
Vocational Instruction Equipment		93,474	
Total Vocational Education Program			\$ 213,246

Support Services

Regular Instruction Program

Supervisor/Director	\$	80,709	
Secretary(ies)		31,016	
Other Salaries & Wages		30,663	
Social Security		8,716	
State Retirement		7,289	
Life Insurance		101	
Unemployment Compensation		96	
Employer Medicare		2,038	
Communication		692	
Dues and Memberships		149	
Travel		12,649	
Other Contracted Services		14,965	
Other Supplies and Materials		19,895	
Workers' Compensation Insurance		783	
In Service/Staff Development		16,546	
Other Charges		322	
Total Regular Instruction Program			226,629

Special Education Program

Psychological Personnel	\$	104,585	
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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.)

Special Education Program (Cont.)

Clerical Personnel	\$	49,184	
Social Security		9,414	
State Retirement		10,110	
Life Insurance		197	
Medical Insurance		3,600	
Unemployment Compensation		710	
Employer Medicare		2,202	
Consultants		232,565	
Travel		48,911	
Workers' Compensation Insurance		846	
In Service/Staff Development		14,551	
Total Special Education Program			\$ 476,875

Board of Education

Workers' Compensation Insurance	\$	130	
Total Board of Education			130

Office of the Principal

Communication	\$	938	
Total Office of the Principal			938

Transportation

Contracts with Vehicle Owners	\$	85,065	
Maintenance & Repair Services - Vehicles		4,740	
Gasoline		13,000	
Total Transportation			102,805

Total School Federal Projects Fund \$ 3,296,157

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	2,819	
Accountants/Bookkeepers		140,601	
Clerical Personnel		342,643	
Cafeteria Personnel		774,805	
Other Salaries & Wages		7,482	
Social Security		73,665	
State Retirement		68,255	

(Continued)

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.)

Life Insurance	\$	2,950	
Medical Insurance		132,757	
Unemployment Compensation		3,529	
Employer Medicare		17,229	
Communication		10,481	
Maintenance & Repair Services - Equipment		7,647	
Travel		304	
Other Contracted Services		54,794	
Food Supplies		1,303,621	
Office Supplies		3,285	
Other Supplies and Materials		2,745	
Trustee's Commission		528	
Workers' Compensation Insurance		6,976	
In Service/Staff Development		285	
Refund to Applicant for Criminal Investigation		768	
Other Charges		2,306	
Food Service Equipment		74,099	
Total Food Service			\$ 3,034,574
Total Central Cafeteria Fund			\$ 3,034,574

Other Education Special Revenue Fund

Instruction

Regular Instruction Program

Educational Assistants	\$	5,180	
Total Regular Instruction Program			\$ 5,180

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	57,583
Teachers		124,582
Social Workers		40,916
Medical Personnel		41,597
Secretary(ies)		71,821
Educational Assistants		986,421
Other Salaries & Wages		93,491
Certified Substitute Teachers		180
Non-certified Substitute Teachers		500
Social Security		79,833

(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.)

State Retirement	\$	89,949	
Life Insurance		2,952	
Medical Insurance		144,245	
Unemployment Compensation		2,893	
Employer Medicare		18,671	
Advertising		75	
Communication		16,966	
Consultants		3,212	
Contracts with Other School Systems		724,046	
Contracts with Vehicle Owners		125	
Contributions		150	
Dues and Memberships		1,282	
Operating Lease Payments		13,200	
Maintenance & Repair Services - Office Equipment		3,015	
Maintenance & Repair Services - Vehicles		399	
Pest Control		960	
Postal Charges		1,337	
Travel		9,622	
Other Contracted Services		34,489	
Drugs and Medical Supplies		3,109	
Electricity		11,737	
Food Supplies		8,513	
Gasoline		4,331	
General Construction Materials		5,610	
Instructional Supplies and Materials		30,438	
Natural Gas		2,725	
Office Supplies		10,774	
Water and Sewer		1,857	
Other Supplies and Materials		18,343	
Building and Contents Insurance		2,749	
Liability Insurance		1,033	
Vehicle and Equipment Insurance		4,500	
Workers' Compensation Insurance		7,626	
In Service/Staff Development		32,094	
Refund to Applicant for Criminal Investigation		600	
Other Charges		20,908	
Data Processing Equipment		10,638	
Other Equipment		10,525	
Total Community Services			\$ 2,752,622

(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 on Debt

Education

Principal on Capital Leases	\$ 16,617	
Total Education		\$ 16,617

Interest on Debt

Education

Interest on Capital Leases	\$ 79,157	
Total Education		<u>79,157</u>

Total Other Education Special Revenue Fund		\$ 2,853,576
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Education Capital Projects Fund

Capital Projects

Education Capital Projects

Advertising	\$ 483	
Architects	30,739	
Consultants	6,711	
Other Contracted Services	2,063	
Building Improvements	2,263,034	
Furniture and Fixtures	10,636	
Regular Instruction Equipment	<u>100,552</u>	
Total Education Capital Projects		<u>\$ 2,414,218</u>

Total Education Capital Projects Fund		<u>2,414,218</u>
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Total Governmental Funds - Anderson County School Department		<u><u>\$ 58,687,039</u></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, 2007

	Cities - Sales Tax Fund	City School ADA - Clinton Fund	City School ADA - Oak Ridge Fund	Total
<u>Cash Receipts</u>				
Current Property Taxes	\$ 0	\$ 1,421,613	\$ 6,789,121	\$ 8,210,734
Trustee's Collections - Prior Years	0	44,915	214,507	259,422
Circuit/Clerk and Master Collections - Prior Years	0	14,247	67,083	81,330
Interest and Penalty	0	14,525	69,833	84,358
Local Option Sales Tax	9,875,971	759,514	3,627,169	14,262,654
Coal Severance Tax	0	1,097	5,241	6,338
Interstate Telecommunications Tax	0	842	4,023	4,865
Marriage Licenses	0	455	2,156	2,611
Total Cash Receipts	<u>\$ 9,875,971</u>	<u>\$ 2,257,208</u>	<u>\$ 10,779,133</u>	<u>\$ 22,912,312</u>
<u>Cash Disbursements</u>				
Remittance of Revenues Collected	\$ 9,777,212	\$ 2,221,346	\$ 10,608,368	\$ 22,606,926
Trustee's Commission	98,759	37,368	178,454	314,581
Total Cash Disbursements	<u>\$ 9,875,971</u>	<u>\$ 2,258,714</u>	<u>\$ 10,786,822</u>	<u>\$ 22,921,507</u>
Excess of Cash Receipts Over (Under)				
Cash Disbursements	\$ 0	\$ (1,506)	\$ (7,689)	\$ (9,195)
Cash Balance, July 1, 2006	0	4,221	20,653	24,874
Cash Balance, June 30, 2007	<u>\$ 0</u>	<u>\$ 2,715</u>	<u>\$ 12,964</u>	<u>\$ 15,679</u>

STATISTICAL SECTION

This part of Anderson County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

	Table	Page(s)
Financial Trends:		
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	1-6	239-245
Revenue Capacity:		
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	7-10	246-249
Debt Capacity:		
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	11-15	250-254
Demographic and Economic Information:		
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	16-17	255-256
Operating Information:		
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	18-20	257-259

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Table 1

Anderson County, Tennessee
 Net Assets by Component
 Last Five Fiscal Years (1)
 (accrual basis of accounting)

	Fiscal Year				
	2003	2004	2005	2006	2007
Governmental Activities:					
Invested in Capital Assets, Net of Related Debt	\$ 1,759,576	\$ 3,677,748	\$ 4,795,772	\$ 7,485,543	\$ 9,187,426
Restricted for:					
Highway	594,373	967,776	1,740,500	1,379,754	971,846
Debt Service	343,039	514,489	797,035	947,042	1,084,976
Courthouse and Jail (2)	0	0	0	0	57,551
Public Library (2)	0	0	0	0	109,136
Solid Waste (2)	0	0	0	0	198,665
Drug Control (2)	0	0	0	0	99,497
Other Purposes	254,040	439,064	606,468	797,752	303,040
Unrestricted	<u>(22,816,572)</u>	<u>(20,570,791)</u>	<u>(17,603,786)</u>	<u>(14,374,348)</u>	<u>(9,992,846)</u>
Subtotal Governmental Activities Net Assets	<u>\$ (19,865,544)</u>	<u>\$ (14,971,714)</u>	<u>\$ (9,664,011)</u>	<u>\$ (3,764,257)</u>	<u>\$ 2,019,291</u>
Business-type Activities:					
Invested in Capital Assets, Net of Related Debt	\$ 9,348,039	\$ 9,663,218	\$ 10,053,279	\$ 10,749,737	\$ 10,592,256
Unrestricted	<u>1,442,959</u>	<u>1,312,134</u>	<u>1,340,772</u>	<u>1,287,859</u>	<u>1,393,488</u>
Subtotal Business-type Activities Net Assets	<u>\$ 10,790,998</u>	<u>\$ 10,975,352</u>	<u>\$ 11,394,051</u>	<u>\$ 12,037,596</u>	<u>\$ 11,985,744</u>
Primary Government:					
Invested in Capital Assets, Net of Related Debt	\$ 11,107,615	\$ 13,340,966	\$ 14,849,051	\$ 18,235,280	\$ 19,779,682
Restricted for:					
Highway	594,373	967,776	1,740,500	1,379,754	971,846
Debt Service	343,039	514,489	797,035	947,042	1,084,976
Courthouse and Jail (2)	0	0	0	0	57,551
Public Library (2)	0	0	0	0	109,136
Solid Waste (2)	0	0	0	0	198,665
Drug Control (2)	0	0	0	0	99,497
Other Purposes	254,040	439,064	606,468	797,752	303,040
Unrestricted	<u>(21,373,613)</u>	<u>(19,258,657)</u>	<u>(16,263,014)</u>	<u>(13,086,489)</u>	<u>(8,599,358)</u>
Total Primary Government Net Assets (3)	<u>\$ (9,074,546)</u>	<u>\$ (3,996,362)</u>	<u>\$ 1,730,040</u>	<u>\$ 8,273,339</u>	<u>\$ 14,005,035</u>

(1) The county implemented GASB 34 in fiscal year 2003. Therefore, ten years of data is not available but will be accumulated over time.

(2) Prior to fiscal year 2007, included in Other Purposes.

(3) See Table 2 for changes in net assets from year to year.

Table 2

Anderson County, Tennessee
Changes in Net Assets
Last Five Fiscal Years (1)
(accrual basis of accounting)

	Fiscal Year				
	2003	2004	2005	2006	2007
Expenses					
Governmental Activities:					
General Government	\$ 2,384,417	\$ 2,958,476	\$ 3,043,074	\$ 3,625,905	\$ 3,382,567
Finance	2,074,278	2,264,600	2,353,548	2,289,764	2,500,844
Administration of Justice	2,143,265	2,487,842	2,396,649	2,499,792	2,354,901
Public safety	6,005,316	6,525,846	6,550,593	7,265,640	7,634,445
Public Health and Welfare	4,306,111	4,821,032	5,490,734	5,700,376	5,847,219
Social, Cultural, and Recreational Service	246,687	274,330	290,638	305,178	395,711
Agriculture and Natural Resources	153,247	160,814	158,093	256,550	259,270
Other Operations	907,842	950,493	784,386	1,101,170	1,168,858
Highways	4,273,421	3,965,497	2,830,170	3,315,744	4,355,441
Education	0	0	0	103,464	0
Interest on Long-term Debt	2,195,850	1,631,665	1,543,338	1,774,242	1,787,493
Other Debt Service	213,476	233,936	128,947	215,508	262,708
Total Governmental Activities Expenses	<u>\$ 24,903,910</u>	<u>\$ 26,274,531</u>	<u>\$ 25,570,170</u>	<u>\$ 28,453,333</u>	<u>\$ 29,949,457</u>
Business-type Activities					
Water and Sewer	\$ 1,841,550	\$ 1,962,176	\$ 2,069,838	\$ 2,238,689	\$ 2,402,422
Total Business-type Activities Expenses	<u>\$ 1,841,550</u>	<u>\$ 1,962,176</u>	<u>\$ 2,069,838</u>	<u>\$ 2,238,689</u>	<u>\$ 2,402,422</u>
Total Primary Government Expenses	<u>\$ 26,745,460</u>	<u>\$ 28,236,707</u>	<u>\$ 27,640,008</u>	<u>\$ 30,692,022</u>	<u>\$ 32,351,879</u>
Program Revenues					
Governmental Activities:					
Charges for Services:					
General Government	\$ 1,078,964	\$ 1,125,816	\$ 1,026,912	\$ 1,044,089	\$ 1,211,133
Finance	1,583,976	1,630,854	1,754,221	1,813,917	1,972,724
Administration of Justice	1,647,842	1,656,494	1,802,240	1,927,388	1,835,139
Public Safety	537,734	552,327	503,359	554,705	502,858
Public Health and Welfare (2)	2,496,522	3,530,284	3,847,134	4,530,165	4,832,207
Social, Cultural, and Recreational Services	46,634	53,948	53,712	59,388	406,180
Highways	183,836	205,001	272,479	350,675	338,925
Operating Grants and Contributions	3,336,015	3,426,740	3,174,796	2,643,078	2,852,540
Capital Grants and Contributions (3)	1,313,529	352,265	292,704	2,087,387	897,373
Total Governmental Activities Program Revenues	<u>\$ 12,225,052</u>	<u>\$ 12,533,729</u>	<u>\$ 12,727,557</u>	<u>\$ 15,010,792</u>	<u>\$ 14,911,055</u>
Business-type Activities:					
Charges for Services:					
Water and Sewer	\$ 1,670,079	\$ 1,719,379	\$ 1,818,137	\$ 1,967,035	\$ 2,279,290
Capital Grants and Contributions	0	423,375	425,000	940,801	0
Total Business-type Activities Program Revenues	<u>\$ 1,670,079</u>	<u>\$ 2,142,754</u>	<u>\$ 2,243,137</u>	<u>\$ 2,907,836</u>	<u>\$ 2,279,290</u>
Total Primary Government Program Revenues	<u>\$ 13,895,131</u>	<u>\$ 14,676,483</u>	<u>\$ 14,970,694</u>	<u>\$ 17,918,628</u>	<u>\$ 17,190,345</u>

(Continued)

Table 2

Anderson County, Tennessee
Changes in Net Assets
Last Five Fiscal Years (1)
(accrual basis of accounting) (cont.)

	Fiscal Year				
	2003	2004	2005	2006	2007
Net (Expense)/Revenue					
Governmental Activities	\$ (12,678,858)	\$ (13,740,802)	\$ (12,842,613)	\$ (13,442,541)	\$ (15,038,402)
Business-type Activities	(171,471)	180,578	173,299	669,147	(123,132)
Total Primary Government Net Expense	<u>\$ (12,850,329)</u>	<u>\$ (13,560,224)</u>	<u>\$ (12,669,314)</u>	<u>\$ (12,773,394)</u>	<u>\$ (15,161,534)</u>
General Revenues and Other Changes in Net Assets					
Governmental Activities:					
Taxes:					
Property Taxes	\$ 12,842,570	\$ 13,040,094	\$ 12,735,886	\$ 12,833,697	\$ 13,117,940
Sales Taxes	511,551	722,130	805,743	843,717	985,038
Other Taxes	821,487	886,672	1,439,492	1,426,737	1,983,801
Grants and Contributions not Restricted to Specific Programs	3,678,888	3,707,744	3,081,497	3,538,483	4,140,252
Unrestricted Investment Income	256,942	203,825	276,969	504,488	559,351
Gain (Loss) on Sale of Capital Assets	0	0	0	96,514	0
Miscellaneous	86,743	74,167	49,095	58,769	70,568
Transfers	0	0	(238,366)	39,890	(35,000)
Total Governmental Activities	<u>\$ 18,198,181</u>	<u>\$ 18,634,632</u>	<u>\$ 18,150,316</u>	<u>\$ 19,342,295</u>	<u>\$ 20,821,950</u>
Business-type Activities:					
Sales Taxes	\$ 49,546	\$ 0	\$ 0	\$ 0	\$ 0
Unrestricted Investment Income	5,622	3,776	7,034	14,288	36,280
Miscellaneous	10,500	0	0	0	0
Transfers	0	0	238,366	(39,890)	35,000
Total Business-type Activities	<u>\$ 65,668</u>	<u>\$ 3,776</u>	<u>\$ 245,400</u>	<u>\$ (25,602)</u>	<u>\$ 71,280</u>
Total Primary Government	<u>\$ 18,263,849</u>	<u>\$ 18,638,408</u>	<u>\$ 18,395,716</u>	<u>\$ 19,316,693</u>	<u>\$ 20,893,230</u>
Change in Net Assets					
Governmental Activities	\$ 5,519,323	\$ 4,893,830	\$ 5,307,703	\$ 5,899,754	\$ 5,783,548
Business-type Activities	(105,803)	184,354	418,699	643,545	(51,852)
Total Primary Government	<u>\$ 5,413,520</u>	<u>\$ 5,078,184</u>	<u>\$ 5,726,402</u>	<u>\$ 6,543,299</u>	<u>\$ 5,731,696</u>

(1) The county implemented GASB Statement No. 34 in fiscal year 2003. Therefore, ten years of data is not available but will be accumulated over time.

(2) The majority of the annual increases can be attributed to the ambulance service operations.

(3) This amount for the year 2006 includes:

Community Development Block Grant	\$ 359,981
Homeland Security Cluster Grant	882,049
Helping America Vote Act Requirement Payments	312,500
	<u>\$ 1,554,530</u>

Table 3

Anderson County, Tennessee
 Governmental Activities Tax Revenues by Source
 Last Five Fiscal Years (1)
 (accrual basis of accounting)

Fiscal Year	Property Tax (2)	Local Option Sales Tax	Interstate Communi- cations Tax	Hotel Motel Tax	Local Litigation Tax	Business Tax	Mineral Severance Tax	Other Local Tax	Total
2003	\$ 12,842,570	\$ 511,551	\$ 5,841	\$ 128,715	\$ 254,295	\$ 297,608	\$ 129,584	\$ 5,444	\$ 14,175,608
2004	13,040,094	722,130	5,349	129,939	280,883	333,822	132,095	4,584	14,648,896
2005	12,735,886	805,743	5,364	134,738	327,692	756,324 (3)	198,865	16,509	14,981,121
2006	12,833,697	843,717	5,479	139,225	294,356	793,956	189,147	4,574	15,104,151
2007	13,117,940	985,038	5,125	177,196	289,691	1,307,583	181,814	22,392	16,086,779

- (1) The county implemented GASB Statement No. 34 in fiscal year 2003. Therefore ten years of data is not available but will be accumulated over time.
- (2) Includes current year, prior year, interest and penalty, and in-lieu-of property taxes.
- (3) Prior to fiscal year 2005, business tax was distributed based on property tax which included the discretely presented Anderson County School Department.

Table 4

Anderson County, Tennessee
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Fund:										
Reserved	\$ 75,527	\$ 102,107	\$ 146,605	\$ 121,952	\$ 221,553	\$ 199,846	\$ 296,073	\$ 755,557	\$ 279,141	\$ 324,579
Unreserved	409,064	156,665	237,543	1,658,650	2,622,253	4,261,566	4,000,725	4,156,848	5,286,117	7,019,488
Total General Fund	<u>\$ 484,591</u>	<u>\$ 258,772</u>	<u>\$ 384,148</u>	<u>\$ 1,780,602</u>	<u>\$ 2,843,806</u>	<u>\$ 4,461,412</u>	<u>\$ 4,296,798</u>	<u>\$ 4,912,405</u>	<u>\$ 5,565,258</u>	<u>\$ 7,344,067</u>
All other Governmental Funds:										
Reserved	\$ 7,069	\$ 50,297	\$ 8,811	\$ 29,219	\$ 15,933	\$ 13,215	\$ 385,599	\$ 4,598,932	\$ 7,147,825	\$ 9,729,622
Unreserved, Reported in:										
Special Revenue Funds	766,993	804,059	970,962	1,199,948	1,136,394	1,035,630	1,415,124	1,277,166	2,164,596	1,320,239
Debt Service Funds	2,663,868	2,474,310	2,081,008	1,759,436	1,713,695	1,767,012	1,790,559	2,617,523	2,831,162	3,048,646
Capital Projects	28,599	7,082	7,082	7,082	0	0	0	0	47,960	(190,806)
Total Other Governmental Funds	<u>\$ 3,466,529</u>	<u>\$ 3,335,748</u>	<u>\$ 3,067,863</u>	<u>\$ 2,995,685</u>	<u>\$ 2,866,022</u>	<u>\$ 2,815,857</u>	<u>\$ 3,591,282</u>	<u>\$ 8,493,621</u>	<u>\$ 12,191,543</u>	<u>\$ 13,907,701</u>
Total Governmental Funds (1)	<u>\$ 3,951,120</u>	<u>\$ 3,594,520</u>	<u>\$ 3,452,011</u>	<u>\$ 4,776,287</u>	<u>\$ 5,709,828</u>	<u>\$ 7,277,269</u>	<u>\$ 7,888,080</u>	<u>\$ 13,406,026</u>	<u>\$ 17,756,801</u>	<u>\$ 21,251,768</u>

(1) See Table 5 for changes in fund balances from year to year.

Table 5

Anderson County, Tennessee
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Revenues:										
Local Taxes	\$ 11,518,924	\$ 11,864,039	\$ 13,536,158	\$ 14,284,748	\$ 14,670,570	\$ 14,864,570	\$ 15,402,349	\$ 15,973,264	\$ 15,901,248	\$ 17,453,374
Licenses and permits	241,158	231,236	234,314	237,143	260,265	262,113	303,338	312,175	277,564	435,207
Fines, Forfeitures, and Penalties	363,103	356,438	351,692	294,635	325,699	370,148	427,735	494,129	464,091	472,529
Charges for Current Services	3,531,839	3,613,489	4,166,551	4,673,112	5,084,502	5,979,533	5,839,958	6,228,056	6,930,644	4,984,369
Other Local Revenues	1,610,560	1,620,851	1,369,621	1,260,907	858,826	1,158,942	849,065	963,584	1,369,514	1,747,527
Fees Received from County Officials (1)	0	0	0	0	0	0	1,277,573	1,323,177	1,354,986	3,693,734
State of Tennessee	2,716,701	3,125,476	2,943,036	3,143,781	2,983,226	3,551,284	3,483,171	3,438,717	3,401,578	3,686,942
Federal Government	325,232	1,172,094	386,448	340,757	776,305	409,311	678,092	231,108	1,833,543	642,244
Other Governments and Citizens Groups	124,942	162,710	128,200	122,915	139,165	3,458,424	2,966,178	2,174,828	2,574,130	2,382,651
Total Revenues	\$ 20,432,459	\$ 22,146,333	\$ 23,116,020	\$ 24,357,998	\$ 25,098,558	\$ 30,054,325	\$ 31,227,459	\$ 31,139,038	\$ 34,107,298	\$ 35,498,577
Expenditures:										
General Government	\$ 1,967,403	\$ 1,982,412	\$ 2,989,953	\$ 2,354,285	\$ 2,502,448	\$ 2,706,226	\$ 2,994,719	\$ 3,167,562	\$ 3,459,948	\$ 3,290,754
Finance	1,596,056	1,635,258	1,869,855	2,025,449	2,029,905	2,055,313	2,213,122	2,293,211	2,263,540	2,495,518
Administration of Justice	1,236,171	1,324,913	1,742,335	1,886,328	1,996,125	2,151,193	2,358,261	2,330,126	2,472,047	2,355,187
Public Safety	4,168,660	4,362,591	5,131,129	5,369,399	5,506,290	6,165,119	6,222,472	6,340,657	7,821,651	7,809,510
Public Health and Welfare	3,362,284	3,647,324	4,022,325	4,040,765	4,314,606	4,482,218	5,043,678	5,264,081	5,245,520	5,742,633
Social, Cultural, and Recreational Services	401,449	470,420	300,734	234,603	253,009	263,472	268,495	287,399	298,894	318,068
Agriculture and Natural Resources	111,272	585,941	136,033	140,945	144,980	152,408	167,853	153,674	255,659	257,428
Other Operations	2,034,319	1,957,477	1,069,272	819,433	3,059,257	904,384	939,409	777,750	1,057,494	1,157,513
Highways	2,557,388	3,084,249	2,126,859	2,321,751	2,414,641	2,755,636	2,443,708	2,470,425	3,545,565	3,897,183
Capital Projects	14,432	246,517	50,000	0	49,833	105,814	1,228,570	778,751	975,440	3,949,006
Debt Service:										
Principal	4,432,253	5,255,118	5,208,901	5,424,982	5,800,614	4,494,918	4,756,275	4,060,229	4,097,347	4,215,281
Interest	1,392,964	1,293,858	1,260,875	1,271,985	833,277	2,456,869	1,640,404	1,534,095	1,714,639	1,700,799
Other Debt Service	31,179	36,521	35,064	33,816	30,623	153,024	284,776	90,211	252,051	221,390
Total Expenditures	\$ 23,305,830	\$ 25,882,599	\$ 25,943,335	\$ 25,923,741	\$ 28,935,608	\$ 28,846,594	\$ 30,561,742	\$ 29,548,171	\$ 33,459,795	\$ 37,410,270
Excess of Revenues Over (Under) Expenditures	\$ (2,873,371)	\$ (3,736,266)	\$ (2,827,315)	\$ (1,565,743)	\$ (3,837,050)	\$ 1,207,731	\$ 665,717	\$ 1,590,867	\$ 647,503	\$ (1,911,693)
Other Financing Sources (Uses):										
Notes Issued	\$ 11,000,000	\$ 1,110,000	\$ 50,000	\$ -	\$ 0	\$ 100,000	\$ 8,395,000	\$ 300,000	\$ 0	\$ 0
Capital Leases Issued	213,236	319,352	386,251	382,189	331,044	196,931	318,291	0	0	0
Refunding Debt Issued	7,520,000	0	0	0	13,720,000	12,933,000	0	0	4,580,000	0
Other Loans Issued	0	0	0	0	1,700,000	0	0	3,344,356	3,856,132	5,499,975
Premiums on Bonds Sold	0	0	0	0	189,880	0	0	0	0	0
Insurance Recovery	0	0	0	0	0	0	0	0	0	41,685
Transfers In (1)	3,778,853	3,689,940	4,104,486	4,510,346	5,149,004	2,552,902	1,380,648	1,809,005	1,549,975	2,100,128
Transfers Out (1)	(12,226,879)	(1,739,626)	(1,867,432)	(2,006,968)	(2,588,549)	(2,552,902)	(1,380,648)	(2,109,005)	(1,710,085)	(2,235,128)
Redemption of Refunded Debt	(7,409,168)	0	0	0	(13,732,625)	(12,867,400)	(8,185,474)	0	(4,572,750)	0
Total Other Financing Sources (Uses)	\$ 2,876,042	\$ 3,379,666	\$ 2,673,305	\$ 2,885,567	\$ 4,768,754	\$ 362,531	\$ 527,817	\$ 3,344,356	\$ 3,703,272	\$ 5,406,660
Net Change in Fund Balances	\$ 2,671	\$ (356,600)	\$ (154,010)	\$ 1,319,824	\$ 931,704	\$ 1,570,262	\$ 1,193,534	\$ 4,935,223	\$ 4,350,775	\$ 3,494,967
Debt service as a percentage of noncapital expenditures	25.1%	25.7%	25.1%	26.0%	23.1%	24.7%	22.8%	19.8%	18.7%	18.3%

(1) Prior to July 1, 2004, fees collected by the individual constitutional officers were presented in total as charges for current services in a special revenue fund with the amount of funds remitted to the General Fund being reflected as transfers between funds. Subsequent to that date, the amount of funds remitted by the constitutional officers to the General Fund are shown as revenue directly into the General Fund and not in the special revenue fund.

Table 6

Anderson County, Tennessee
 General Governmental Tax Revenues by Source
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

Fiscal Year	Property Tax	Local Option Sales Tax	Interstate Communi- cations Tax	Hotel Motel Tax	Local Litigation Tax	Business Tax	Mineral Severance Tax	Coal Severance Tax	Other Local Tax	Total
1998	\$ 9,763,838	\$ 364,415	\$ 0	\$ 64,048	\$ 224,752	\$ 238,667	\$ 77,348	\$ 31,274	\$ 1,971	\$ 10,766,313
1999	10,089,337	424,111	0	86,720	222,985	267,546	94,141	13,040	1,067	11,198,947
2000	11,705,501	415,826	0	109,419	199,469	256,811	100,472	2,336	3,558	12,793,392
2001	12,176,498	519,206	5,099	126,055	224,422	246,945	121,119	4,306	1,999	13,425,649
2002	12,719,652	504,283	4,728	112,552	237,604	263,745	104,816	4,316	2,220	13,953,916
2003	12,809,222	481,007	5,841	128,715	253,487	297,608	129,584	3,454	1,990	14,110,908
2004	12,984,453	724,201	5,349	129,939	280,883	333,822	132,095	3,341	1,243	14,595,326
2005	12,853,661	796,107	5,292	134,738	327,692	756,324	198,865	15,723	786	15,089,188
2006	12,770,676	828,239	5,473	139,225	294,356	793,956	189,147	3,509	1,065	15,025,646
2007	13,118,321	964,365	5,248	177,196	289,691	1,307,583	181,814	20,092	2,300	16,066,610

Table 7

Anderson County, Tennessee
Appraised and Assessed Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended December 31	Tax Year	(1a) Real Property		(1b) Personal Property		(1c) Public Utility Property		Total		Total Direct Tax Rate	Ratio of Total Assessed to Total Appraised Value
		Appraised Value	Assessed Value	Appraised Value	Assessed Value	Appraised Value	Assessed Value	Appraised Value	Assessed Value		
1998	(2) 1997	\$ 2,243,120,055	\$ 640,126,331	\$ 212,614,263	\$ 63,784,279	\$ 53,637,129	\$ 29,500,421	\$ 2,509,371,447	\$ 733,411,031	\$ 3.22	29.23%
1999	1998	2,774,270,700	796,020,240	273,196,323	81,954,436	66,012,944	36,307,119	3,113,479,967	914,281,795	2.77	29.37%
2000	1999	2,833,842,400	813,264,040	287,473,303	86,243,016	68,177,078	37,497,393	3,189,492,781	937,004,449	3.15	29.38%
2001	2000	2,882,067,700	828,100,855	318,990,968	91,055,827	67,339,249	37,036,587	3,268,397,917	956,193,269	3.32	29.26%
2002	2001	2,928,146,700	841,114,335	325,344,114	90,414,968	60,280,307	33,154,169	3,313,771,121	964,683,472	3.32	29.11%
2003	2002	2,974,766,300	853,864,145	317,599,626	88,263,392	59,732,351	32,852,793	3,352,098,277	974,980,330	3.32	29.09%
2004	2003	3,012,353,000	863,322,920	306,978,956	82,335,143	52,690,385	28,979,712	3,372,022,341	974,637,775	3.32	28.90%
2005	(2) 2004	3,050,012,600	872,896,130	312,102,890	83,469,007	53,459,049	29,402,477	3,415,574,539	985,767,614	3.40	28.86%
2006	2005	3,809,604,800	1,077,413,360	324,661,031	97,398,417	74,055,042	40,730,273	4,208,320,873	1,215,542,050	2.82	28.88%
2007	2006	3,904,492,300	1,102,774,960	353,263,679	105,979,217	72,689,618	39,979,290	4,330,445,597	1,248,733,467	2.82	28.84%

(1) Assessment Rates are set by Tennessee State Law as follows:

- (a) Real Property: Residential and Farm at 25 percent of value
Commercial and Industrial at 40 percent of value
- (b) Personal Property at 30 percent of value.

(c) Railroads at 40 percent of value and other Public Utilities at 55 percent of value.

(2) In fiscal years 1998 and 2005, 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 years 1998 and 2005.

Table 8

Anderson County, Tennessee
 Property Tax Rates - Direct and Overlapping Governments (1) (2)
 Last Ten Fiscal Years

Fiscal Year	Tax Year	County Direct Rates									Overlapping Rates			
		General Fund	General Purpose School Fund	General Debt Service Fund	Rural Debt Service	Education Debt Service	Total Direct Inside Clinton	Total Direct Inside Oak Ridge	Total Direct Remainder of Anderson County	City of Clinton	City of Oak Ridge	City of Norris	City of Lake City	
1998	(3) 1997	\$.78	\$ 1.58	\$.23	\$.01	\$.17	\$ 2.76	\$ 2.59	\$ 1.58	\$ 1.10	\$ 2.09	\$ 1.89	\$ 1.15	
1999	1998	.94	1.80	.23	.01	.17	3.14	2.97	1.80	0.89	2.34	1.89	1.25	
2000	1999	.97	1.94	.23	.01	.17	3.31	3.14	1.94	0.89	2.57	1.89	1.15	
2001	2000	.98	1.91	.25	.01	.17	3.31	3.14	1.91	0.89	2.94	1.89	1.50	
2002	2001	.98	1.92	.26	.01	.17	3.33	3.16	1.92	0.89	2.94	1.89	1.60	
2003	2002	.96	1.92	.26	.01	.17	3.31	3.14	1.92	0.89	2.87	1.89	1.60	
2004	2003	.93	2.06	.23	.01	.17	3.39	3.22	2.06	0.89	2.87	1.60	1.60	
2005	(3) 2004	.775	1.715	.19	.01	.13	2.81	2.68	1.72	0.89	2.87	1.60	1.60	
2006	2005	.78	1.71	.19	.01	.13	2.81	2.68	1.71	0.73	2.55	1.53	1.60	
2007	2006	.78	1.71	.19	.01	.13	2.81	2.68	1.71	0.73	2.65	1.53	1.60	

(1) Tax rates are in dollars per \$100 of assessed value.

(2) City residents pay county taxes in addition to city taxes.

(3) In fiscal years 1998 and 2005, 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 years 1998 and 2005.

Table 9

Anderson County, Tennessee
Principal Property Tax Payers (1)
Current Year and Nine Years Ago

Taxpayer	2007			1998		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value (2)	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value (3)
Bell South Telecom	\$ 13,402,190	1	1.07%	\$ 19,283,442	1	2.11%
Boeing, Inc.	13,118,715	2	1.05%	12,647,321	3	1.38%
Summit Properties (4)	11,722,880	3	0.94%	8,484,820	4	0.93%
Magna International	9,191,471	4	0.74%	-	-	-
Richard Chinn	8,263,344	5	0.66%	-	-	-
Food Lion, Inc.	8,263,344	6	0.66%	7,827,191	5	0.86%
Methodist Medical Center	7,554,200	7	0.60%	7,693,525	6	0.84%
Carlisle Tire, Inc. (5)	7,375,085	8	0.59%	6,997,600	7	0.77%
Invenergy Tn LLC	6,699,895	9	0.54%	-	-	-
D H Compounding Co.	6,363,262	10	0.51%	-	-	-
Crown American Corporation	-	-	-	13,220,334	2	1.45%
Norfolk Southern Railway	-	-	-	5,296,166	8	0.58%
International Environmental	-	-	-	5,259,917	9	0.58%
Oak Ridge Corporate	-	-	-	4,916,440	10	0.54%
Totals	<u>\$ 91,954,386</u>		<u>7.36%</u>	<u>\$ 91,626,756</u>		<u>10.02%</u>

(1) Taken from the records of the Anderson County Property Assessor.

(2) Total taxable value including real, personal, and public utility property for tax year 2006 (fiscal year 2007) is \$1,248,733,467.

(3) Total taxable value including real, personal, and public utility property for tax year 1997 (fiscal year 1998) is \$914,281,795.

(4) Summit Properties was known as Joe Hollingsworth, Jr., in 1998.

(5) Carlisle Tire & Wheel Co. was known as Dico Tire in 1998.

Table 10

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

Fiscal Year Ended June 30	Tax Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years (1)	Total Collections to Date		Uncollected Taxes to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy	Amount	Percentage of Levy
1998	1997	\$ 22,800,027	\$ 21,658,824	94.99%	\$ 1,010,193	\$ 22,669,017	99.43%	\$ 131,010	0.57%
1999	1998	24,517,698	23,368,780	95.31	1,071,553	24,440,333	99.68	77,365	0.32
2000	1999	28,705,746	28,086,203	97.84	523,534	28,609,737	99.67	96,009	0.33
2001	2000	30,929,677	29,215,549	94.46	1,494,049	30,709,598	99.29	220,079	0.71
2002	2001	31,218,032	29,464,179	94.38	1,636,283	31,100,462	99.62	117,570	0.38
2003	2002	31,553,817	29,547,862	93.64	1,924,128	31,471,990	99.74	81,827	0.26
2004	2003	31,541,534	29,710,989	94.20	1,782,366	31,493,355	99.85	48,179	0.15
2005	2004	32,691,543	31,110,500	95.16	1,463,659	32,574,159	99.64	117,384	0.36
2006	2005	33,550,148	31,908,542	95.11	1,252,180	33,160,722	98.84	389,426	1.16
2007	2006	34,484,834	32,724,486	94.90	-	32,724,486	94.90	1,760,348	5.10

(1) Collections in subsequent years 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.

Table 11

Anderson County, Tennessee
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government	Percentage of Personal Income (2)	Per Capita (2)
	General Obligation Bonds (1)	Capital Outlay Notes	Capital Leases	Water and Sewer Revenue Bonds (1)	Capital Outlay Notes			
1998	\$ 56,380,000	\$ 3,276,000	\$ 311,682	\$ 1,391,823	\$ 556,950	\$ 61,916,455	3.58%	\$ 871
1999	53,960,000	3,450,333	415,901	1,328,265	452,598	59,607,097	3.38%	839
2000	51,180,000	2,912,523	452,313	1,256,020	346,712	56,147,568	3.02%	787
2001	48,224,484	2,344,714	549,084	1,149,037	267,750	52,535,069	2.70%	735
2002	47,013,414	1,766,904	593,996	1,106,868	220,541	50,701,723	2.60%	708
2003	43,494,290	1,388,094	486,943	1,175,271	159,400	46,703,998	2.39%	650
2004	40,603,340	899,284	148,719	1,253,963	102,119	43,007,425	2.19%	595
2005	40,383,107	835,474	16,889	1,250,367	42,800	42,528,637	1.98%	589
2006	40,487,589	521,666	0	1,177,475	10,000	42,196,730	1.96%	582
2007	41,958,949	335,000	0	1,102,755	0	43,396,704	1.98%	590

(1) Includes long-term loans payable financed by PBA loan agreements.

(2) See Table 16 for personal income and population data.

Table 12

Anderson County, Tennessee
Ratios of General Bonded Debt Outstanding (1)
Last Ten Fiscal Years

Fiscal Year	Estimated Population	Assessed Property Value	General Obligation Bonds	Less: Amounts Available in Debt Service Funds	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1998	71,116	\$ 733,411,031	\$ 56,380,000	\$ 2,663,868	\$ 53,716,132	7.32%	\$ 755
1999	71,004	914,281,795	53,960,000	2,474,310	51,485,690	5.63%	725
2000	71,330	937,004,449	51,180,000	2,081,008	49,098,992	5.24%	688
2001	71,457	956,193,269	48,224,484	1,759,436	46,465,048	4.86%	650
2002	71,627	964,683,472	47,013,414	1,713,695	45,299,719	4.70%	632
2003	71,904	974,980,330	43,494,290	1,767,011	41,727,279	4.28%	580
2004	72,244	974,637,775	40,603,340	2,373,282	38,230,058	3.92%	529
2005	72,244	985,767,614	40,383,107	2,637,523	37,745,584	3.83%	522
2006	72,469	1,215,542,050	40,487,589	2,877,398	37,610,191	3.09%	519
2007	73,579	1,248,733,467	41,958,949	3,048,646	38,910,303	3.12%	529

(1) Includes long-term loans payable financed by PBA loan agreements.

Table 13

Anderson County, Tennessee
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2007

Direct General Bonded Debt and Loans Payable:	
Anderson County	\$41,958,949 (1)
Less: Amount Available in Debt Service Funds	<u>(3,048,646)</u>
Total Direct General Bonded Debt and Loans Payable - Net	<u>\$38,910,303</u>
Overlapping General Bonded Debt:	
City of Oak Ridge	\$100,664,622 (2)
City of Clinton	5,645,285 (2)
Town of Lake City	<u>877,894 (2)</u>
Total Overlapping General Bonded Debt	<u>\$107,187,801</u>
TOTAL DIRECT GENERAL BONDED DEBT AND LOANS PAYABLE AND OVERLAPPING GENERAL BONDED DEBT	
	<u><u>\$146,098,104</u></u>

(1) Includes long-term loans payable financed by PBA loan agreements.

(2) Includes general bonded debt only.

Table 14

Anderson County, Tennessee
Computation of Legal Debt Margin
June 30, 2007

Not Applicable to Anderson County, Tennessee

NOTE:

Section 9-21-103 of the laws of the State of Tennessee provides that bonds or notes may be issued without regard to any limit on indebtedness for Tennessee counties.

Table 15

Anderson County, Tennessee
Pledged Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Total Revenues (1)	Less Operating Expenses (2)	Net Available Revenue	Debt Service Requirements (3)			Coverage
				Bonds (4)	Notes	Total	
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
2006	1,981,323	1,714,328	266,995	137,233	34,122	171,355	1.56
2007	2,350,570	1,858,103	492,467	130,277	10,382	140,659	3.50

This table only includes the Water and Revenue Bonds of 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 16

Anderson County, Tennessee
Demographic and Economic Statistics
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (amounts expressed in thousands) (1)</u>	<u>Per Capita Personal Income (1)</u>	<u>Median Age (1)</u>	<u>School Attendance (2)</u>	<u>Unemployment Rate (3)</u>
1998	71,116	\$ 1,730,750	\$ 24,337	38.0	8,650	4.4%
1999	71,004	1,764,236	24,847	38.0	8,776	4.1%
2000	71,330	1,856,863	26,032	39.9	8,689	3.9%
2001	71,457	1,943,202	27,194	39.9	8,645	4.1%
2002	71,627	1,947,825	27,194	39.9	8,627	4.0%
2003	71,904	1,955,357	27,194	39.9	8,510	4.4%
2004	72,244	1,964,603	27,194	39.9	8,486	5.1%
2005	72,244	2,151,426	29,780	39.2	8,431	5.8%
2006	72,469	2,158,127	29,780	40.7	8,336	5.3%
2007	73,579	2,191,183	29,780	41.4	8,528	3.6%

Data Sources:

- (1) U.S. Census Bureau and East Tennessee Development District.
- (2) Anderson County Schools.
- (3) Tennessee Department of Labor and Workforce Development.

Table 17

Anderson County, Tennessee
Principal Employers
Current Year and Nine Years Ago

Employer	2007			1998		
	Employees	Rank	Percentage of County Work Force	Employees	Rank	Percentage of County Work Force
BWXT - Y12 (1)	4,600	1	12.84%	-		-
UT Battelle (1)	4,045	2	11.29%	-		-
Bechtel Jacobs Co., LLC	1,337	3	3.73%	650	8	(3)
Methodist Medical Center	1,300	4	3.63%	1,388	2	(3)
Anderson County Government	1,399	5	3.91%	1,276	3	(3)
City of Oak Ridge	1,062	6	2.96%	706	6	-
SAIC	1,000	7	2.79%	-		(3)
Wackenhut-Oak Ridge Team	900	8	2.51%	-		-
Oak Ridge Associated Universities	600	9	1.68%	720	5	(3)
Carlisle Tire & Wheel Co. (2)	580	10	1.62%	500	10	(3)
Lockheed Martin Energy System, Inc. (1)	-		-	14,400	1	(3)
Boeing Engineering, Inc.	-		-	950	4	(3)
Scientific Ecology Group	-		-	669	7	(3)
U.S. Department of Energy	-		-	648	9	(3)
Total	<u>16,823</u>		<u>46.97%</u>	<u>21,907</u>		

Source(s): Tennessee Department of Economic and Community Development and Tennessee Department of Labor and Workforce Development.

- (1) In 1997 Lockheed Martin Energy System, Inc., was the Department of Energy contract manager for the Y-12 and X-10 sites in Oak Ridge. In 2006 those sites were managed by BWXT-Y12 and UT Battelle.
- (2) Carlisle Tire & Wheel Co. was previously named Dico Tire.
- (3) Due to unavailability of total county work force, percentage is not calculated.

Table 18

Anderson County, Tennessee
Full-Time Equivalent County Government Employees by Function
Last Five Fiscal Years (1)

Function	Full-Time Equivalent Employees as of June 30				
	2003	2004	2005	2006	2007
General Government	37.0	38.5	39.7	43.7	42.3
Finance	48.8	50.7	49.0	48.3	50.3
Administration of Justice	50.8	52.9	51.7	54.1	43.7
Public safety	103.0	112.9	111.5	121.0	131.8
Public Health and Welfare	90.6	92.8	90.5	92.8	93.8
Social, Cultural, and Recreational Services	1.5	11.3	11.3	12.8	13.7
Agriculture and Natural Resources	2.6	2.7	2.5	2.7	3.0
Other Operations	3.7	4.3	3.3	4.5	6.1
Solid Waste	3.0	3.0	3.0	3.0	2.4
Highways	38.2	36.8	33.2	33.1	33.0
Water and Sewer	15.8	15.9	14.8	16.4	18.2
TOTAL	<u>395.0</u>	<u>421.8</u>	<u>410.5</u>	<u>432.4</u>	<u>438.3</u>

(1) Ten years of data is not available, but will be accumulated over time.

Table 19

Anderson County, Tennessee
Operating Indicators by Function
Last Ten Fiscal Years

Function:	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Register of Deeds										
Documents Filed	NA	NA	NA	15,100	16,500	18,500	18,000	15,500	17,000	16,100
Chancery Court										
Cases Filed	1,753	1,587	1,699	1,808	1,705	1,566	1,670	1,565	1,704	1,655
Case Dispositions	1,616	1,498	1,467	1,749	1,997	1,394	1,448	1,390	2,117	1,564
General Sessions Court I										
Civil Cases Filed	1,301	1,410	1,154	1,011	1,146	1,354	1,522	1,320	1,439	1,679
Misdemeanor Cases Filed	6,506	5,831	5,165	5,897	6,081	7,839	8,641	8,710	6,246	7,478
General Sessions Court II										
Civil Cases Filed	502	527	487	492	477	382	419	429	420	560
Misdemeanor Cases Filed	3,389	3,900	4,234	4,496	4,778	5,497	6,201	5,702	5,423	5,182
Circuit Court										
Cases Filed	547	565	584	659	649	761	839	757	858	750
Case Dispositions	538	541	566	532	544	599	NA	772	785	926
Criminal Court										
Cases Filed	818	919	1,111	1,184	983	964	1,025	922	934	911
Case Dispositions	634	1,267	795	1,279	941	815	835	974	980	617
Sheriff's Department										
Physical arrests	NA	NA	NA	608	527	793	910	768	803	2,363
Traffic violations	152	495	499	703	906	2,071	1,997	1,042	576	274
Back-up units required	NA	1,795	2,334	2,580	3,844	4,566	6,283	5,856	5,974	5,974
Emergency Dispatch										
Calls for Service										
Sherriff	12,834	14,820	15,878	15,707	15,703	22,777	25,661	25,205	12,602	24,795
Ambulance	9,820	10,005	13,040	14,701	16,142	17,166	19,327	20,953	10,476	22,446
Fire and Rescue Calls	NA	2,135	5,121							
Ambulance Service										
Transports (1)	6,000	9,120	8,821	9,836	8,719	11,868	13,043	14,760	15,843	15,797
Highway Department										
Road resurfacing (miles)	NA	28	9	16	24	28	14	32	36	28
Water										
New connections	75	75	75	101	97	105	88	100	100	125
Gallons produced and purchased	582,842	619,315	481,993	469,674	482,189	474,336	455,233	485,515	483,672	439,240
Gallons sold	490,442	532,943	352,595	343,786	360,934	353,989	334,293	338,187	338,670	360,308
Wastewater										
Average daily sewage treatment (thousands of gallons)	60	60	60	61	63	64	65	67	69	78

Sources: Various government departments.

NA Information not available.

(1) These numbers only represent actual transports of patients. They do not represent any calls that had no transports or a stand-by.

Table 20

Anderson County, Tennessee
Capital Assets Statistics by Function
Last Five Fiscal Years (1)

Function	Fiscal Year Ending				
	2003	2004	2005	2006	2007
General Government					
Buildings	5	5	5	5	5
Vehicles	5	6	6	5	5
Administration of Justice					
Vehicles	1	1	1	1	1
Public Safety					
Buildings	2	2	2	2	3
Vehicles	79	77	81	71	77
Haz-mat Vehicle	0	0	0	1	1
Public Health and Welfare					
Buildings	2	2	2	2	2
Ambulances	10	14	16	18	16
Vehicles	2	3	3	4	4
Social, Cultural, and Recreational					
Buildings	1	1	1	1	1
Parks	8	8	8	7	7
Highway					
Buildings	1	1	1	1	1
Bridges	65	65	65	65	65
Roads (miles)	500	501	534	535	535
Water					
Water mains (miles)	440	450	460	465	475
Fire hydrants	145	160	180	188	205
Sewer					
Sanitary sewers (miles)	43	43	43	50	57

Sources: Various Government departments.

(1) Ten years of data is not available, but will be accumulated over time.

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**

November 16, 2007

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, 2007, which collectively comprise Anderson County's basic financial statements and have issued our report thereon dated November 16, 2007. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Anderson County Emergency Communications District as described in our report on Anderson County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

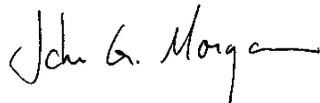
Compliance and Other Matters

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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and are described in the accompanying Schedule of Findings and Questioned Costs as items 07.01 and 07.02.

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

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

Very truly yours,



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
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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

November 16, 2007

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, 2007. 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 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 of 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, 2007.

Internal Control Over Compliance

The management of Anderson County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Anderson County's internal control over compliance with the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Anderson County's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

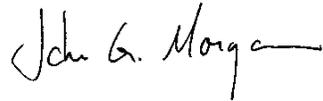
Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Anderson County as of and for the year ended June 30, 2007, and have issued our report thereon dated November 16, 2007. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise Anderson County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the 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 management, the county mayor, highway superintendent, director of schools, director of accounts and budgets, County Commission, Board of Education, Audit Committee, others within Anderson County, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Yours very truly,

A handwritten signature in black ink that reads "John G. Morgan". The signature is written in a cursive style with a long horizontal flourish at the end.

John G. Morgan
Comptroller of the Treasury

JGM/yu

Anderson County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants - (1)
For the Year Ended June 30, 2007

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	N/A	\$ 109,155
Soil and Water Conservation	10.902	N/A	500
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	406,397
National School Lunch Program	10.555	N/A	1,162,155
Summer Food Service Program for Children	10.559	N/A	40,272
Passed-through State Department of Human Services:			
Child and Adult Care Food Program	10.558	(2)	152,603
Total U.S. Department of Agriculture			\$ 1,871,082
U.S. Department of Housing and Urban Development:			
Passed-through State Housing Development Agency:			
HOME Investment Partnerships Program	14.239	(2)	\$ 36,564
Total U.S. Department of Housing and Urban Development			\$ 36,564
U.S. Environmental Protection Agency:			
Direct Program:			
Brownfield's Assessment and Cleanup Cooperative Agreements	66.818	N/A	\$ 45,019
Congressionally Mandated Projects	66.602	N/A	183,233
Total U.S. Environmental Protection Agency			\$ 228,252
U.S. Department of Education:			
Direct Program:			
Fund for the Improvement of Education	84.215	N/A	\$ 23,279
Passed-through State Department of Labor and Workforce Development:			
Adult Education - State Grant Program	84.002	Z-05-022191-00	42,537
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	1,140,860
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,420,137
Special Education - Preschool Grants	84.173	N/A	84,881
Vocational Education - Basic Grants to States	84.048	N/A	193,903
Safe and Drug Free Schools and Communities - State Grants	84.186	(2)	46,272
State Grants for Innovative Programs	84.298	N/A	60,059
Education Technology State Grants	84.318	(2)	20,231
Improving Teacher Quality State Grants	84.367	N/A	260,256
Hurricane Education Recovery	84.938	N/A	15,345
Passed-through Jefferson County Board of Education:			
English Language Acquisition Grants	84.365	(2)	2,697
Total U.S. Department of Education			\$ 3,310,457

(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 Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.401	(2)	\$ 9,490
Total U.S. Department of Election Assistance Commission			\$ 9,490
U.S. Department of Labor			
Passed-through State Department of Labor and Workforce Development:			
Job Opportunities and Basic Skills Training	93.561	Z-06-02715-60	\$ 10,436
Total U.S. Department of Labor			\$ 10,436
U.S. Department of Health and Human Services:			
Direct Program:			
Head Start	93.600	N/A	\$ 2,652,021
Total U.S. Department of Health and Human Services			\$ 2,652,021
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Homeland Security Cluster:			
State Domestic Preparedness Equipment Support Program	97.004	GG-05-20680-00	\$ 283,948
Emergency Management Performance Grants	97.042	GG-05-11654-00	26,691
Total U.S. Department of Homeland Security			\$ 310,639
Total Expenditures of Federal Awards			\$ 8,428,941
<u>State Grants</u>		<u>Contract Number</u>	
Reappraisal Program - Comptroller of the Treasury	N/A	(2)	\$ 22,198
Juvenile Services Program - State Children's Services Commission	N/A	(2)	13,005
Litter Program - State Department of Transportation	N/A	(2)	50,520
Waste Tire Grant - State Department of Environment and Conservation	N/A	(2)	51,777
Adult Basic Education - State Department of Education	N/A	(2)	13,883
Law Enforcement Training Program	N/A	(2)	18,000
Family First - State Department of Education	N/A	(2)	5,619
LEAPS - State Department of Education	N/A	(2)	77,109
Health and Welfare Grants - State Department of Health	N/A	(2)	285,272
Total State Grants			\$ 537,383

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.

Anderson County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2007

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. There are no findings from the Comprehensive Annual Financial Report for Anderson County, Tennessee, for the year ended June 30, 2006, which have not been corrected.

ANDERSON COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2007

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 no significant deficiencies in internal control.
3. The audit disclosed one instance of noncompliance that was material to the financial statements of Anderson County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program, National School Lunch Program, and Summer Food Service Program for Children (CFDA Nos. 10.553, 10.555, and 10.559); Title I Grants to Local Educational Agencies (CFDA No. 84.010); and Head Start (CFDA No. 93.600) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Anderson County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. Officials offered oral responses to the findings and recommendations; however, these oral responses have not been included in this report.

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

FINDING 07.01 **THE OFFICES HAD DEFICIENCIES IN BUDGET OPERATIONS** (Noncompliance Under Government Auditing Standards)

Our examination revealed the following deficiencies in budget operations:

- A. Expenditures exceeded appropriations approved by the County Commission in six major appropriation categories (the legal level of control) of the General Fund in amounts ranging from \$257 to \$5,203. Expenditures exceeded appropriations in one major category of the General Purpose School Fund (\$5,679) and one major category of the Other Education Special Revenue Fund (\$5,180).

Section 5-9-401, Tennessee Code Annotated, states that “All funds from whatever source derived including, but not limited to, taxes, county aid funds, federal funds and fines, that are to be used in the operation and respective programs of the various departments, commissions, institutions, boards, offices and agencies of county governments shall be appropriated to such use by the county legislative bodies.”

- B. The budget submitted to and approved by the County Commission for the Central Cafeteria Fund contained appropriations that exceeded estimated funding of \$58,606. Approving appropriations in excess of estimated funding could result in a fund deficit.

RECOMMENDATION

Expenditures should be held within appropriations approved by the County Commission as required by state statute. Appropriations that exceed estimated available funds should not be submitted to the County Commission and the County Commission should not approve such appropriations.

OFFICE OF TRUSTEE

FINDING 07.02 **SOME COUNTY FUNDS WERE NOT INVESTED IN ACCORDANCE WITH STATE STATUTE (Material Noncompliance Under Government Auditing Standards)**

In April 2007, the trustee invested \$1,454,042 in a mutual fund. This investment is not an investment type permitted by Section 5-8-301, Tennessee Code Annotated. This statute provides that county funds be invested in: (a) bonds, notes, or treasury bills of the United States or other obligations guaranteed as to principal and interest by the United States or any of its agencies; (b) certificates of deposit and other evidence of deposits at Tennessee state chartered banks and savings and loan associations and federally chartered banks and savings and loan associations; (c) certain repurchase agreements; (d) the state investment pool; (e) certain bonds issued by states and political subdivisions; (f) nonconvertible debt securities of certain federal government sponsored enterprises; and (g) the county's own debt issued in accordance with title 9, chapter 21 Tennessee Code Annotated. As of June 30, 2007, the balance in this mutual fund was \$466,083.

RECOMMENDATION

The trustee should ensure all county funds are invested in accordance with state statute.

**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, 2007**

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