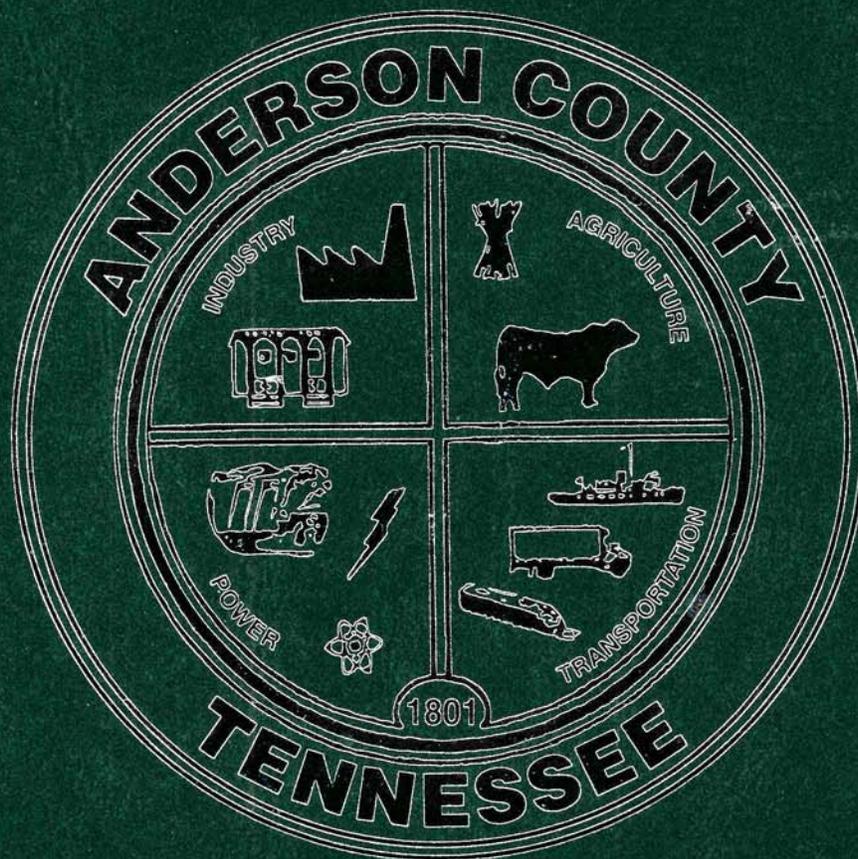


Comprehensive Annual Financial Report

**ANDERSON COUNTY,
TENNESSEE**

For Fiscal Year Ended June 30, 2008



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COMPREHENSIVE ANNUAL FINANCIAL REPORT
ANDERSON COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2008

DEPARTMENT OF AUDIT
JOHN G. MORGAN
Comptroller of the Treasury

DIVISION OF COUNTY AUDIT
RICHARD V. NORMENT
Assistant to the Comptroller

JAMES R. ARNETTE
Director

BRYAN W. BURKLIN, CPA, CGFM
Audit Manager

LESTER TACKETT, CPA, CGFM
Auditor 4

AMY MOORE, CGFM
ANDREW WAY, CPA
DOUG SANDIDGE, CISA, CFE
State Auditors

CHRIS PHILLIPS
Director of Accounts and Budgets
Anderson County, Tennessee

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

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Audit Highlights

Comprehensive Annual Financial Report
Anderson County, Tennessee
For the Year Ended June 30, 2008

Scope

We have audited the basic financial statements of Anderson County as of and for the year ended June 30, 2008.

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICES OF COUNTY MAYOR, HIGHWAY SUPERINTENDENT, AND DIRECTOR OF ACCOUNTS AND BUDGETS

- ◆ Expenditures exceeded appropriations in certain major categories of the General, Highway/Public Works, Rural Debt Service, and Education Debt Service funds.

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ The School Federal Projects Fund had a fund deficit of \$101,956 at June 30, 2008.

OFFICE OF TRUSTEE

- ◆ A cash shortage of at least \$4,584.89 existed at June 30, 2008.

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INTRODUCTORY SECTION

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ANDERSON COUNTY GOVERNMENT

CHRISTOPHER K. PHILLIPS
DIRECTOR OF ACCOUNTS AND BUDGETS

November 20, 2008

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, 2008. This report was prepared by the county's Accounts and Budgets Office in conjunction with the county's independent auditors, State of Tennessee's 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.

100 NORTH MAIN STREET SUITE 212 • CLINTON, TENNESSEE • 37716
PHONE: (865) 457-6254 • EMAIL: CPHILLIPS@ANDERSONTN.ORG

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, 2008, 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, 2008, 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) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statement in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Anderson County's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The county is located in the eastern portion of the state. To the north, Campbell and Morgan counties border the county. The county's southern border consists of Knox and Loudon counties. To the immediate west lies Roane County. To the east, adjacent counties are Union, Sevier, and Jefferson. Anderson County occupies a land area of approximately 345 square miles and serves a population of 74,446.

The county has operated under a County Mayor – County Commission form of government since September 1, 1980. Policymaking and legislative authority is vested in the county mayor (the executive branch of the county) and the County Commission (the legislative branch of the county). The County Commission is responsible for, among other things, passing resolutions, adopting the budget, and appointing committees. The county mayor is responsible for, among other things, carrying out the policies and resolutions of the County Commission, overseeing the day-to-day operations of the government, and appointing the heads of many of the county's departments.

Anderson County Government continues to strive to provide essential services that enhance the quality of life for families throughout Anderson County. This requires detailed planning

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

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

Factors Affecting Financial Condition

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

Local economy. Because of its central location in the eastern United States, the county is adjacent to thousands of industrial and commercial customers in a concentrated eight-state area. It is within 500 miles of approximately one-third of the population of the United States. Over 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 Methodist Medical Center.

BWXT-Y12 and UT Battelle, with combined employment of over 8,700, 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 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.

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, 2008, were classified in the lowest credit risk as defined by the Governmental Accounting Standards Board (GASB).

Pension and other postemployment 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.

Long-term Financial Planning

Anderson County's mayor has taken the position in the past several years to continue reducing the long-term debt obligation of the county. Therefore, the County Commission has aided this stance on debt by continuing to fund most capital outlay items and budget shortfalls from undesignated fund balance. The annual budget now contains several items that once were funded through capital outlay notes. Annually budgeted capital outlay items now include sheriff's office patrol vehicles, EMS ambulances, data processing equipment, etc.

With growing economic concerns around the nation and globally, Anderson County is taking the position to more staunchly safeguard its undesignated reserves and to be open to long-term financing options for large capital projects if conditions warrant.

Internal Control Structure

Management of the government establishes and maintains an internal control structure designed to ensure that the assets of the government are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

Awards. 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, 2007. This was the 12th 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. 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,



Christopher K. Phillips
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, 2007

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.



Oliver S. Cox

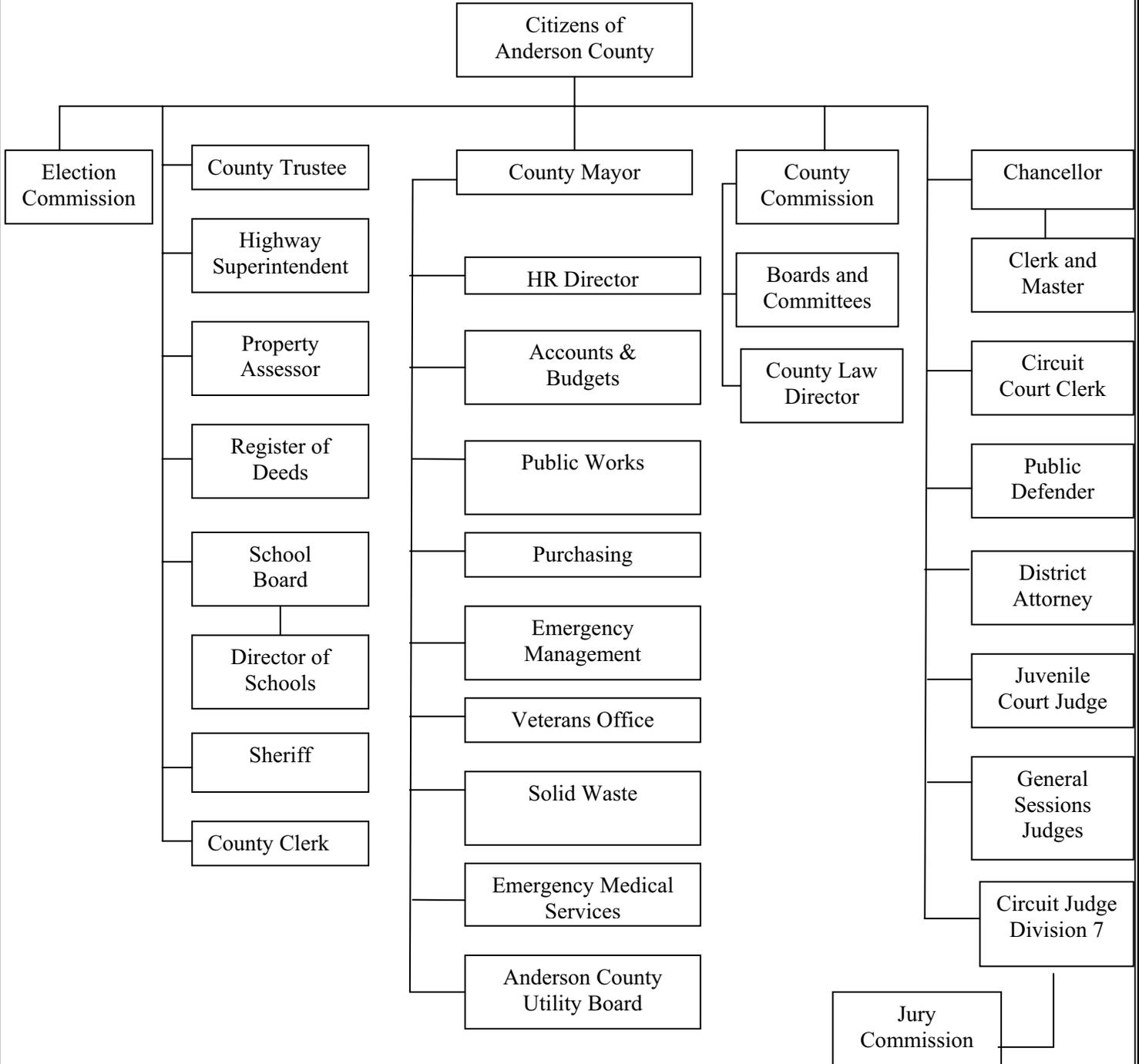
President

Jeffrey R. Erwin

Executive Director

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Anderson County, Tennessee Organization Chart



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Anderson County Officials

June 30, 2008

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
Christopher Phillips, 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	Glenda Langenberg
Greg Crawford	Wanda McCrosky
Ron Hagans	Jo Williams

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FINANCIAL SECTION

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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 20, 2008

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, 2008, 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 1.4 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 provides 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, 2008, 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 20, 2008, on our consideration of Anderson County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

As described in Note V.B., Anderson County has adopted the provisions of Governmental Accounting Standards Board Statement No. 48, Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues; and Statement No. 50, Pension Disclosures.

The management's discussion and analysis on pages 31 through 45 and the budgetary comparison and pension information on pages 109 through 115 are not required parts of the basic financial statements but they do provide 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,

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

John G. Morgan
Comptroller of the Treasury

JGM/yu

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**Anderson County, Tennessee
Management's Discussion and Analysis
For the Year Ended June 30, 2008**

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, 2008. 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 (Emergency Communications District) is also a DPCU. Readers should review the Emergency Communications District's 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 are known as the total reporting entity.

FINANCIAL HIGHLIGHTS FOR 2008

The following are key financial highlights:

- The assets of the Anderson County primary government were more than its liabilities at year-end 2008 by \$19,525,286 (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 \$27,893,511 in DPCU School Department bonds and loans payable, net of notes receivable of \$9,436,999, then the county would have net assets of \$37,981,798, significantly higher than the \$19,525,286 reported.

- General revenues of the Primary Government accounted for \$21.8 million in revenue or 55 percent of all revenues. Program specific revenues in the form of charges for services, grants, and contributions accounted for \$18 million or 45 percent of total revenues of \$39.8 million. General revenues of the DPCU School Department were \$51.3 million.

- Total assets of governmental activities in the Primary Government were \$61.3 million as net property taxes receivable ended at \$13.8 million and cash and investments ended at \$13.2 million. Total assets in the DPCU School Department were \$61.7 million as net property taxes receivable ended at \$13.5 million and cash and investments ended at \$4.5 million.
- The Primary Government had \$34.4 million in expenses with \$18 million of these expenses offset by program specific charges for services, grants, and contributions. General revenues, which consisted primarily of property taxes of \$13.5 million, were adequate to provide current funding for these programs. The DPCU School Department had \$62.9 million in expenses related to governmental activities with \$11.7 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 and contributions, property taxes, and sales taxes of \$30.2, \$13.6, and \$7.1 million respectively, were adequate to provide current funding for these programs.
- At 2008 year-end, the county's governmental funds reported combined ending fund balances of \$22,665,364, an increase of \$1,413,596 for 2008. Of the total fund balances, \$12,577,712 is unreserved and available for ongoing operations.
- At June 30, 2008, the unreserved fund balance of the General Fund was \$7,715,751 or 31 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 2008 year-end, the DPCU School Department's governmental funds reported combined ending fund balances of \$4,818,958, an increase of \$791,317. Of the total fund balances, \$3,864,959 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
- Other Operations
- Highways
- Education
- Public Utilities
- Interest and Other Debt Service Costs

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

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

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

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

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

The county maintains 13 individual governmental funds. Information is presented separately in the governmental fund balance sheets and in the governmental fund statements 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, the debt service funds, and the DPCU School Department's funds are provided in the combining and individual fund financial statements and schedules.

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

Proprietary Funds. Proprietary funds are used to account for activities where the emphasis is placed on net income determination. The county maintains two different types of proprietary funds – enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The county has one enterprise fund to account for water and wastewater operations. Internal service funds are 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, City School ADA – Clinton Fund and City School ADA – Oak Ridge Fund, and the Constitutional Officers - Agency Fund, which are combined into Agency Funds on the Fiduciary Funds financial statements and an Other Employee Benefits Trust Fund (Flexible Benefits 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 \$19.5 million and the DPCU School Department had net assets of \$35.2 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 2008, the county's and the DPCU School Department's statement of net assets consisted of the following:

ANDERSON COUNTY STATEMENT OF NET ASSETS

	<u>Governmental Activities</u>	
	<u>2008</u>	<u>2007</u>
Assets		
Cash, Inventories, and Investments	\$ 13,211,437	\$ 12,445,613
Receivables - Net	16,852,767	17,148,479
Notes Receivables - Long-term	9,436,999	9,521,505
Prepaid Items and Other	276,331	316,951
Capital Assets - Net	<u>21,557,791</u>	<u>21,226,509</u>
Total Assets	<u>\$ 61,335,325</u>	<u>\$ 60,659,057</u>
Liabilities		
Current Liabilities	\$ 15,726,273	\$ 16,318,215
Noncurrent Liabilities	<u>38,147,153</u>	<u>42,321,551</u>
Total Liabilities	<u>\$ 53,873,426</u>	<u>\$ 58,639,766</u>
Net Assets (Deficit)		
Invested in Capital Assets, Net of Related Debt	\$ 11,364,951	\$ 9,187,426
Restricted	3,093,144	2,824,711
Unrestricted	<u>(6,996,196)</u>	<u>(9,992,846)</u>
Total Net Assets (Deficit)	<u>\$ 7,461,899</u>	<u>\$ 2,019,291</u>

ANDERSON COUNTY
STATEMENT OF NET ASSETS

	DPCU School Department	
	2008	2007
Assets		
Cash, Inventories, and Investments	\$ 4,630,918	\$ 4,041,284
Receivables - Net	16,314,183	15,686,775
Prepaid Items and Other	87,798	89,892
Capital Assets - Net	40,684,426	41,580,059
Total Assets	<u>\$ 61,717,325</u>	<u>\$ 61,398,010</u>
Liabilities		
Current Liabilities	\$ 15,291,291	\$ 14,792,313
Noncurrent Liabilities	11,188,524	11,519,984
Total Liabilities	<u>\$ 26,479,815</u>	<u>\$ 26,312,297</u>
Net Assets		
Invested in Capital Assets, Net of Related Debt	\$ 29,792,717	\$ 30,581,080
Restricted	932,246	998,108
Unrestricted	4,512,547	3,506,525
Total Net Assets	<u>\$ 35,237,510</u>	<u>\$ 35,085,713</u>

ANDERSON COUNTY
STATEMENT OF NET ASSETS

	Business-type Activities	
	2008	2007
Assets		
Cash and Investments	\$ 1,340,285	\$ 1,222,415
Receivables - Net	352,197	291,824
Capital Assets - Net	11,541,129	11,695,012
Total Assets	<u>\$ 13,233,611</u>	<u>\$ 13,209,251</u>
Liabilities		
Current Liabilities	\$ 147,501	\$ 120,752
Noncurrent Liabilities	1,022,723	1,102,755
Total Liabilities	<u>\$ 1,170,224</u>	<u>\$ 1,223,507</u>

ANDERSON COUNTY
STATEMENT OF NET ASSETS (Cont.)

	Business-type Activities	
	2008	2007
Net Assets		
Invested in Capital Assets, Net of Related Debt	\$ 10,518,405	\$ 10,592,256
Unrestricted	1,544,982	1,393,488
 Total Net Assets	 \$ 12,063,387	 \$ 11,985,744

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 2008, net assets changed in the county, DPCU School Department, and ACUB due to the following:

ANDERSON COUNTY
STATEMENT OF ACTIVITIES

	Governmental Activities	
	2008	2007
Revenues		
Program Revenues:		
Charges for Services	\$ 11,462,492	\$ 11,161,142
Operating Grants and Contributions	3,257,888	2,852,540
Capital Grants and Contributions	893,945	897,373
General Revenues:		
Local Taxes	16,165,359	16,086,779
State and Federal - Unrestricted	5,150,780	4,140,252
Investment Income	484,487	559,351
Miscellaneous	43,416	70,568
Total Revenues	\$ 37,458,367	\$ 35,768,005

ANDERSON COUNTY
STATEMENT OF ACTIVITIES (Cont.)

	Governmental Activities	
	2008	2007
Expenses		
General Government	\$ 3,825,776	\$ 3,382,567
Finance	2,582,694	2,500,844
Administration of Justice	2,227,931	2,354,901
Public Safety	9,474,855	7,634,445
Public Health and Welfare	6,087,420	5,847,219
Social, Cultural, and Recreation	363,662	395,711
Agriculture and Natural Resources	194,110	259,270
Other Operations	1,814,950	1,168,858
Highways	3,744,401	4,355,441
Interest and Other Debt Service Costs	1,684,960	2,050,201
Total Expenses	\$ 32,000,759	\$ 29,949,457
Increase (Decrease) in Net Assets before Transfers	\$ 5,457,608	\$ 5,818,548
Transfers (to)/from Business Activities	(15,000)	(35,000)
Increase (Decrease) in Net Assets	\$ 5,442,608	\$ 5,783,548
Net Assets (Deficit), Beginning of Year	2,019,291	(3,764,257)
Net Assets (Deficit), End of Year	\$ 7,461,899	\$ 2,019,291

The county's net assets increased by \$5,442,608 during the current fiscal year. Elements key to this increase include:

- The difference between capital outlays and depreciation increased \$331,282. The increase is due to renovations of the Robert Jolley Building and the completion of the addition to the jail.
- Revenues in the statement of activities that do not provide current financial resources decreased \$334,074.
- The treatment of long-term debt and related items increased \$3,957,064. This increase is due to the completion of draw downs of other loans pertaining to school projects.

ANDERSON COUNTY
STATEMENT OF ACTIVITIES

	DPCU School Department	
	2008	2007
Revenues		
Program Revenues:		
Charges for Services	\$ 1,717,933	\$ 1,517,288
Operating Grants and Contributions	9,974,265	7,862,213
General Revenues:		
Local Taxes	20,910,272	19,611,216
State and Federal - Unrestricted	30,174,626	27,033,256
Investment Income	169,899	172,396
Miscellaneous	56,519	45,279
Total Revenues	\$ 63,003,514	\$ 56,241,648
Expenses		
Education	\$ 62,851,717	\$ 57,628,525
Total Expenses	\$ 62,851,717	\$ 57,628,525
Increase (Decrease) in Net Assets	\$ 151,797	\$ (1,386,877)
Net Assets, Beginning of Year	35,085,713	36,472,590
Net Assets, End of Year	\$ 35,237,510	\$ 35,085,713

The DPCU School Department net assets increased by \$151,797 during the current fiscal year. Elements key to this increase include:

- The difference between capital outlays and depreciation decreased \$886,244. The decrease is due to the completions of major school projects.
- The treatment of long-term debt and related items increased \$341,382. This increase is due to the completion of draw downs of notes payables pertaining to school projects.

ANDERSON COUNTY
STATEMENT OF ACTIVITIES

	Business-type Activities	
	2008	2007
Revenues		
Program Revenues:		
Charges for Services	\$ 2,431,402	\$ 2,279,290

ANDERSON COUNTY
STATEMENT OF ACTIVITIES (Cont.)

	Business-type Activities	
	2008	2007
Revenues (Cont.)		
General Revenues:		
Investment Income	0	36,280
Total Revenues	\$ 2,431,402	\$ 2,315,570
Expenses		
Public Utilities	\$ 2,368,759	\$ 2,402,422
Total Expenses	\$ 2,368,759	\$ 2,402,422
Increase (Decrease) in Net Assets before Transfers	\$ 62,643	\$ (86,852)
Transfers from/(to) Governmental Activities	15,000	35,000
Increase (Decrease) in Net Assets	\$ 77,643	\$ (51,852)
Net Assets, Beginning of Year	11,985,744	12,037,596
Net Assets, End of Year	\$ 12,063,387	\$ 11,985,744

The Business-type Activities net assets increased by \$77,643 during the current fiscal year. Elements key to this increase include:

- Charges for services increased \$150,226. This increase is due to growth in development of new subdivisions.
- Water treatment charges decreased \$96,787. This decrease is due to the dry weather that the county has experienced in the current year. With dry weather ACUB does not have to pay for rainwater treatment.

Governmental Activities. Governmental type activities provided by the county are primarily public safety - 30 percent, public health and welfare - 19 percent, and highways - 12 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 tax, and business taxes - 43 percent, and charges for services - 30 percent. The DPCU School Department's main source of funding is provided by state and federal funding - 48 percent, and local taxes, which consist of property and local option sales tax - 33 percent.

Business-type Activities (BTA). The BTA of the county is water and wastewater services provided by the ACUB Public Utility Fund, which serves 4,503 customers in the rural areas of the county. Approximately 99 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, 2008, amounts to \$21.6 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, 2008, amounts to \$40.7 million (net of accumulated depreciation).

Note IV.C. (Capital Assets) provides capital assets activity during the 2008 fiscal year. During 2008, the county added several capital assets including 19 vehicles for the Sheriff's Department; three new ambulances; trucks for the purchasing, solid waste/disposal, and animal control departments; and completed renovations at the health department and jail addition. The DPCU School Department completed several capital projects. These included renovations at Clinton High School, Anderson County High School, Norwood Middle School, Lake City Elementary School, Lake City Middle School, Norris Elementary School, and Clinton Middle School.

Long-term Debt. At the end of the 2008 fiscal year, the county had total general obligation bonds, loans payable, and capital outlay notes outstanding of \$38.2 million. The county drew an additional \$81,245 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 2008 fiscal year of \$10.9 million. The outstanding School Department debt includes a note payable to the primary government of \$9.4 million.

The total outstanding debt at the end of fiscal year 2008 for ACUB is \$1 million. ACUB did not issue any new debt during fiscal year 2008.

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.H. of this report. Note I.D.6. discusses compensated absences.

The county's most recent bond rating from Moody's Investor Services was A 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 2008, the county's governmental funds reported combined ending fund balances of \$22.7 million, an increase of \$1.4 million when compared to year-end 2007. Approximately \$12.6 million is unreserved fund balances, which is available for future appropriations. The reserved fund balances of \$10.1 million at June 30, 2008, are for unexpended restricted revenues, notes receivable long-term, and encumbrances.

The county's main operating fund is the General Fund. At year-end 2008, total fund balances were \$8,334,412, with unreserved totaling \$7,715,751. The unreserved fund balance represents 31 percent of total General Fund expenditures during 2008. The General Fund's fund balance increased by \$990,345 during 2008 primarily due to the sale of land located in the industrial park near Interstate 75.

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 \$103,687 ending with a balance of \$680,936.

The General Debt Service Fund continues to increase its fund balance steadily, with fiscal year 2008 increasing by \$386,777. This increase brings the fund balance total to \$1,495,478. This balance represents 69 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. These two funds had a net increase of \$128,203. The Rural Debt Service Fund balance at year-end was \$6,108,253, and the Education Debt Service Fund balance was \$5,481,400. The net increase is 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 2008 year-end, the DPCU School Department's governmental funds reported combined ending fund balances of \$4.8 million, which is an increase of \$791,317 from year-end 2007. Approximately \$3.9 million is unreserved and available for future needs. The reserved fund balances of \$953,999 are for various state and federal programs.

The DPCU School Department's main operating fund is the General Purpose School Fund. At year-end 2008, total fund balances were \$4,000,339, with unreserved of \$3,665,063. The General Purpose School Fund's balance increased by \$918,036 during fiscal year 2008. The unreserved fund balance represents seven percent of total expenditures for 2008.

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 are as follows:

- ACUB Public Utility Fund (Enterprise Fund) \$1,544,982 12.8%
- Employee Health Insurance Fund (Internal Service Fund) 180,533 100%

The ACUB Public Utility Fund's net assets increased by \$77,643 during 2008. This increase was primarily a result of a current year operating income of \$112,562 in which revenues were sufficient to support current year operating expenses of \$2,316,954, which includes depreciation of \$497,829. The ACUB Public Utility Fund had net assets of \$10.5 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 \$180,533 are available for claims and related employee health insurance costs in future years.

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

GENERAL FUND BUDGETARY HIGHLIGHTS

The difference between the original budget and the final amended budgeted expenditures for the General Fund was \$3,420,160.

The following are the primary components of the increase:

- General Government's increase of \$385,068 consisted mainly of \$143,336 to renovate county buildings, \$25,119 for work that related to planning and code compliance, and \$148,685 for additional administrative expenditures.
- Finance's increase of \$136,466 consisted mainly of payments for personal property audits conducted by the Property Assessor.
- Public Safety's increase of \$1,174,620 consisted mainly of \$634,628 in salary increases, 43 percent increase in gas expenditures and twice the capital outlay purchases for the sheriff's department, and \$469,402 was related to an increase in contributions to other cities for the purchase of fire trucks.
- Public Health's increase of \$428,019 consisted mainly of \$411,545 for the purchase of additional ambulance equipment.
- Other Operations' increase of \$424,064 consisted mainly of \$190,000 for a contribution that was made to Emory Valley Center relating to the senior center.
- Capital Project's increase of \$785,412 consisted mainly of \$218,777 of water-line construction, and \$457,954 for various bank building 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 \$926,630. The key factors for this were increased collections for ambulances charges, increased fees received from county officials, additional investment income, and increased various local taxes.

Actual General Fund expenditures (including transfers) were lower than final budgeted expenditures by \$2,823,887. 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 2009 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 approximately 5.8 percent based on the county's new salary plan.
- Health benefits costs will increase by ten percent.
- During 2008, the General Fund unreserved fund balance increased by \$696,263 to \$7,715,751. The county appropriated \$1,907,553 of the unreserved fund balance in the fiscal year 2009 budget. All capital outlay projects, with the exception of the renovations being made to the Jolley Building, were put on hold until a true reflection of the fund balance can be determined.
- 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:

Christopher K. Phillips
Director of Accounts and Budgets
Anderson County, Tennessee
100 North Main Street, Suite 212
Clinton, Tennessee 37716
865-457-5400, ext. 203
865-457-6254 (fax)
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BASIC FINANCIAL STATEMENTS

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Exhibit A

Anderson County, Tennessee
Statement of Net Assets
June 30, 2008

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Anderson County School Department	Emergency Communications District	
<u>ASSETS</u>						
Cash	\$ 70,429	\$ 900	\$ 71,329	\$ 10,000	\$ 546,948	
Equity in Pooled Cash and Investments	13,092,202	960,093	14,052,295	4,538,964	0	
Inventories	30,762	0	30,762	81,954	0	
Investments	18,044	0	18,044	0	0	
Accounts Receivable	2,381,552	357,463	2,739,015	22,892	32,276	
Allowance for Uncollectible	(686,147)	(97,610)	(783,757)	0	0	
Due from Other Governments	980,757	0	980,757	2,607,242	0	
Internal Balances	(92,344)	92,344	0	0	0	
Due from Primary Government	0	0	0	162,092	0	
Due from Component Units	441,986	0	441,986	0	0	
Property Taxes Receivable	14,382,943	0	14,382,943	14,065,908	0	
Allowance for Uncollectible Property Taxes	(555,980)	0	(555,980)	(543,951)	0	
Prepaid Items	0	0	0	87,798	2,690	
Notes Receivable - Long-term	9,436,999	0	9,436,999	0	0	
Restricted Assets:						
Revenue Bond Future Debt Service Account	0	379,292	379,292	0	0	
Unamortized Debt Issuance Cost	276,331	0	276,331	0	0	
Capital Assets						
Assets Not Depreciated:						
Land	1,497,238	124,149	1,621,387	636,889	0	
Construction in Progress	569,815	368,894	938,709	0	0	
Assets Net of Accumulated Depreciation:						
Buildings and Improvements	11,562,281	0	11,562,281	38,569,021	0	
Water and Sewer Facilities	0	11,048,086	11,048,086	0	0	
Other Capital Assets	3,148,984	0	3,148,984	1,478,516	312,308	
Infrastructure - Roads, Streets, and Bridges	4,779,473	0	4,779,473	0	0	
Total Assets	\$ 61,335,325	\$ 13,233,611	\$ 74,568,936	\$ 61,717,325	\$ 894,222	

(Continued)

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

	Primary Government		Total	Component Units		
	Governmental Activities	Business-type Activities		Anderson County School Department	Emergency Communications District	
Accounts Payable	\$ 600,099	\$ 32,654	\$ 632,753	\$ 1,044,496	\$ 0	0
Accrued Payroll	317,903	17,575	335,478	0	0	0
Accrued Interest Payable	203,269	0	203,269	17,919	0	0
Payroll Deductions Payable	366,501	15,172	381,673	581,164	0	0
Contracts Payable	291,395	0	291,395	0	0	0
Retainage Payable	13,304	0	13,304	0	0	0
Due to Primary Government	0	0	0	441,986	0	0
Due to Component Units	162,092	0	162,092	0	0	0
Due to State of Tennessee	1,018	13,746	14,764	0	0	0
Unearned Revenue - Current Property Taxes	13,496,476	0	13,496,476	13,205,354	0	0
Other Current Liabilities	274,216	68,354	342,570	372	0	0
Noncurrent Liabilities:						
Due within One Year	4,589,829	81,609	4,671,438	1,250,060	0	0
Due in More Than One Year (net of deferred amount on refunding)	33,557,324	941,114	34,498,438	9,938,464	0	0
Total Liabilities	\$ 53,873,426	\$ 1,170,224	\$ 55,043,650	\$ 26,479,815	\$ 0	0

LIABILITIES

Invested in Capital Assets, net of related debt	\$ 11,364,951	\$ 10,518,405	\$ 21,883,356	\$ 29,792,717	\$ 0	0
Invested in Capital Assets Restricted for:	0	0	0	0	0	312,308
Highway	870,595	0	870,595	0	0	0
Debt Service	1,465,266	0	1,465,266	0	0	0
Courthouse and Jail	86,728	0	86,728	0	0	0
Public Library	109,059	0	109,059	0	0	0
Solid Waste	183,051	0	183,051	0	0	0
Drug Control	82,630	0	82,630	0	0	0

NET ASSETS

Invested in Capital Assets, net of related debt	\$ 11,364,951	\$ 10,518,405	\$ 21,883,356	\$ 29,792,717	\$ 0	0
Invested in Capital Assets Restricted for:	0	0	0	0	0	312,308
Highway	870,595	0	870,595	0	0	0
Debt Service	1,465,266	0	1,465,266	0	0	0
Courthouse and Jail	86,728	0	86,728	0	0	0
Public Library	109,059	0	109,059	0	0	0
Solid Waste	183,051	0	183,051	0	0	0
Drug Control	82,630	0	82,630	0	0	0

(Continued)

Exhibit A

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

	Primary Government		Component Units		
	Governmental Activities	Business-type Activities	Total	Anderson County School Department	Emergency Communications District
\$	100,279	0	100,279	0	0
	0	0	0	932,246	0
	195,536	0	195,536	0	0
	(6,996,196)	1,544,982	(5,451,214)	4,512,547	581,914
\$	7,461,899	12,063,387	19,525,286	35,237,510	894,222

NET ASSETS (CONT.)

Restricted for (Cont.):
Tourism
State and Federal Educational Assistance Programs
Other Purposes
Unrestricted
Total Net Assets (Deficit)

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, 2008

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets									
	Program Revenues					Component Units				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Business-type Activities	Total	Anderson County	School Department	Emergency Communications District
Primary Government:										
Governmental Activities:										
General Government	\$ 3,825,776	\$ 1,053,338	\$ 12,285	\$ 0	\$ (2,760,153)	\$ 0	\$ (2,760,153)	\$ 0	\$ 0	\$ 0
Finance	2,582,694	1,987,292	22,422	0	(572,980)	0	(572,980)	0	0	0
Administration of Justice	2,227,931	1,685,908	54,765	0	(487,258)	0	(487,258)	0	0	0
Public Safety	9,474,855	515,637	465,333	40,052	(8,453,833)	0	(8,453,833)	0	0	0
Public Health and Welfare	6,087,420	5,142,663	473,489	454,962	(16,306)	0	(16,306)	0	0	0
Social, Cultural, and Recreational Services	363,662	190,913	1,000	0	(171,749)	0	(171,749)	0	0	0
Agriculture	194,110	0	0	0	(194,110)	0	(194,110)	0	0	0
Other Operations	1,814,950	0	0	0	(1,814,950)	0	(1,814,950)	0	0	0
Highways	3,744,401	560,649	2,228,594	398,931	(556,227)	0	(556,227)	0	0	0
Debt Service:										
Interest on Long-term Debt	1,561,094	326,092	0	0	(1,235,002)	0	(1,235,002)	0	0	0
Other Debt Service	123,866	0	0	0	(123,866)	0	(123,866)	0	0	0
Total Governmental Activities	\$ 32,000,759	\$ 11,462,492	\$ 3,257,888	\$ 893,945	\$ (\$16,386,434)	\$ 0	\$ (16,386,434)	\$ 0	\$ 0	\$ 0
Business-type Activities:										
Water and Sewer	\$ 2,368,759	\$ 2,431,402	\$ 0	\$ 0	\$ 0	\$ 62,643	\$ 62,643	\$ 0	\$ 0	\$ 0
Total Business-type Activities	\$ 2,368,759	\$ 2,431,402	\$ 0	\$ 0	\$ 0	\$ 62,643	\$ 62,643	\$ 0	\$ 0	\$ 0
Total Primary Government	\$ 34,369,518	\$ 13,893,894	\$ 3,257,888	\$ 893,945	\$ (16,386,434)	\$ 62,643	\$ (16,323,791)	\$ 0	\$ 0	\$ 0
Component Units:										
Anderson County School Department	\$ 62,851,717	\$ 1,717,933	\$ 9,974,265	\$ 0	\$ 0	\$ 0	\$ 0	\$ (51,159,519)	\$ 0	\$ 0
Emergency Communications District	225,879	250,591	0	109,506	0	0	0	0	0	134,218
Total Component Units	\$ 63,077,596	\$ 1,968,524	\$ 9,974,265	\$ 109,506	\$ 0	\$ 0	\$ 0	\$ (51,159,519)	\$ 0	\$ 134,218

(Continued)

Exhibit B

Anderson County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets											
	Program Revenues					Primary					Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Government	Business-type Activities	Total	Anderson County School Department	Emergency Communications District		
General Revenues:												
Property Taxes Levied for General Purposes					\$ 10,078,490	\$ 0	\$ 10,078,490	\$ 13,644,663	\$ 0			
Property Taxes Levied for Debt Service					3,386,477	0	3,386,477	0	0			
Local Option Sales Taxes					1,016,987	0	1,016,987	7,104,562	0			
Business Tax					1,028,801	0	1,028,801	0	0			
Litigation Tax					296,065	0	296,065	0	0			
Hotel/Motel Tax					180,233	0	180,233	0	0			
Mineral Severance Tax					149,665	0	149,665	0	0			
Other Local Taxes					28,641	0	28,641	161,047	0			
Grants and Contributions Not Restricted to Specific Programs					5,150,780	0	5,150,780	30,174,626	0			
Unrestricted Investment Income					484,487	0	484,487	169,899	11,321			
Miscellaneous					43,416	0	43,416	56,519	0			
Total General Revenues					\$ 21,844,042	\$ 0	\$ 21,844,042	\$ 51,311,316	\$ 11,321			
Transfers						\$ 15,000	\$ 0	\$ 0	\$ 0			
Change in Net Assets					\$ 5,442,608	\$ 77,643	\$ 5,520,251	\$ 151,797	\$ 145,539			
Net Assets, July 1, 2007					2,019,291	11,985,744	14,005,035	35,085,713	759,938			
Restatement of Beginning Net Assets					0	0	0	0	(11,255)			
Net Assets, June 30, 2008					\$ 7,461,899	\$ 12,063,387	\$ 19,525,286	\$ 35,237,510	\$ 894,222			

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, 2008

	Major Funds					Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Rural Debt Service	Education Debt Service	Other	Governmental Funds	
ASSETS								
Cash	\$ 37,625	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,566	\$ 41,191	
Equity in Pooled Cash and Investments	8,515,535	477,910	2,016,316	154,103	1,542,828	385,510	13,092,202	
Inventories	0	30,762	0	0	0	0	30,762	
Accounts Receivable	2,035,366	6,698	29,962	0	0	95,250	2,167,276	
Allowance for Uncollectibles	(686,147)	0	0	0	0	0	(686,147)	
Due from Other Governments	423,613	539,656	0	0	0	17,488	980,757	
Due from Other Funds	313,694	155,930	0	20,156	83,991	245,952	819,723	
Due from Component Units	68,603	6,592	0	346,703	0	20,088	441,986	
Property Taxes Receivable	10,818,043	0	2,471,873	54,182	1,038,845	0	14,382,943	
Allowance for Uncollectible Property Taxes	(415,953)	0	(97,990)	(2,066)	(39,971)	0	(555,980)	
Notes Receivable - Long-term	0	0	0	5,587,000	3,849,999	0	9,436,999	
Total Assets	\$ 21,110,379	\$ 1,217,548	\$ 4,420,161	\$ 6,160,078	\$ 6,475,692	\$ 767,854	\$ 40,151,712	

LIABILITIES AND FUND BALANCES

Liabilities							
Accounts Payable	\$ 279,824	\$ 262,117	\$ 170	\$ 0	\$ 0	\$ 57,988	\$ 600,099
Accrued Payroll	289,572	20,800	0	0	0	7,531	317,903
Payroll Deductions Payable	332,439	26,408	0	0	0	7,654	366,501
Contracts Payable	179,914	0	0	0	0	111,481	291,395
Retainage Payable	13,304	0	0	0	0	0	13,304
Due to Other Funds	500,743	146	401,940	0	0	9,238	912,067
Due to Component Units	0	0	162,092	0	0	0	162,092
Due to State of Tennessee	1,018	0	0	0	0	0	1,018
Other Current Liabilities	192,480	0	0	0	0	0	192,480
Deferred Revenue - Current Property Taxes	10,161,548	0	2,315,289	50,046	969,593	0	13,496,476
Deferred Revenue - Delinquent Property Taxes	185,526	0	45,192	1,779	24,699	0	257,196
Other Deferred Revenues	638,888	227,141	0	0	0	9,077	875,106
Health Insurance Payments	711	0	0	0	0	0	711
Total Liabilities	\$ 12,775,967	\$ 536,612	\$ 2,924,683	\$ 51,825	\$ 994,292	\$ 202,969	\$ 17,486,348

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Rural Debt Service	Education Debt Service	Other Governmental Funds	
Fund Balances	\$ 433,150	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	433,150
Reserved for Encumbrances	32,507	0	0	0	0	0	32,507
Reserved for Alcohol and Drug Treatment	65,772	0	0	0	0	0	65,772
Reserved for Litigation Tax - Office of Public Defender	12,025	0	0	0	0	0	12,025
Reserved for Drug Court	2,000	0	0	0	0	0	2,000
Reserved for Sexual Offender Registration	6,190	0	0	0	0	0	6,190
Reserved for Courtroom Security	4,316	0	0	0	0	0	4,316
Reserved for Computer System - Register	16,715	0	0	0	0	0	16,715
Reserved for Automation Purposes - General Sessions Court	2,774	0	0	0	0	0	2,774
Reserved for Automation Purposes - Chancery Court	14,712	0	0	0	0	0	14,712
Reserved for Automation Purposes - Sheriff	0	30,762	0	0	0	0	30,762
Reserved for Inventory	0	0	0	5,587,000	3,849,999	0	9,436,999
Reserved for Long-term Notes Receivable	28,500	0	0	0	0	1,230	29,730
Reserved for Other General Purposes							
Unreserved, Reported In:							
General Fund	7,715,751	0	0	0	0	0	7,715,751
Special Revenue Funds	0	650,174	0	0	0	563,655	1,213,829
Debt Service Funds	0	0	1,495,478	521,253	1,631,401	0	3,648,132
Total Fund Balances	\$ 8,334,412	\$ 680,936	\$ 1,495,478	\$ 6,108,253	\$ 5,481,400	\$ 564,885	\$ 22,665,364
Total Liabilities and Fund Balances	\$ 21,110,379	\$ 1,217,548	\$ 4,420,161	\$ 6,160,078	\$ 6,475,692	\$ 767,854	\$ 40,151,712

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, 2008

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)		\$ 22,665,364
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,497,238	
Add: construction in progress	569,815	
Add: infrastructure net of accumulated depreciation	4,779,473	
Add: buildings and improvements net of accumulated depreciation	11,562,281	
Add: other capital assets net of accumulated depreciation	<u>3,148,984</u>	21,557,791
(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.		180,533
(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	\$ (280,000)	
Less: other loans payable	(20,833,738)	
Less: bonds payable	(17,065,773)	
Add: deferred amount on refunding	473,855	
Add: deferred charges - debt issuance costs	276,331	
Less: compensated absences payable	(441,497)	
Less: accrued interest on bonds, notes, and other loans	<u>(203,269)</u>	(38,074,091)
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>1,132,302</u>
Net assets (deficit) of governmental activities (Exhibit A)		<u>\$ 7,461,899</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, 2008

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Rural Debt Service	Education Debt Service	Governmental Funds	
Revenues							
Local Taxes	\$ 13,717,512	\$ 547,777	\$ 2,461,074	\$ 49,476	\$ 959,553	\$ 23,036	\$ 17,758,428
Licenses and Permits	334,781	0	0	0	0	0	334,781
Fines, Forfeitures, and Penalties	365,980	0	0	0	0	50,601	416,581
Charges for Current Services	4,996,546	31,978	0	0	0	425,050	5,453,574
Other Local Revenues	997,395	528,671	81,482	213,778	200,354	48,253	2,069,933
Fees Received from County Officials	3,677,288	0	0	0	0	0	3,677,288
State of Tennessee	1,608,241	2,325,271	0	0	0	101,618	4,035,130
Federal Government	600,570	0	0	0	0	0	600,570
Other Governments and Citizens Groups	1,001,260	0	0	1,355,541	839,215	121,526	3,317,542
Total Revenues	\$ 27,299,573	\$ 3,433,697	\$ 2,542,556	\$ 1,618,795	\$ 1,999,122	\$ 770,084	\$ 37,663,827
Expenditures							
Current:							
General Government	\$ 3,350,754	\$ 0	\$ 0	\$ 0	\$ 0	\$ 93,859	\$ 3,444,613
Finance	2,602,777	0	0	0	0	0	2,602,777
Administration of Justice	2,389,120	0	0	0	0	40,369	2,429,489
Public Safety	9,380,665	0	0	0	0	70,055	9,450,720
Public Health and Welfare	4,837,233	0	0	0	0	1,442,864	6,280,097
Social, Cultural, and Recreational Services	3,000	0	0	0	0	356,240	359,240
Agriculture and Natural Resources	189,683	0	0	0	0	0	189,683
Other Operations	1,465,661	0	0	0	0	122,186	1,587,847
Highways	0	3,591,901	0	0	0	0	3,591,901
Debt Service:							
Principal on Debt	0	0	1,658,000	1,129,136	1,393,547	15,000	4,195,683
Interest on Debt	0	0	439,604	536,553	502,759	1,591	1,480,507
Other Debt Service	0	0	58,175	3,175	21,896	0	83,246
Capital Projects	602,324	0	0	0	0	47,845	650,169
Total Expenditures	\$ 24,821,217	\$ 3,591,901	\$ 2,155,779	\$ 1,668,864	\$ 1,918,202	\$ 2,190,009	\$ 36,345,972
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,478,356	\$ (158,204)	\$ 386,777	\$ (50,069)	\$ 80,920	\$ (1,419,925)	\$ 1,317,855
Other Financing Sources (Uses)							
Other Loans Issued	\$ 0	\$ 0	\$ 0	\$ 10,345	\$ 70,900	\$ 0	\$ 81,245
Insurance Recovery	24,369	5,127	0	0	0	0	29,496

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	Highway / Public Works	General Debt Service	Rural Debt Service	Education Debt Service	Governmental Funds		
Other Financing Sources (Uses) (Cont.)							
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,431,883	\$ 1,431,883	\$ 1,497,380
Transfers Out	(1,512,380)	0	0	0	0	0	(1,512,380)
Total Other Financing Sources (Uses)	\$ (1,488,011)	\$ 54,517	\$ 10,345	\$ 87,007	\$ 1,431,883	\$ 1,431,883	\$ 95,741
Net Change in Fund Balances	\$ 990,345	\$ (103,687)	\$ 386,777	\$ (39,724)	\$ 167,927	\$ 11,958	\$ 1,413,596
Fund Balance, July 1, 2007	7,344,067	784,623	1,108,701	6,147,977	5,313,473	552,927	21,251,768
Fund Balance, June 30, 2008	\$ 8,334,412	\$ 680,936	\$ 1,495,478	\$ 6,108,253	\$ 5,481,400	\$ 564,885	\$ 22,665,364

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, 2008

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)		\$ 1,413,596
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 1,711,168	
Less: current year depreciation expense	<u>(1,379,886)</u>	331,282
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2008	\$ 1,132,302	
Less: deferred delinquent property taxes and other deferred June 30, 2007	<u>(1,466,376)</u>	(334,074)
(3) 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	\$ (81,245)	
Less: change in deferred debt issuance costs	(40,620)	
Add: principal payments on bonds	2,611,433	
Add: principal payments on notes	55,000	
Add: principal payments on other loans	1,529,250	
Less: change in deferred amount on refunding debt	<u>(116,754)</u>	3,957,064
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 36,167	
Change in compensated absences payable	<u>176,714</u>	212,881
(5) 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>(138,141)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 5,442,608</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, 2008

	Business-type Activities	Governmental Activities
	Enterprise Fund	Internal Service Fund
	Public Utility Fund	Employee Health Insurance Fund
<u>ASSETS</u>		
Current Assets:		
Cash	\$ 900	\$ 29,238
Equity in Pooled Cash and Investments	960,093	0
Investments	0	18,044
Accounts Receivable	357,463	214,276
Allowance for Uncollectibles	(97,610)	0
Due from Other Funds	106,600	0
Total Current Assets	<u>\$ 1,327,446</u>	<u>\$ 261,558</u>
Noncurrent Assets:		
Restricted Assets:		
Revenue Bond Future Debt Service Account	\$ 379,292	\$ 0
Capital Assets:		
Assets not Depreciated:		
Land	124,149	0
Construction in Progress	368,894	0
Assets Net of Accumulated Depreciation:		
Water and Sewer Facilities	11,048,086	0
Total Noncurrent Assets	<u>\$ 11,920,421</u>	<u>\$ 0</u>
Total Assets	<u>\$ 13,247,867</u>	<u>\$ 261,558</u>
<u>LIABILITIES</u>		
Current Liabilities:		
Accounts Payable	\$ 32,654	\$ 0
Accrued Payroll	17,575	0
Payroll Deductions Payable	15,172	0
Due to Other Funds	14,256	0
Due to State of Tennessee	13,746	0
Other Current Liabilities	68,354	81,025
Current Portion of Long-term Liabilities	81,609	0
Total Current Liabilities	<u>\$ 243,366</u>	<u>\$ 81,025</u>
Noncurrent Liabilities:		
Due in More Than One Year	\$ 941,114	\$ 0
Total Noncurrent Liabilities	<u>\$ 941,114</u>	<u>\$ 0</u>
Total Liabilities	<u>\$ 1,184,480</u>	<u>\$ 81,025</u>
<u>NET ASSETS</u>		
Invested in Capital Assets, net of related debt	\$ 10,518,405	\$ 0
Unrestricted	1,544,982	180,533
Net Assets	<u>\$ 12,063,387</u>	<u>\$ 180,533</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, 2008

	Business-type Activities	Governmental Activities
	Enterprise Fund	Internal Service Fund
	Public Utility Fund	Employee Health Insurance Fund
<u>Operating Revenues</u>		
Charges for Services	\$ 2,429,516	\$ 2,482,222
Total Operating Revenue	<u>\$ 2,429,516</u>	<u>\$ 2,482,222</u>
<u>Operating Expenses</u>		
Salaries and Benefits	\$ 535,467	\$ 0
Board and Committee Member Fees	3,250	0
Fringe Benefits	112,443	0
Accounting Services	850	0
Communication	12,728	0
Water Treatment Charges	386,912	0
Dues and Memberships	11,121	0
Maintenance and Repair Services - Buildings	19,880	0
Maintenance and Repair Services - Equipment	124,134	0
Maintenance and Repair Services - Vehicles	14,889	0
Postal Charges	17,789	0
Rental Expense	6,652	0
Other Contracted Services	37,586	0
Crushed Stone	4,976	0
Chemicals	49,795	0
Utilities	162,373	0
Water Purchased from Other Local Utilities	36,582	0
Equipment and Machinery Parts	13,587	0
Gasoline and Diesel Fuel	45,936	0
Office Supplies	6,795	0
Uniforms	11,583	0
Supplies and Materials	90,717	0
Insurance	34,710	0
Trustee's Commission	25,178	0
Workers' Compensation Insurance	25,470	0
Depreciation	497,829	0
Staff Development	195	0
Other Charges	27,527	25

(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	\$ 2,082,875
Other Contracted Services	0	119,174
Excess Risk Insurance	0	419,328
Total Operating Expenses	<u>\$ 2,316,954</u>	<u>\$ 2,621,402</u>
Operating Income (Loss)	<u>\$ 112,562</u>	<u>\$ (139,180)</u>
<u>Nonoperating Revenues (Expenses)</u>		
Investment Income	\$ 0	\$ 1,039
Gain on Disposal of Assets	1,886	0
Interest on Bonds	(43,767)	0
Interest on Other Loans Payable	(8,038)	0
Total Nonoperating Revenues (Expenses)	<u>\$ (49,919)</u>	<u>\$ 1,039</u>
Income (Loss) Before Transfers	\$ 62,643	\$ (138,141)
Transfers In (Out)	15,000	0
Change in Net Assets	\$ 77,643	\$ (138,141)
Net Assets, July 1, 2007	<u>11,985,744</u>	<u>318,674</u>
Net Assets, June, 30, 2008	<u>\$ 12,063,387</u>	<u>\$ 180,533</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, 2008

	Business-type Activities Enterprise Fund Public Utility Fund	Governmental Activities Internal Service Fund Employee Health Insurance Fund
<u>Cash Flows from Operating Activities</u>		
Receipts from Customers and Users	\$ 2,338,020	\$ 0
Receipts for Self-insurance Premiums	0	2,448,875
Payments to Vendors	(1,142,402)	0
Payments to Employees	(526,408)	0
Payments for Fringe Benefits	(112,443)	0
Payments to Fiscal Agents	0	(119,174)
Payments to Insurers	0	(419,328)
Payments for Claims	0	(2,085,248)
Payments for Administrative Costs	0	(25)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 556,767</u>	<u>\$ (174,900)</u>
<u>Cash Flows from Capital and Related Financing Activities</u>		
Acquisition and Construction of Capital Assets	\$ (355,445)	\$ 0
Proceeds from Sale of Capital Assets	13,385	0
Principal Paid on Bonds	(59,032)	0
Interest Paid on Bonds	(43,767)	0
Principal Paid on Other Loans Payable	(21,000)	0
Interest Paid on Other Loans Payable	(8,038)	0
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (473,897)</u>	<u>\$ 0</u>
<u>Cash Flows from Noncapital Financing Activities</u>		
Transfers In (Out)	\$ 35,000	\$ 0
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 35,000</u>	<u>\$ 0</u>
<u>Cash Flows from Investing Activities</u>		
Interest on Investments	\$ 0	\$ 390
Net Cash Provided By (Used In) Investing Activities	<u>\$ 0</u>	<u>\$ 390</u>
Increase (Decrease) in Cash	\$ 117,870	\$ (174,510)
Cash, July 1, 2007	<u>1,222,415</u>	<u>203,748</u>
Cash, June 30, 2008	<u>\$ 1,340,285</u>	<u>\$ 29,238</u>

(Continued)

Exhibit D-3

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

	Business-type Activities	Governmental Activities Internal Service Fund
	Enterprise Fund	Employee Health
	Public Utility Fund	Insurance Fund
<u>Reconciliation of Net Operating Income (Loss)</u>		
<u>to Net Cash Provided By (Used In) Operating Activities</u>		
Operating Income (Loss)	\$ 112,562	\$ (139,180)
Adjustments to Reconcile Net Operating Income (Loss)		
to Net Cash Provided By (Used In) Operating Activities:		
Depreciation	497,829	0
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivables	(12,837)	(33,347)
(Increase) Decrease in Due from Other Governments	1,579	0
(Increase) Decrease in Due from Other Funds, Excluding Amount of Transfers	(91,600)	0
Increase (Decrease) in Allowance for Uncollectibles	11,049	0
Increase (Decrease) in Accounts Payable	17,377	0
Increase (Decrease) in Accrued Payroll	5,547	0
Increase (Decrease) in Payroll Deductions	1,309	0
Increase (Decrease) in Due to Other Funds	11,436	0
Increase (Decrease) in Due to State of Tennessee	(571)	0
Increase (Decrease) in Other Current Liabilities	3,087	(2,373)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 556,767</u>	<u>\$ (174,900)</u>
<u>Reconciliation of Cash with Statement of Net Assets</u>		
Cash per Net Assets	\$ 900	\$ 29,238
Equity in Pooled Cash and Investments per Net Assets	960,093	0
Revenue Bond Future Debt Service Account per Net Assets	379,292	0
Cash, June 30, 2008	<u>\$ 1,340,285</u>	<u>\$ 29,238</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, 2008

	Other Employee Benefits Trust Fund	
	<u>Flexible Benefits Fund</u>	<u>Agency Funds</u>
<u>ASSETS</u>		
Cash	\$ 5,521	\$ 1,811,647
Equity in Pooled Cash and Investments	0	32,636
Due from Other Governments	0	2,694,465
Taxes Receivable	0	9,362,707
Allowance for Uncollectible Taxes	0	(362,071)
Cash Shortage	0	4,585
	<u>0</u>	<u>4,585</u>
Total Assets	\$ 5,521	\$ 13,543,969
	<u>5,521</u>	<u>13,543,969</u>
<u>LIABILITIES</u>		
Due to Other Taxing Units	\$ 0	\$ 11,727,737
Due to Litigants, Heirs, and Others	0	1,811,647
Other Current Liabilities	0	4,585
	<u>0</u>	<u>4,585</u>
Total Liabilities	\$ 0	\$ 13,543,969
	<u>0</u>	<u>13,543,969</u>
<u>NET ASSETS</u>		
Funds Held in Trust for Employees	\$ 5,521	
	<u>5,521</u>	
Net Assets	\$ 5,521	
	<u>5,521</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, 2008

	Other Employee Benefits Trust Fund
	<u>Flexible Benefits Fund</u>
<u>ADDITIONS</u>	
Plan Member Contributions	\$ 83,285
Total Additions	<u>\$ 83,285</u>
<u>DEDUCTIONS</u>	
Employee Benefits:	
Other Fringe Benefits	\$ 63,108
Total Deductions	<u>\$ 63,108</u>
Change in Net Assets	\$ 20,177
Net Assets, July 1, 2007	<u>(14,656)</u>
Net Assets, June 30, 2008	<u><u>\$ 5,521</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, 2008

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 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 \$81,245 of other loans (\$10,345 in the Rural Debt Service Fund and \$70,900 in the Education Debt Service Fund) for the benefit of the School Department during the year ended June 30, 2008. 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 Benefits 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' shares 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 Benefits 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 School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit and investments in the State Treasurer's Investment Pool are reported at cost. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

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

All ambulance and property taxes receivables are shown 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 two 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 (\$274,216) in the governmental activities statement of net assets consists primarily of an environmental assessment from the State of Tennessee (\$170,280), performance bonds (\$22,200), and self-insurance claims (\$81,025). In the business-type activities, the balance in the account Other Current Liabilities (\$68,354) consists primarily of customers' deposits.

The balance in the account Retainage Payable (\$13,304) in the governmental activities statement of net assets represents 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.

On the government-wide statement of net assets (Exhibit A), the account Restricted for Other Purposes for the primary government consists of various restrictions totaling \$195,536, with the primary restrictions being for computer systems for various offices (\$157,011) and unexpended grant funds to be used for law enforcement (\$28,500).

As of June 30, 2008, Anderson County had \$27,893,511 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 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 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, 2008:

<u>Designation</u>	<u>Amount</u>
Industrial/Land Sale	\$ 938,075
Salary Increases	192,000
Bridge Construction	185,040
Inmate Commissary	87,320

<u>Designation (Cont.)</u>	<u>Amount</u>
Health Department Site	\$ 75,000
Cops Grant	35,000
Dental Office	34,358
Trustee Computer Software	20,000
ADA Compliance	18,788
Lobbying Services	15,000
New River Water Project	8,719
Courthouse Security	5,401
Nonprofits	3,440
Courthouse Reward	1,200
Moral Kombat Grant	<u>941</u>
 Total General Fund	 <u><u>\$ 1,620,282</u></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 (\$350,000) 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 and the District Attorney General Fund (special revenue funds) which are 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. Deficit Fund Equity

Discretely Presented Anderson County School Department

The School Federal Projects Fund had a deficit unreserved fund balance of \$101,956 on June 30, 2008. This deficit occurred because reimbursements for

certain grant expenditures were not requested in a timely manner. The related revenues are expected to be recognized in the following year.

C. Cash Shortage

The Office of Trustee had a cash shortage of at least \$4,584.89 as of June 30, 2008. This amount is reflected in the Constitutional Officers - Agency Fund. The Tennessee Bureau of Investigation is in the process of investigating the shortage. Details of this cash shortage are discussed in the Schedule of Findings and Questioned Costs in the Single Audit section of this report.

D. Expenditures Exceeded Appropriations

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:	
Other Administration of Justice	\$ 7,175
Dental Health Program	7,260
Alcohol and Drug Programs	15,795
Industrial Development	2,839
Other Charges	6,838
Administration of Justice Projects	7,870
Other General Government Projects	46
Highway/Public Works Fund:	
Other Charges	15,698
Rural Debt Service Fund:	
Interest on Debt - Education	9,839
Education Debt Service Fund:	
Interest on Debt - Education	3,898

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

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, 2008, Anderson County had the following investments carried at cost. Pooled investments reported in the following table are held in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Anderson County and the discretely presented Anderson County School Department since both pool their deposits and investments through the county trustee. Nonpooled investments represent amounts held in the Employee Health Insurance Fund (an internal service fund).

POOLED INVESTMENTS

Investment	Maturities	Cost
State Treasurer's Investment Pool	Daily	\$ 571,232

NONPOOLED INVESTMENTS

Investment	Maturities	Cost
State Treasurer's Investment Pool	Daily	\$ 18,044

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, 2008, Anderson County's investments in the State Treasurer's Investment Pool 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 (\$5,587,000) and Education Debt Service Fund (\$3,849,999) 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 \$5,226,500 in the Rural Debt Service Fund and \$3,494,999 in the Education Debt Service Fund.

C. Capital Assets

Capital assets activity for the year ended June 30, 2008, was as follows:

Primary Government

Governmental Activities

	Balance 7-1-07	Increases	Decreases	Balance 6-30-08
Capital Assets Not Depreciated:				
Land	\$ 1,414,288	\$ 82,950	\$ 0	\$ 1,497,238
Construction in Progress	3,490,140	401,439	(3,321,764)	569,815
Total Capital Assets Not Depreciated	\$ 4,904,428	\$ 484,389	\$ (3,321,764)	\$ 2,067,053
Capital Assets Depreciated:				
Buildings and Improvements	\$ 13,876,807	\$ 3,408,692	\$ 0	\$ 17,285,499
Roads, Streets, and Bridges	42,343,675	385,333	0	42,729,008
Other Capital Assets	7,662,881	754,518	(155,708)	8,261,691
Total Capital Assets Depreciated	\$ 63,883,363	\$ 4,548,543	\$ (155,708)	\$ 68,276,198
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 5,324,880	\$ 398,338	\$ 0	\$ 5,723,218
Roads, Streets, and Bridges	37,606,447	0	343,088	37,949,535
Other Capital Assets	4,629,955	638,460	(155,708)	5,112,707
Total Accumulated Depreciation	\$ 47,561,282	\$ 1,379,886	\$ (155,708)	\$ 48,785,460
Total Capital Assets Depreciated, Net	\$ 16,322,081	\$ 3,168,657	\$ 0	\$ 19,490,738
Governmental Activities Capital Assets, Net	\$ 21,226,509	\$ 3,653,046	\$ (3,321,764)	\$ 21,557,791

Business-type Activities:

	Balance 7-1-07	Increases	Decreases	Ending 6-30-08
Capital Assets Not Depreciated:				
Land	\$ 124,149	\$ 0	\$ 0	\$ 124,149
Construction in Progress	120,830	248,064	0	368,894
Total Capital Assets Not Depreciated	<u>\$ 244,979</u>	<u>\$ 248,064</u>	<u>\$ 0</u>	<u>\$ 493,043</u>
Capital Assets Depreciated:				
Water and Sewer Facilities	\$ 18,611,760	\$ 107,381	\$ (30,569)	\$ 18,688,572
Total Capital Assets Depreciated	<u>\$ 18,611,760</u>	<u>\$ 107,381</u>	<u>\$ (30,569)</u>	<u>\$ 18,688,572</u>
Less Accumulated Depreciation For:				
Water and Sewer Facilities	\$ 7,161,727	\$ 497,828	\$ (19,069)	\$ 7,640,486
Total Accumulated Depreciation	<u>\$ 7,161,727</u>	<u>\$ 497,828</u>	<u>\$ (19,069)</u>	<u>\$ 7,640,486</u>
Total Capital Assets Depreciated, Net	<u>\$ 11,450,033</u>	<u>\$ (390,447)</u>	<u>\$ (11,500)</u>	<u>\$ 11,048,086</u>
Business-type Activities Capital Assets, Net	<u>\$ 11,695,012</u>	<u>\$ (142,383)</u>	<u>\$ (11,500)</u>	<u>\$ 11,541,129</u>

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

Governmental Activities:

General Government	\$ 228,887
Finance	7,786
Administration of Justice	5,491
Public Safety	452,032
Public Health and Welfare	250,294
Social, Cultural, and Recreational	3,284
Agriculture and Natural Resources	939
Other General Government	8,616
Highway/Public Works	<u>422,557</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,379,886</u>

Business-type Activities:

Water and Sewer	<u>\$ 497,828</u>
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Discretely Presented Anderson County School Department

Governmental Activities:

	Balance 7-1-07	Increases	Decreases	Balance 6-30-08
Capital Assets Not Depreciated:				
Land	\$ 636,889	\$ 0	\$ 0	\$ 636,889
Construction in Progress	547,295	344,480	(891,775)	0
Total Capital Assets Not Depreciated	<u>\$ 1,184,184</u>	<u>\$ 344,480</u>	<u>\$ (891,775)</u>	<u>\$ 636,889</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	\$ 65,382,182	\$ 748,564	\$ 0	\$ 66,130,746
Other Capital Assets	3,470,522	733,321	(52,286)	4,151,557
Total Capital Assets Being Depreciated	<u>\$ 68,852,704</u>	<u>\$ 1,481,885</u>	<u>\$ (52,286)</u>	<u>\$ 70,282,303</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 25,933,424	\$ 1,628,301	\$ 0	\$ 27,561,725
Other Capital Assets	2,523,405	200,046	(50,410)	2,673,041
Total Accumulated Depreciation	<u>\$ 28,456,829</u>	<u>\$ 1,828,347</u>	<u>\$ (50,410)</u>	<u>\$ 30,234,766</u>
Total Capital Assets Depreciated, Net	<u>\$ 40,395,875</u>	<u>\$ (346,462)</u>	<u>\$ (1,876)</u>	<u>\$ 40,047,537</u>
Governmental Activities Capital Assets, Net	<u>\$ 41,580,059</u>	<u>\$ (1,982)</u>	<u>\$ (893,651)</u>	<u>\$ 40,684,426</u>

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

Governmental Activities:

Instruction	\$ 1,720,873
Support Services	41,980
Operation of Non-Instruction Services	<u>65,494</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 1,828,347</u></u>

D. Construction Commitments

At June 30, 2008, Anderson County had uncompleted construction contracts of \$267,057 in the General Fund. Funding has been provided for these future expenditures.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2008, is as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	General Debt Service	\$ 305,080
"	Nonmajor governmental	8,614
Highway/Public Works	General	141,048
"	Nonmajor governmental	624
"	Public Utility	14,256
Rural Debt Service	General Debt Service	20,156
Education Debt Service	General Debt Service	67,884
"	General	16,107
Nonmajor governmental	General	236,988
"	Highway/Public Works	146
"	General Debt Service	8,820
Public Utility	General	106,600
Discretely Presented		
School Department:		
General Purpose School	Nonmajor governmental	123,728
Nonmajor governmental	General Purpose School	4,215
"	Nonmajor governmental	17,996

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

Due to/from Primary Government and Component Units:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Component Unit: School Department	\$ 68,603
Highway/Public Works	"	6,592

Receivable Fund	Payable Fund	Amount
Primary Government (Cont.): Rural Debt Service	Component Unit (Cont.): School Department	\$ 346,703
Nonmajor governmental	"	20,088
Component Unit: School Department	Primary Government: General Debt Service	162,092

Interfund Transfers:

Interfund transfers for the year ended June 30, 2008, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In	
	Highway/ Public Works Fund	Education Debt Service Fund
General Fund	\$ 49,390	\$ 16,107
Total	\$ 49,390	\$ 16,107

Transfers Out	Transfers In	
	Public Utility Funds	Nonmajor Governmental Funds
General Fund	\$ 15,000	\$ 1,431,883
Total	\$ 15,000	\$ 1,431,883

Discretely Presented Anderson County School Department

Transfers Out	Transfers In	
	General Purpose School Fund	Nonmajor Governmental Funds
Nonmajor governmental funds	\$ 119,636	\$ 174,716
General Purpose School Fund	0	37,161
Total	\$ 119,636	\$ 211,877

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 \$1,405,004 at June 30, 2008. The original cost was \$2,791,805 and accumulated depreciation was \$1,386,801. Total lease revenues for the year ended June 30, 2008, were \$154,131. The future minimum lease payments under existing leases are as follows:

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Amount</u>
2009	\$ 78,830
2010	52,700
2011	48,000
2012	48,000
2013	<u>48,000</u>
Total	<u>\$ 275,530</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, 2008, consist of the following:

	<u>Governmental Activities</u>
Building and Improvements	\$ 1,706,295
Less: Accumulated Depreciation	<u>(361,417)</u>
Total	<u>\$ 1,344,878</u>

Future minimum payments under this capital lease consisted of the following at June 30, 2008:

<u>Year Ending June 30</u>	<u>Governmental Activites</u>
2009	\$ 113,543
2010	114,641
2011	115,738
2012	116,835
2013	117,932
2014-2018	606,114
2019-2020	<u>280,971</u>
Total Minimum Lease Payments	\$ 1,465,774
Less: Amount Representing Interest	<u>(687,384)</u>
Present Value of Minimum Payments	<u>\$ 778,390</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 10 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, 2008, are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-08
General Government Refunding Bonds	3 to 5 %	\$ 10,665,000	\$ 5,925,000
Rural School Refunding Bonds	2 to 5	16,035,000	11,040,000
Rural Development Water and Sewer Bond	4.875	110,000	100,773
Capital Outlay Notes	3.6 to 5.59	550,000	280,000
Other Loans	Variable	27,733,000	20,833,738

Included in other loans above are two loans with original amounts totaling \$10,100,000, which Anderson County borrowed and loaned to the discretely presented School Department as discussed in footnote IV.B.

The following table summarizes loan agreements outstanding at June 30, 2008:

Description	Original Amount of Loan Agreement	Outstanding Principal 6-30-08	Interest Type	Interest Rates as of 6-30-08	Other Fees
<u>Montgomery County Public Building Authority</u>					
Industrial Development	\$ 1,700,000	\$ 1,321,000	Variable	4%	0.38%
Rural Elementary School	6,000,000	5,587,000	Variable	2.5	0.38
Rural High School	4,100,000	3,849,999	Variable	2.5	0.38
Jail Renovation	3,000,000	2,760,000	Variable	2.5	0.38
<u>City of Clarksville Public Building Authority</u>					
Rural School Refunding	5,746,000	3,426,201	Variable	2.5	0.38
Rural High School Refunding	7,187,000	<u>3,889,538</u>	Variable	2.5	0.38
Total		<u>\$ 20,833,738</u>			

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2008, 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, 2008.

Year Ending June 30	Notes		
	Principal	Interest	Total
2009	\$ 55,000	\$ 10,056	\$ 65,056
2010	45,000	8,030	53,030
2011	40,000	6,287	46,287
2012	40,000	4,793	44,793
2013	40,000	3,299	43,299
2014-2018	60,000	2,836	62,836
Total	\$ 280,000	\$ 35,301	\$ 315,301

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2009	\$ 1,618,900	\$ 540,658	\$ 79,168	\$ 2,238,726
2010	1,763,900	499,061	73,016	2,335,977
2011	1,817,600	453,793	66,314	2,337,707
2012	1,891,500	407,123	59,407	2,358,030
2013	1,931,000	358,546	52,219	2,341,765
2014-2018	10,116,838	1,009,830	145,411	11,272,079
2019-2023	1,290,000	151,110	21,192	1,462,302
2024-2025	404,000	15,225	2,314	421,539
Total	\$ 20,833,738	\$ 3,435,346	\$ 499,041	\$ 24,768,125

Year Ending June 30	Bonds		
	Principal	Interest	Total
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
2014-2018	4,525,601	501,932	5,027,533
2019-2023	13,520	18,400	31,920
2024-2028	17,244	14,676	31,920
2029-2033	21,992	9,928	31,920
2034-2038	28,048	3,872	31,920
2039	1,056	6	1,062
Total	\$ 17,065,773	\$ 2,830,176	\$ 19,895,949

There is \$3,648,132 available in the debt service funds to service long-term debt. Bonded debt per capita totaled \$83, based on the 2000 federal census for residents living inside the Oak Ridge School District, \$214 for residents living inside the Clinton School District, and \$370 for residents living outside of these school districts. Debt per capita, including bonds, notes, other loans, and capital leases, totaled \$165, based on the 2000 federal census for residents living inside the Oak Ridge School District, \$472 for residents living inside the Clinton School District, and \$889 for residents living outside of these school districts.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2008, was as follows:

Governmental Activities:

	Bonds	Notes
Balance, July 1, 2007	\$ 19,677,206	\$ 335,000
Deductions	(2,611,433)	(55,000)
Balance, June 30, 2008	<u>\$ 17,065,773</u>	<u>\$ 280,000</u>
Balance Due Within One Year	<u>\$ 2,496,505</u>	<u>\$ 55,000</u>

	Other Loans	Compensated Absences
Balance, July 1, 2007	\$ 22,281,743	\$ 618,211
Additions	81,245	639,616
Deductions	(1,529,250)	(816,330)
Balance, June 30, 2008	<u>\$ 20,833,738</u>	<u>\$ 441,497</u>
Balance Due Within One Year	<u>\$ 1,618,900</u>	<u>\$ 419,424</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2008	\$ 38,621,008
Less: Balance Due Within One Year	(4,589,829)
Less: Deferred Amount on Refunding	<u>(473,855)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 33,557,324</u>

During the year, the discretely presented Anderson County School Department paid \$2,194,756 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, 2008, are as follows:

Type	Original Amount of Issue	Interest Rate	Last Maturity Date	Balance 6-30-08
Water Revenue and Tax Bond	\$ 1,400,000	5 %	1-1-18	\$ 554,934
Water Revenue and Tax Bond	257,000	5	7-20-22	166,696
Water Revenue and Tax Bond	105,000	6.125	6-27-24	71,850
Public Building Authority Loan	328,183	Variable	6-25-18	229,243

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, 2008, 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, 2008 (2.5 and .38 percent, respectively).

Year Ending June 30	Bonds		
	Principal	Interest	Total
2009	\$ 59,609	\$ 40,785	\$ 100,394
2010	64,957	37,777	102,734
2011	65,503	34,490	99,993
2012	71,079	31,173	102,252
2013	71,686	27,576	99,262
2014-2018	343,467	78,436	421,903
2019-2023	89,916	23,158	113,074
2024-2026	27,263	2,299	29,562
Total	\$ 793,480	\$ 275,694	\$ 1,069,174

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2009	\$ 22,000	\$ 5,731	\$ 871	\$ 28,602
2010	22,000	5,181	788	27,969
2011	23,000	4,631	704	28,335
2012	24,000	4,056	617	28,673
2013	25,000	3,456	525	28,981
2014-2018	113,243	7,555	1,149	121,947
Total	\$ 229,243	\$ 30,610	\$ 4,654	\$ 264,507

Changes in Long-term Liabilities

Long-term liability activity for the Public Utility Fund (enterprise fund) for the year ended June 30, 2008 was as follows:

Business-type Activities:	Bonds	Other Loans
	Balance, July 1, 2007	\$ 852,512
Deductions	(59,032)	(21,000)
Balance, June 30, 2008	\$ 793,480	\$ 229,243
Balance Due Within One Year	\$ 59,609	\$ 22,000

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2008	\$ 1,022,723
Less: Balance Due Within One Year	(81,609)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	\$ 941,114

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, 2008, are as follows:

Purpose	Interest Rate	Original Amount of Issue	Balance 6-30-08
Capital Outlay Notes:			
Asbestos Removal	0 %	\$ 382,026	\$ 22,653
Renovation of Various Schools	3.6 to 5.27	2,272,000	653,666
Renovation of Various Schools	Variable	10,100,000	9,436,999
Capital Lease	11.4	957,236	778,390

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, 2008, including interest, are presented in the following table:

Year Ending June 30	Notes		
	Principal	Interest	Total
2009	\$ 941,957	\$ 260,671	\$ 1,202,628
2010	1,063,833	232,884	1,296,717
2011	928,629	203,625	1,132,254
2012	960,000	179,752	1,139,752
2013	975,000	154,983	1,129,983
2014-2018	5,243,899	413,738	5,657,637
Total	\$ 10,113,318	\$ 1,445,653	\$ 11,558,971

Year Ending June 30	Lease		
	Principal	Interest	Totals
2009	\$ 26,129	\$ 87,415	\$ 113,544
2010	30,425	84,216	114,641
2011	35,236	80,502	115,738
2012	40,626	76,209	116,835
2013	46,663	71,268	117,931
2014-2018	352,546	253,569	606,115
2019-2020	246,765	34,205	280,970
Total	\$ 778,390	\$ 687,384	\$ 1,465,774

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, 2008:

	<u>Notes</u>	<u>Capital Lease</u>
Balance, July 1, 2007	\$ 10,432,407	\$ 800,684
Additions	81,244	0
Deductions	(400,333)	(22,294)
	<hr/>	<hr/>
Balance, June 30, 2008	\$ 10,113,318	\$ 778,390
	<hr/>	<hr/>
Balance Due Within One Year	\$ 941,957	\$ 26,129
	<hr/>	<hr/>

	<u>Compensated Absences</u>
Balance, July 1, 2007	\$ 286,893
Additions	250,946
Deductions	(241,024)
	<hr/>
Balance, June 30, 2008	\$ 296,815
	<hr/>
Balance Due Within One Year	\$ 281,973
	<hr/>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2008	\$ 11,188,523
Less: Balance Due Within One Year	(1,250,059)
	<hr/>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	\$ 9,938,464
	<hr/>

Compensated absences will be paid from the employing funds.

I. On-Behalf Payments – Discretely Presented Anderson County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Anderson County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2008, were \$194,957 and \$40,813, respectively. The School

Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

J. 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, 2008, was as follows:

Fund	Balance 7-1-07	Issued	Redeemed	Balance 6-30-08
General Purpose School (Borrowed from General)	\$ 0	\$ 1,000,000	\$ 1,000,000	\$ 0
School Federal Projects (Borrowed from General Purpose School)	0	740,000	740,000	0
Other Education Special Revenue (Borrowed from General Purpose School)	0	20,000	20,000	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. An estimated liability for outstanding medical claims of \$81,025 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 \$180,533 at June 30, 2008. 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	Balance at Fiscal Year-end
2006-2007	\$ 86,183	\$ 1,621,178	\$ 1,623,963	\$ 83,398
2007-2008	83,398	2,082,875	2,085,248	81,025

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

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

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 48, Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues; and Statement No. 50, Pension Disclosures became effective for the year ended June 30, 2008.

GASB Statement No. 48 establishes criteria to ascertain whether certain transactions are sales or collateralized borrowings and provides guidance on how to account for sales or pledges of receivables or future revenues. This statement provides additional guidance for sales of receivables and future

revenues within the same reporting entity. This statement also requires governments to disclose in the notes to the financial statements the nature of any receivables or future revenues that have been pledged or sold. Tennessee state statutes do not currently allow counties to sell or pledge receivables or sell future revenue streams. Therefore, those provisions of GASB Statement No. 48 that pertain to the sale or pledge receivables or sale of future revenues will not apply to Anderson County. GASB Statement No. 48 had no effect on the financial statements of Anderson County for the year ended June 30, 2008, since the county has not pledged any of its future revenues. However, it is reasonably expected that Anderson County may pledge a future revenue stream toward the payment of debt in subsequent years.

GASB Statement No. 50 amends previous guidance concerning pension information. This statement closely aligns the financial reporting requirements for pensions with those for other postemployment benefits and enhances the information disclosed in the notes to the financial statements or presented as required supplementary information for pension plans. This statement requires Anderson County to provide additional and more detailed pension plan note disclosures than in previous years.

C. Subsequent Events

Subsequent to June 30, 2008, Anderson County and the discretely presented Anderson County School Department approved interfund loans in the form of revenue anticipation notes. As of the date of this report, the General Fund has loaned the General Purpose School Fund \$500,000 and the Employee Health Insurance Fund \$100,000. The General Purpose School fund has loaned the School Federal Projects Fund \$50,000.

As noted in the prior year report, The Board of County Commissioners at its July 2007 meeting approved the adoption of a private act creating the Anderson County Water Authority (Authority) on behalf of Anderson County, the Anderson County Utility Board, and the North Anderson County Utility District. The purposes of this authority include planning, acquiring, constructing, improving, extending, furnishing, equipping, financing, owning, operating, and maintaining water and wastewater systems. The initial membership of the authority consisted 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.

D. Contingent Liabilities

There are several pending lawsuits in which the county is involved. Based on letters from attorneys, management believes that the potential claims against the county not covered by insurance resulting from such litigation would not materially affect the financial statements of the county.

E. Changes in Administration

On February 29, 2008, Gail Cook left the Office of Accounts and Budgets. Joe Taylor, deputy director, served as interim director from March 1, 2008, until April 7, 2008. At that time, the County Commission approved the county mayor's nomination of Christopher Phillips to fill the position of director of accounts and budgets.

F. 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://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, 2008, was 7.55 percent of annual covered payroll. The contribution requirement of plan

members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2008, Anderson County’s annual pension cost of \$1,441,896 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 postretirement 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, 2007, which established contribution rates effective July 1, 2008.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-08	\$1,441,896	100%	\$0
6-30-07	1,302,756	100	0
6-30-06	894,042	100	0

Funded Status and Funding Progress

As of July 1, 2007, the most recent actuarial valuation date, the plan was 91.03 percent funded. The actuarial accrued liability for benefits was \$45.02 million, and the actuarial value of assets was \$40.99 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$4.03 million. The covered payroll (annual payroll of active employees covered by the plan) was \$16.93 million, and the ratio of the UAAL to the covered payroll was 23.84 percent.

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the Actuarial Accrued Liability for benefits.

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

School Teachers

Plan Description

The 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, 2008, was 6.24 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, 2008, 2007, and 2006, were \$1,750,097, \$1,585,011, and \$1,364,450, respectively, equal to the required contributions for each year.

G. 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.

H. Purchasing Laws

Purchasing procedures for the Offices of the County Mayor, Director of Schools, and Highway Superintendent are governed by the County Purchasing Law of 1957 (Section 5-14-101, et seq., Tennessee Code Annotated (TCA)). Purchasing procedures for the Highway Department are also governed by provisions of the Uniform Road Law, Section 54-7-113, TCA. These statutes provide for a purchasing agent and require competitive bids on all purchases exceeding \$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, 2008, has been calculated as follows:

Capital assets	\$ 561,725
Accumulated depreciation	<u>(249,417)</u>
Capital assets being depreciated, net	<u>\$ 312,308</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, 2008.

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, 2008, 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, 2008, were as follows:

	Balance 7-1-07	Additions	Balance 6-30-08
Capital assets being depreciated:			
Communications equipment	\$ 364,489	\$ 6,201	\$ 370,690
Furniture and fixtures	44,936	5,471	50,407
Vehicle	19,425	0	19,425
Leasehold improvements	50,240	0	50,240
Other capital assets	62,976	7,987	70,963
	<u>\$ 542,066</u>	<u>\$ 19,659</u>	<u>\$ 561,725</u>
Accumulated depreciation	(199,622)	(49,795)	(249,417)
Capital assets being depreciated, net	<u>\$ 342,444</u>	<u>\$ (30,136)</u>	<u>\$ 312,308</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.

G. Prior-Year Fund Balance Restated

Net assets at July 1, 2007, have been restated for a payable (\$11,255) not previously recorded.

**REQUIRED SUPPLEMENTARY
INFORMATION**

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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, 2008

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2007	Add: Encumbrances 6/30/2008	Actual		Budgeted Amounts	Variance with Final Budget - Positive (Negative)
				Revenues/ Expenditures			
				Basis)	(Budgetary Basis)		
Revenues							
Local Taxes	\$ 13,717,512	\$ 0	\$ 0	\$ 13,717,512	\$ 13,501,186	\$ 13,708,186	\$ 9,326
Licenses and Permits	334,781	0	0	334,781	376,000	376,000	(41,219)
Fines, Forfeitures, and Penalties	365,980	0	0	365,980	315,000	316,413	49,567
Charges for Current Services	4,996,546	0	0	4,996,546	4,378,600	4,448,600	547,946
Other Local Revenues	997,395	0	0	997,395	884,531	983,270	14,125
Fees Received from County Officials	3,677,288	0	0	3,677,288	3,745,000	3,856,652	(179,364)
State of Tennessee	1,608,241	0	0	1,608,241	1,441,980	1,379,379	228,862
Federal Government	600,570	0	0	600,570	12,921	767,019	(166,449)
Other Governments and Citizens Groups	1,001,260	0	0	1,001,260	91,849	537,424	463,836
Total Revenues	\$ 27,299,573	\$ 0	\$ 0	\$ 27,299,573	\$ 24,747,067	\$ 26,372,943	\$ 926,630
Expenditures							
General Government							
County Commission	\$ 228,481	\$ 0	\$ 0	228,481	\$ 229,720	\$ 230,519	\$ 2,038
Board of Equalization	1,497	0	0	1,497	7,623	7,635	6,138
Other Boards and Committees	269,735	0	0	269,735	244,126	294,637	24,902
County Mayor/Executive	168,818	0	0	168,818	176,760	177,067	8,249
Personnel Office	99,606	0	0	99,606	103,006	105,604	5,998
County Attorney	257,505	0	0	257,505	268,576	269,620	12,115
Election Commission	288,867	0	0	288,867	316,363	318,196	29,329
Register of Deeds	378,945	0	0	378,945	392,198	392,696	13,751
Planning	293,460	0	0	293,460	120,694	317,938	24,478
Engineering	58,264	(7,447)	0	50,817	109,291	85,929	35,112
Codes Compliance	0	0	0	0	148,763	0	0
County Buildings	1,010,605	(84,125)	53,618	980,098	970,714	1,114,050	133,952
Other General Administration	179,499	(3,612)	0	175,887	144,000	292,685	116,798
Preservation of Records	115,472	(9,477)	0	105,995	237,748	248,074	142,079

(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 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance</u>							
Accounting and Budgeting	\$ 709,410	\$ 0	\$ 32,934	\$ 742,344	\$ 770,035	\$ 790,859	\$ 48,515
Purchasing	158,596	0	0	158,596	153,430	162,420	3,824
Property Assessor's Office	383,184	0	68,797	451,981	441,842	510,205	58,224
Reappraisal Program	106,037	0	0	106,037	139,805	142,865	36,828
County Trustee's Office	555,138	(8,500)	0	546,638	527,267	557,394	10,756
County Clerk's Office	690,412	0	0	690,412	748,292	753,394	62,982
<u>Administration of Justice</u>							
Circuit Court	849,986	0	0	849,986	816,567	868,599	18,613
Criminal Court	1,850	0	0	1,850	2,058	2,058	208
General Sessions Court	30,548	0	0	30,548	36,750	31,066	518
General Sessions Judge	455,272	0	0	455,272	493,164	491,700	36,428
Drug Court	69,398	0	0	69,398	74,243	82,364	12,966
Chancery Court	392,266	0	0	392,266	446,742	451,219	58,953
Juvenile Court	425,365	0	0	425,365	457,446	458,169	32,804
District Attorney General	30,397	0	0	30,397	35,683	35,819	5,422
Office of Public Defender	7,528	0	0	7,528	0	21,000	13,472
Judicial Commissioners	279	0	0	279	894	894	615
Probate Court	1,488	0	0	1,488	3,850	2,150	662
Other Administration of Justice	124,743	0	0	124,743	117,189	117,568	(7,175)
<u>Public Safety</u>							
Sheriff's Department	4,151,130	0	4,123	4,155,253	3,676,291	4,410,385	255,132
Jail	3,577,767	0	0	3,577,767	4,179,930	4,080,464	502,697
Commissary	102,907	0	0	102,907	97,099	106,063	3,156
Civil Defense	590,185	(221)	0	589,964	389,358	888,760	268,796
Rescue Squad	20,000	0	0	20,000	20,000	20,000	0
Other Emergency Management	575,416	0	0	575,416	677,042	688,210	112,794

(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 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Public Safety (Cont.)</u>							
County Coroner/Medical Examiner	\$ 103,929	\$ 0	\$ 0	\$ 103,929	\$ 91,996	\$ 113,285	\$ 9,356
Other Public Safety	259,331	0	0	259,331	234,535	263,704	4,373
<u>Public Health and Welfare</u>							
Local Health Center	192,883	0	0	192,883	237,863	238,818	45,935
Rabies and Animal Control	119,580	0	0	119,580	175,375	170,883	51,303
Ambulance/Emergency Medical Services	3,798,952	0	143,045	3,941,997	3,683,173	4,094,718	152,721
Dental Health Program	236,672	0	0	236,672	227,401	229,412	(7,260)
Alcohol and Drug Programs	33,795	0	0	33,795	0	18,000	(15,795)
Other Local Health Services	350,786	0	0	350,786	363,935	363,935	13,149
Appropriation to State	104,565	0	0	104,565	106,841	106,841	2,276
<u>Social, Cultural, and Recreational Services</u>							
Parks and Fair Boards	3,000	0	0	3,000	3,000	3,000	0
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	153,261	0	0	153,261	157,889	161,347	8,086
Soil Conservation	36,422	0	0	36,422	38,116	43,149	6,727
<u>Other Operations</u>							
Industrial Development	122,339	0	0	122,339	119,500	119,500	(2,839)
Other Economic and Community Development	382,459	0	0	382,459	239,498	393,993	11,534
Veterans' Services	45,575	0	0	45,575	39,905	46,380	805
Other Charges	520,657	0	0	520,657	435,000	513,819	(6,838)
Contributions to Other Agencies	260,000	0	0	260,000	70,000	260,000	0
Miscellaneous	134,631	0	0	134,631	163,044	157,319	22,688
<u>Capital Projects</u>							
General Administration Projects	270,052	0	124,711	394,763	0	411,262	16,499
Administration of Justice Projects	50,270	0	4,292	54,562	0	46,692	(7,870)
Public Health and Welfare Projects	7,062	0	0	7,062	0	27,812	20,750

(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 7/1/2007	Add: Encumbrances 6/30/2008	Actual Revenues/ Expenditures (Budgetary Basis)		Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	Original	Final	
<u>Expenditures (Cont.)</u>								
Capital Projects (Cont.)								
Public Utility Projects	\$ 57,747 \$	0 \$	0 \$	57,747 \$	0 \$	80,869 \$	23,122	
Other General Government Projects	217,193	0	1,630	218,823	0	218,777	(46)	
Total Expenditures	\$ 24,821,217 \$	(113,382) \$	433,150 \$	25,140,985 \$	24,161,630 \$	27,581,790 \$	2,440,805	
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,478,356 \$	113,382 \$	(433,150) \$	2,158,588 \$	585,437 \$	(1,208,847) \$	3,367,435	
<u>Other Financing Sources (Uses)</u>								
Insurance Recovery	\$ 24,369 \$	0 \$	0 \$	24,369 \$	0 \$	23,722 \$	647	
Transfers Out	(1,512,380)	0	0	(1,512,380)	(1,479,585)	(1,895,462)	383,082	
Total Other Financing Sources (Uses)	\$ (1,488,011) \$	0 \$	0 \$	(1,488,011) \$	(1,479,585) \$	(1,871,740) \$	383,729	
Net Change in Fund Balance Fund Balance, July 1, 2007	\$ 990,345 \$	113,382 \$	(433,150) \$	670,577 \$	(894,148) \$	(3,080,587) \$	3,751,164	
Fund Balance, July 1, 2007	7,344,067	(113,382)	0	7,230,685	5,395,810	5,395,810	1,834,875	
Fund Balance, June 30, 2008	\$ 8,334,412 \$	0 \$	(433,150) \$	7,901,262 \$	4,501,662 \$	2,315,223 \$	5,586,039	

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, 2008

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 547,777	\$ 470,000	\$ 541,500	\$ 6,277
Charges for Current Services	31,978	0	0	31,978
Other Local Revenues	528,671	375,000	595,000	(66,329)
State of Tennessee	2,325,271	2,245,000	2,320,000	5,271
Federal Government	0	0	12,500	(12,500)
Total Revenues	<u>\$ 3,433,697</u>	<u>\$ 3,090,000</u>	<u>\$ 3,469,000</u>	<u>\$ (35,303)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 243,000	\$ 253,300	\$ 260,150	\$ 17,150
Highway and Bridge Maintenance	1,655,791	1,776,910	1,856,705	200,914
Operation and Maintenance of Equipment	965,138	790,115	1,094,720	129,582
Other Charges	242,575	231,611	226,877	(15,698)
Capital Outlay	485,397	695,000	798,396	312,999
Total Expenditures	<u>\$ 3,591,901</u>	<u>\$ 3,746,936</u>	<u>\$ 4,236,848</u>	<u>\$ 644,947</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (158,204)</u>	<u>\$ (656,936)</u>	<u>\$ (767,848)</u>	<u>\$ 609,644</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 5,127	\$ 0	\$ 0	\$ 5,127
Transfers In	49,390	0	29,946	19,444
Total Other Financing Sources (Uses)	<u>\$ 54,517</u>	<u>\$ 0</u>	<u>\$ 29,946</u>	<u>\$ 24,571</u>
Net Change in Fund Balance	\$ (103,687)	\$ (656,936)	\$ (737,902)	\$ 634,215
Fund Balance, July 1, 2007	784,623	776,659	776,659	7,964
Fund Balance, June 30, 2008	<u>\$ 680,936</u>	<u>\$ 119,723</u>	<u>\$ 38,757</u>	<u>\$ 642,179</u>

Exhibit F-3

Anderson County, Tennessee
Schedule of Funding Progress – Pension Plan
June 30, 2008

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6-30-07	\$ 40,991	\$ 45,028	\$ 4,037	91.03 %	\$ 16,932	23.84 %

The Governmental Accounting Standards Board requires the plan to prepare the Schedule of Funding Progress using the entry age actuarial cost method. The requirement to present the Schedule of Funding Progress using the entry age actuarial cost method was a change made during the year; therefore, only the most current year is presented.

ANDERSON COUNTY, TENNESSEE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2008

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 and Highway/Public Works Funds as follows:

Fund/Major Category	Amount Overspent
General:	
Other Administration of Justice	\$ 7,175
Dental Health Program	7,260
Alcohol and Drug Programs	15,795
Industrial Development	2,839
Other Charges	6,838
Administration of Justice Projects	7,870
Other General Government Projects	46
Highway/Public Works:	
Other Charges	15,698

Such overexpenditures are violations of state statute. These overexpenditures were funded by excess funds resulting from expenditures being below estimates in other major categories and available fund balances.

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

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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.

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Exhibit G-1

Anderson County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2008

	Special Revenue Funds							Total Nonmajor Governmental Funds
	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Drug Control	District Attorney General	Other Special Revenue	Constitu- tional Officers - Fees	
\$	0	887	0	0	0	0	2,679	3,566
Equity in Pooled Cash and Investments	110,824	25,271	68,998	82,921	10,537	86,959	0	385,510
Accounts Receivable	0	235	89,080	0	0	0	5,935	95,250
Due from Other Governments	0	0	17,488	0	0	0	0	17,488
Due from Other Funds	0	105,766	102,229	4,021	0	33,936	0	245,952
Due from Component Units	0	0	20,088	0	0	0	0	20,088
Total Assets	\$ 110,824	\$ 132,159	\$ 297,883	\$ 86,942	\$ 10,537	\$ 120,895	\$ 8,614	\$ 767,854

ASSETS

Cash
 Equity in Pooled Cash and Investments
 Accounts Receivable
 Due from Other Governments
 Due from Other Funds
 Due from Component Units

Total Assets

LIABILITIES AND FUND BALANCES

\$	2,918	13,439	20,023	4,312	512	16,784	0	57,988
Accounts Payable	0	4,309	2,075	0	0	1,147	0	7,531
Accrued Payroll	0	3,352	2,797	0	0	1,505	0	7,654
Payroll Deductions Payable	21,178	2,000	88,303	0	0	0	0	111,481
Contracts Payable	0	0	624	0	0	0	8,614	9,238
Due to Other Funds	0	0	9,077	0	0	0	0	9,077
Other Deferred Revenues	0	0	0	0	0	0	0	0
Total Liabilities	\$ 24,096	\$ 23,100	\$ 122,899	\$ 4,312	\$ 512	\$ 19,436	\$ 8,614	\$ 202,969
Fund Balances	0	1,230	0	0	0	0	0	1,230
Reserved for Other General Purposes	86,728	107,829	174,984	82,630	10,025	101,459	0	563,655
Unreserved	86,728	109,059	174,984	82,630	10,025	101,459	0	564,885
Total Fund Balances	\$ 110,824	\$ 132,159	\$ 297,883	\$ 86,942	\$ 10,537	\$ 120,895	\$ 8,614	\$ 767,854
Total Liabilities and Fund Balances								

Anderson County, Tennessee
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2008

	Special Revenue Funds						District Attorney General
	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Drug Control			
<u>Revenues</u>							
Local Taxes	\$ 23,036	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Fines, Forfeitures, and Penalties Charges for Current Services	0	0	0	35,016	0	15,585	0
Other Local Revenues	0	17,067	386,972	0	15,376	0	0
State of Tennessee	0	14,634	18,240	0	2,796	0	3
Other Governments and Citizens Groups	0	1,000	97,822	0	0	0	0
Total Revenues	\$ 23,036	\$ 154,227	\$ 503,034	\$ 53,188	\$ 15,588	\$ 15,588	
<u>Expenditures</u>							
Current:							
General Government	\$ 93,859	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Administration of Justice	0	0	0	0	0	19,358	0
Public Safety	0	0	0	70,055	0	0	0
Public Health and Welfare	0	0	1,442,864	0	0	0	0
Social, Cultural, and Recreational Services	0	356,240	0	0	0	0	0
Other Operations	0	0	0	0	0	0	0
Debt Service:							
Principal on Debt	0	0	0	0	0	0	0
Interest on Debt	0	0	0	0	0	0	0
Capital Projects	0	0	0	0	0	0	0
Total Expenditures	\$ 93,859	\$ 356,240	\$ 1,442,864	\$ 70,055	\$ 19,358	\$ 19,358	
Excess (Deficiency) of Revenues Over Expenditures	\$ (70,823)	\$ (202,013)	\$ (939,830)	\$ (16,867)	\$ (3,770)	\$ (3,770)	
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 100,000	\$ 201,936	\$ 921,554	\$ 0	\$ 0	\$ 0	0
Total Other Financing Sources (Uses)	\$ 100,000	\$ 201,936	\$ 921,554	\$ 0	\$ 0	\$ 0	0
Net Change in Fund Balances Fund Balance, July 1, 2007	\$ 29,177	\$ (77)	\$ (18,276)	\$ (16,867)	\$ (3,770)	\$ (3,770)	13,795
	57,551	109,136	193,260	99,497	13,795	13,795	
Fund Balance, June 30, 2008	\$ 86,728	\$ 109,059	\$ 174,984	\$ 82,630	\$ 10,025	\$ 10,025	

(Continued)

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	Constitutional Officers - Fees	Total	General Capital Projects	Fund	
<u>Revenues</u>						
Local Taxes	\$ 0 \$	0 \$	23,036 \$	0 \$	0 \$	23,036
Fines, Forfeitures, and Penalties	0	0	50,601	0	0	50,601
Charges for Current Services	0	21,011	425,050	0	0	425,050
Other Local Revenues	0	0	48,253	0	0	48,253
State of Tennessee	0	0	101,618	0	0	101,618
Other Governments and Citizens Groups	0	0	121,526	0	0	121,526
Total Revenues	\$ 0 \$	21,011 \$	770,084 \$	0 \$	0 \$	770,084
<u>Expenditures</u>						
Current:						
General Government	\$ 0 \$	0 \$	93,859 \$	0 \$	0 \$	93,859
Administration of Justice	0	21,011	40,369	0	0	40,369
Public Safety	0	0	70,055	0	0	70,055
Public Health and Welfare	0	0	1,442,864	0	0	1,442,864
Social, Cultural, and Recreational Services	0	0	356,240	0	0	356,240
Other Operations	122,186	0	122,186	0	0	122,186
Debt Service:						
Principal on Debt	15,000	0	15,000	0	0	15,000
Interest on Debt	1,591	0	1,591	0	0	1,591
Capital Projects	0	0	0	47,845	0	47,845
Total Expenditures	\$ 138,777 \$	21,011 \$	2,142,164 \$	47,845 \$	0 \$	2,190,009
Excess (Deficiency) of Revenues Over Expenditures	\$ (138,777) \$	0 \$	(1,372,080) \$	(47,845) \$	0 \$	(1,419,925)
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 160,548 \$	0 \$	1,384,038 \$	47,845 \$	0 \$	1,431,883
Total Other Financing Sources (Uses)	\$ 160,548 \$	0 \$	1,384,038 \$	47,845 \$	0 \$	1,431,883
Net Change in Fund Balances	\$ 21,771 \$	0 \$	11,958 \$	0 \$	0 \$	11,958
Fund Balance, July 1, 2007	79,688	0	552,927	0	0	552,927
Fund Balance, June 30, 2008	\$ 101,459 \$	0 \$	564,885 \$	0 \$	0 \$	564,885

Exhibit G-3

Anderson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Courthouse and Jail Maintenance Fund
For the Year Ended June 30, 2008

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 23,036	\$ 24,000	\$ 24,000	\$ (964)
Total Revenues	\$ 23,036	\$ 24,000	\$ 24,000	\$ (964)
<u>Expenditures</u>				
<u>General Government</u>				
Building	\$ 93,859	\$ 124,000	\$ 124,000	\$ 30,141
Total Expenditures	\$ 93,859	\$ 124,000	\$ 124,000	\$ 30,141
Excess (Deficiency) of Revenues Over Expenditures	\$ (70,823)	\$ (100,000)	\$ (100,000)	\$ 29,177
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 100,000	\$ 100,000	\$ 100,000	\$ 0
Total Other Financing Sources (Uses)	\$ 100,000	\$ 100,000	\$ 100,000	\$ 0
Net Change in Fund Balance	\$ 29,177	\$ 0	\$ 0	\$ 29,177
Fund Balance, July 1, 2007	57,551	57,550	57,550	1
Fund Balance, June 30, 2008	\$ 86,728	\$ 57,550	\$ 57,550	\$ 29,178

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, 2008

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 17,067	\$ 18,800	\$ 18,800	\$ (1,733)
Other Local Revenues	14,634	5,800	8,693	5,941
State of Tennessee	1,000	0	0	1,000
Other Governments and Citizens Groups	121,526	150,015	159,937	(38,411)
Total Revenues	<u>\$ 154,227</u>	<u>\$ 174,615</u>	<u>\$ 187,430</u>	<u>\$ (33,203)</u>
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Libraries	\$ 356,240	\$ 340,327	\$ 384,758	\$ 28,518
Total Expenditures	<u>\$ 356,240</u>	<u>\$ 340,327</u>	<u>\$ 384,758</u>	<u>\$ 28,518</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (202,013)</u>	<u>\$ (165,712)</u>	<u>\$ (197,328)</u>	<u>\$ (4,685)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 201,936	\$ 201,936	\$ 201,936	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 201,936</u>	<u>\$ 201,936</u>	<u>\$ 201,936</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (77)	\$ 36,224	\$ 4,608	\$ (4,685)
Fund Balance, July 1, 2007	<u>109,136</u>	<u>44,936</u>	<u>44,936</u>	<u>64,200</u>
Fund Balance, June 30, 2008	<u>\$ 109,059</u>	<u>\$ 81,160</u>	<u>\$ 49,544</u>	<u>\$ 59,515</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, 2008

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 386,972	\$ 414,500	\$ 414,500	\$ (27,528)
Other Local Revenues	18,240	10,000	10,000	8,240
State of Tennessee	97,822	101,500	117,875	(20,053)
Total Revenues	<u>\$ 503,034</u>	<u>\$ 526,000</u>	<u>\$ 542,375</u>	<u>\$ (39,341)</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Sanitation Management	\$ 135,197	\$ 138,134	\$ 154,137	\$ 18,940
Convenience Centers	510,865	560,750	572,525	61,660
Other Waste Collection	61,984	66,343	69,640	7,656
Recycling Center	7,184	10,200	10,200	3,016
Landfill Operation and Maintenance	655,439	687,000	687,000	31,561
Other Waste Disposal	72,195	98,500	98,500	26,305
Total Expenditures	<u>\$ 1,442,864</u>	<u>\$ 1,560,927</u>	<u>\$ 1,592,002</u>	<u>\$ 149,138</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (939,830)</u>	<u>\$ (1,034,927)</u>	<u>\$ (1,049,627)</u>	<u>\$ 109,797</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	<u>\$ 921,554</u>	<u>\$ 1,034,927</u>	<u>\$ 1,049,627</u>	<u>\$ (128,073)</u>
Total Other Financing Sources (Uses)	<u>\$ 921,554</u>	<u>\$ 1,034,927</u>	<u>\$ 1,049,627</u>	<u>\$ (128,073)</u>
Net Change in Fund Balance	\$ (18,276)	\$ 0	\$ 0	\$ (18,276)
Fund Balance, July 1, 2007	<u>193,260</u>	<u>0</u>	<u>0</u>	<u>193,260</u>
Fund Balance, June 30, 2008	<u>\$ 174,984</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 174,984</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, 2008

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 35,016	\$ 60,000	\$ 60,000	\$ (24,984)
Other Local Revenues	15,376	1,000	1,055	14,321
State of Tennessee	2,796	0	0	2,796
Total Revenues	<u>\$ 53,188</u>	<u>\$ 61,000</u>	<u>\$ 61,055</u>	<u>\$ (7,867)</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 70,055	\$ 61,000	\$ 90,489	\$ 20,434
Total Expenditures	<u>\$ 70,055</u>	<u>\$ 61,000</u>	<u>\$ 90,489</u>	<u>\$ 20,434</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (16,867)	\$ 0	\$ (29,434)	\$ 12,567
Net Change in Fund Balance	\$ (16,867)	\$ 0	\$ (29,434)	\$ 12,567
Fund Balance, July 1, 2007	<u>99,497</u>	<u>89,476</u>	<u>89,476</u>	<u>10,021</u>
Fund Balance, June 30, 2008	<u>\$ 82,630</u>	<u>\$ 89,476</u>	<u>\$ 60,042</u>	<u>\$ 22,588</u>

Exhibit G-7

Anderson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Other Special Revenue Fund
For the Year Ended June 30, 2008

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
State of Tennessee	\$ 0	\$ 5,000	\$ 5,000	\$ (5,000)
Total Revenues	\$ 0	\$ 5,000	\$ 5,000	\$ (5,000)
<u>Expenditures</u>				
<u>Other Operations</u>				
Tourism	\$ 122,186	\$ 135,932	\$ 161,232	\$ 39,046
<u>Principal on Debt</u>				
General Government	15,000	15,000	15,000	0
<u>Interest on Debt</u>				
General Government	1,591	2,000	2,000	409
Total Expenditures	\$ 138,777	\$ 152,932	\$ 178,232	\$ 39,455
Excess (Deficiency) of Revenues Over Expenditures	\$ (138,777)	\$ (147,932)	\$ (173,232)	\$ 34,455
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 160,548	\$ 152,000	\$ 152,000	\$ 8,548
Total Other Financing Sources (Uses)	\$ 160,548	\$ 152,000	\$ 152,000	\$ 8,548
Net Change in Fund Balance	\$ 21,771	\$ 4,068	\$ (21,232)	\$ 43,003
Fund Balance, July 1, 2007	79,688	79,687	79,687	1
Fund Balance, June 30, 2008	\$ 101,459	\$ 83,755	\$ 58,455	\$ 43,004

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.

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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, 2008

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,461,074	\$ 2,376,083	\$ 2,376,083	\$ 84,991
Other Local Revenues	81,482	65,000	65,000	16,482
Total Revenues	<u>\$ 2,542,556</u>	<u>\$ 2,441,083</u>	<u>\$ 2,441,083</u>	<u>\$ 101,473</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,658,000	\$ 1,658,000	\$ 1,658,000	\$ 0
<u>Interest on Debt</u>				
General Government	439,604	490,044	490,044	50,440
<u>Other Debt Service</u>				
General Government	58,175	116,000	116,000	57,825
Total Expenditures	<u>\$ 2,155,779</u>	<u>\$ 2,264,044</u>	<u>\$ 2,264,044</u>	<u>\$ 108,265</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 386,777</u>	<u>\$ 177,039</u>	<u>\$ 177,039</u>	<u>\$ 209,738</u>
Net Change in Fund Balance	\$ 386,777	\$ 177,039	\$ 177,039	\$ 209,738
Fund Balance, July 1, 2007	<u>1,108,701</u>	<u>1,108,701</u>	<u>1,108,701</u>	<u>0</u>
Fund Balance, June 30, 2008	<u>\$ 1,495,478</u>	<u>\$ 1,285,740</u>	<u>\$ 1,285,740</u>	<u>\$ 209,738</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, 2008

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 49,476	\$ 47,468	\$ 47,468	\$ 2,008
Other Local Revenues	213,778	15,000	208,622	5,156
Other Governments and Citizens Groups	1,355,541	1,636,706	1,443,084	(87,543)
Total Revenues	<u>\$ 1,618,795</u>	<u>\$ 1,699,174</u>	<u>\$ 1,699,174</u>	<u>\$ (80,379)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 1,129,136	\$ 1,129,137	\$ 1,129,137	\$ 1
<u>Interest on Debt</u>				
Education	536,553	526,714	526,714	(9,839)
<u>Other Debt Service</u>				
Education	3,175	15,500	15,500	12,325
Total Expenditures	<u>\$ 1,668,864</u>	<u>\$ 1,671,351</u>	<u>\$ 1,671,351</u>	<u>\$ 2,487</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (50,069)</u>	<u>\$ 27,823</u>	<u>\$ 27,823</u>	<u>\$ (77,892)</u>
<u>Other Financing Sources (Uses)</u>				
Other Loans Issued	\$ 10,345	\$ 0	\$ 0	\$ 10,345
Total Other Financing Sources (Uses)	<u>\$ 10,345</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,345</u>
Net Change in Fund Balance	\$ (39,724)	\$ 27,823	\$ 27,823	\$ (67,547)
Fund Balance, July 1, 2007	<u>6,147,977</u>	<u>6,147,977</u>	<u>6,147,977</u>	<u>0</u>
Fund Balance, June 30, 2008	<u>\$ 6,108,253</u>	<u>\$ 6,175,800</u>	<u>\$ 6,175,800</u>	<u>\$ (67,547)</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, 2008

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 959,553	\$ 928,015	\$ 928,015	\$ 31,538
Other Local Revenues	200,354	65,000	197,470	2,884
Other Governments and Citizens Groups	839,215	1,016,539	884,069	(44,854)
Total Revenues	<u>\$ 1,999,122</u>	<u>\$ 2,009,554</u>	<u>\$ 2,009,554</u>	<u>\$ (10,432)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 1,393,547	\$ 1,393,547	\$ 1,393,547	\$ 0
<u>Interest on Debt</u>				
Education	502,759	498,861	498,861	(3,898)
<u>Other Debt Service</u>				
Education	21,896	35,000	35,000	13,104
Total Expenditures	<u>\$ 1,918,202</u>	<u>\$ 1,927,408</u>	<u>\$ 1,927,408</u>	<u>\$ 9,206</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 80,920</u>	<u>\$ 82,146</u>	<u>\$ 82,146</u>	<u>\$ (1,226)</u>
<u>Other Financing Sources (Uses)</u>				
Other Loans Issued	\$ 70,900	\$ 0	\$ 0	\$ 70,900
Transfers In	16,107	16,200	16,200	(93)
Total Other Financing Sources (Uses)	<u>\$ 87,007</u>	<u>\$ 16,200</u>	<u>\$ 16,200</u>	<u>\$ 70,807</u>
Net Change in Fund Balance	\$ 167,927	\$ 98,346	\$ 98,346	\$ 69,581
Fund Balance, July 1, 2007	<u>5,313,473</u>	<u>5,313,473</u>	<u>5,313,473</u>	<u>0</u>
Fund Balance, June 30, 2008	<u>\$ 5,481,400</u>	<u>\$ 5,411,819</u>	<u>\$ 5,411,819</u>	<u>\$ 69,581</u>

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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.

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Anderson County, Tennessee
 Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2008

	Agency Funds					Total
	Cities - Sales Tax	City School ADA - Clinton	City School ADA - Oak Ridge	Constitu- tional Officers - Agency		
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 0	\$ 1,811,647	\$ 1,811,647	\$ 1,811,647
Equity in Pooled Cash and Investments	0	5,697	26,939	0	32,636	32,636
Due from Other Governments	1,863,233	144,529	686,703	0	2,694,465	2,694,465
Taxes Receivable	0	1,634,076	7,728,631	0	9,362,707	9,362,707
Allowance for Uncollectible Taxes		(63,192)	(298,879)		(362,071)	(362,071)
Cash Shortage	0	0	0	4,585	4,585	4,585
Total Assets	\$ 1,863,233	\$ 1,721,110	\$ 8,143,394	\$ 1,816,232	\$ 13,543,969	\$ 13,543,969
<u>LIABILITIES</u>						
Due to Other Taxing Units	\$ 1,863,233	\$ 1,721,110	\$ 8,143,394	\$ 0	\$ 11,727,737	\$ 11,727,737
Due to Litigants, Heirs, and Others	0	0	0	1,811,647	1,811,647	1,811,647
Other Current Liabilities	0	0	0	4,585	4,585	4,585
Total Liabilities	\$ 1,863,233	\$ 1,721,110	\$ 8,143,394	\$ 1,816,232	\$ 13,543,969	\$ 13,543,969

Exhibit I-2

Anderson County, Tennessee
Combining Statement of Changes in Assets
and Liabilities - All Agency Funds
For the Year Ended June 30, 2008

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 10,711,310	\$ 10,711,310	\$ 0
Due from Other Governments	1,766,053	1,863,233	1,766,053	1,863,233
Total Assets	\$ 1,766,053	\$ 12,574,543	\$ 12,477,363	\$ 1,863,233
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 1,766,053	\$ 12,574,543	\$ 12,477,363	\$ 1,863,233
Total Liabilities	\$ 1,766,053	\$ 12,574,543	\$ 12,477,363	\$ 1,863,233
<u>City School ADA - Clinton Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 2,715	\$ 2,439,820	\$ 2,436,838	\$ 5,697
Due from Other Governments	138,095	144,529	138,095	144,529
Taxes Receivable	1,621,704	1,634,076	1,621,704	1,634,076
Allowance for Uncollectible Taxes	(52,692)	(63,192)	(52,692)	(63,192)
Total Assets	\$ 1,709,822	\$ 4,155,233	\$ 4,143,945	\$ 1,721,110
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 1,709,822	\$ 4,155,233	\$ 4,143,945	\$ 1,721,110
Total Liabilities	\$ 1,709,822	\$ 4,155,233	\$ 4,143,945	\$ 1,721,110
<u>City School ADA - Oak Ridge Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 12,964	\$ 11,536,412	\$ 11,522,437	\$ 26,939
Due from Other Governments	659,492	686,703	659,492	686,703
Taxes Receivable	7,743,816	7,728,631	7,743,816	7,728,631
Allowance for Uncollectible Taxes	(251,612)	(298,879)	(251,612)	(298,879)
Total Assets	\$ 8,164,660	\$ 19,652,867	\$ 19,674,133	\$ 8,143,394
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 8,164,660	\$ 19,652,867	\$ 19,674,133	\$ 8,143,394
Total Liabilities	\$ 8,164,660	\$ 19,652,867	\$ 19,674,133	\$ 8,143,394
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 2,102,722	\$ 12,781,896	\$ 13,072,971	\$ 1,811,647
Accounts Receivable	2,240	0	2,240	0
Cash Shortage	0	4,585	0	4,585
Total Assets	\$ 2,104,962	\$ 12,786,481	\$ 13,075,211	\$ 1,816,232

(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	\$ 2,104,962	\$ 12,781,896	\$ 13,075,211	\$ 1,811,647
Other Current Liabilities	0	4,585	0	4,585
Total Liabilities	\$ 2,104,962	\$ 12,786,481	\$ 13,075,211	\$ 1,816,232
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 2,102,722	\$ 12,781,896	\$ 13,072,971	\$ 1,811,647
Equity in Pooled Cash and Investments	15,679	24,687,542	24,670,585	32,636
Accounts Receivable	2,240	0	2,240	0
Due from Other Governments	2,563,640	2,694,465	2,563,640	2,694,465
Cash Shortage	0	4,585	0	4,585
Taxes Receivable	9,365,520	9,362,707	9,365,520	9,362,707
Allowance for Uncollectible Taxes	(304,304)	(362,071)	(304,304)	(362,071)
Total Assets	\$ 13,745,497	\$ 49,169,124	\$ 49,370,652	\$ 13,543,969
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 11,640,535	\$ 36,382,643	\$ 36,295,441	\$ 11,727,737
Due to Litigants, Heirs, and Others	2,104,962	12,781,896	13,075,211	1,811,647
Other Current Liabilities	0	4,585	0	4,585
Total Liabilities	\$ 13,745,497	\$ 49,169,124	\$ 49,370,652	\$ 13,543,969

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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.

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Exhibit J-1

Anderson County, Tennessee
 Statement of Activities
 Discretely Presented Anderson County School Department
 For the Year Ended June 30, 2008

Functions/Programs	Program Revenues		Net Expense (Revenue) and Changes in Net Assets Total
	Expenses	Charges for Services	
Governmental Activities:			
Instruction	\$ 34,896,302	\$ 327,091	\$ 4,270,807
Support Services	18,520,256	11,200	862,215
Operation of Non-Instructional Services	6,794,128	1,379,642	4,841,243
Interest on Long-term Debt	446,275	0	0
Other Debt Service	2,194,756	0	0
Total Governmental Activities	\$ 62,851,717	\$ 1,717,933	\$ 9,974,265
General Revenues:			
Taxes:			
Property Taxes Levied for General Purposes			\$ 13,644,663
Local Option Sales Taxes			7,104,562
Other Local Taxes			161,047
Grants and Contributions Not Restricted for Specific Programs			30,174,626
Unrestricted Investment Income			169,899
Miscellaneous			56,519
Total General Revenues			\$ 51,311,316
Change in Net Assets			\$ 151,797
Net Assets, July 1, 2007			35,085,713
Net Assets, June 30, 2008			<u>\$ 35,237,510</u>

Exhibit J-2

Anderson County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Anderson County School Department
June 30, 2008

	<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	\$ 10,000	\$ 0	\$ 10,000
Equity in Pooled Cash and Investments	3,773,163	765,801	4,538,964
Inventories	0	81,954	81,954
Accounts Receivable	18,641	4,251	22,892
Due from Other Governments	2,161,437	445,805	2,607,242
Due from Other Funds	123,728	22,211	145,939
Due from Primary Government	162,092	0	162,092
Property Taxes Receivable	14,065,908	0	14,065,908
Allowance for Uncollectible Property Taxes	(543,951)	0	(543,951)
Prepaid Items	87,798	0	87,798
Total Assets	<u>\$ 19,858,816</u>	<u>\$ 1,320,022</u>	<u>\$ 21,178,838</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 762,220	\$ 282,276	\$ 1,044,496
Payroll Deductions Payable	513,630	67,534	581,164
Due to Other Funds	4,215	141,724	145,939
Due to Primary Government	441,498	488	441,986
Other Current Liabilities	372	0	372
Deferred Revenue - Current Property Taxes	13,205,354	0	13,205,354
Deferred Revenue - Delinquent Property Taxes	244,210	0	244,210
Other Deferred Revenues	686,978	9,381	696,359
Total Liabilities	<u>\$ 15,858,477</u>	<u>\$ 501,403</u>	<u>\$ 16,359,880</u>
<u>Fund Balances</u>			
Reserved for Prepaid Items	\$ 87,798	\$ 0	\$ 87,798
Reserved for Inventory	0	81,954	81,954
Other Local Education Reserves	110,332	0	110,332
Reserved for Career Ladder - Extended Contract	120,851	0	120,851
Reserved for Career Ladder Program	16,295	0	16,295
Reserved for Technology	0	185	185
Reserved for Title I Grants to Local Education Agencies	0	36,432	36,432
Reserved for Special Education - Grants to States	0	336,975	336,975
Other Federal Reserves	0	163,177	163,177
Unreserved, Reported In:			
General Fund	3,665,063	0	3,665,063
Special Revenue Funds	0	199,896	199,896
Total Fund Balances	<u>\$ 4,000,339</u>	<u>\$ 818,619</u>	<u>\$ 4,818,958</u>
Total Liabilities and Fund Balances	<u>\$ 19,858,816</u>	<u>\$ 1,320,022</u>	<u>\$ 21,178,838</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, 2008

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)		\$	4,818,958
(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: buildings and improvements net of accumulated depreciation		38,569,021	
Add: other capital assets net of accumulated depreciation		<u>1,478,516</u>	40,684,426
(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	\$	(10,113,318)	
Less: lease payable		(778,390)	
Less: accrued interest on notes and capital lease		(17,919)	
Less: compensated absences payable		<u>(296,816)</u>	(11,206,443)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>940,569</u>
Net assets of governmental activities (Exhibit A)		\$	<u><u>35,237,510</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, 2008

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 21,045,525	\$ 0	\$ 21,045,525
Licenses and Permits	3,580	0	3,580
Charges for Current Services	246,557	1,467,596	1,714,153
Other Local Revenues	300,957	9,338	310,295
State of Tennessee	31,325,961	189,435	31,515,396
Federal Government	160,000	8,177,763	8,337,763
Other Governments and Citizens Groups	0	5,536	5,536
Total Revenues	<u>\$ 53,082,580</u>	<u>\$ 9,849,668</u>	<u>\$ 62,932,248</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 30,589,332	\$ 2,742,480	\$ 33,331,812
Support Services	17,807,753	764,581	18,572,334
Operation of Non-Instructional Services	548,639	6,057,463	6,606,102
Capital Outlay	337,763	0	337,763
Debt Service:			
Principal on Debt	403,670	18,957	422,627
Interest on Debt	374,438	76,656	451,094
Other Debt Service	2,194,756	0	2,194,756
Capital Projects	0	315,020	315,020
Total Expenditures	<u>\$ 52,256,351</u>	<u>\$ 9,975,157</u>	<u>\$ 62,231,508</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 826,229</u>	<u>\$ (125,489)</u>	<u>\$ 700,740</u>
<u>Other Financing Sources (Uses)</u>			
Notes Issued	\$ 0	\$ 81,245	\$ 81,245
Insurance Recovery	9,332	0	9,332
Transfers In	119,636	211,877	331,513
Transfers Out	(37,161)	(294,352)	(331,513)
Total Other Financing Sources (Uses)	<u>\$ 91,807</u>	<u>\$ (1,230)</u>	<u>\$ 90,577</u>
Net Change in Fund Balances	\$ 918,036	\$ (126,719)	\$ 791,317
Fund Balance, July 1, 2007	<u>3,082,303</u>	<u>945,338</u>	<u>4,027,641</u>
Fund Balance, June 30, 2008	<u>\$ 4,000,339</u>	<u>\$ 818,619</u>	<u>\$ 4,818,958</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, 2008

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)	\$	791,317
(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	\$	942,103
Less: current year depreciation expense		<u>(1,828,347)</u>
		(886,244)
(2) Capital assets 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.		(9,389)
(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, 2008	\$	940,569
Less: deferred delinquent property taxes/other deferred June 30, 2007		<u>(1,020,735)</u>
		(80,166)
(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	\$	(81,245)
Add: principal payments on notes		400,333
Add: principal payments on leases		<u>22,294</u>
		341,382
(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	\$	4,819
Change in compensated absences payable		<u>(9,922)</u>
		(5,103)
Change in net assets of governmental activities (Exhibit B)	\$	<u><u>151,797</u></u>

Exhibit J-6

Anderson County, Tennessee
 Combining Balance Sheet - Nonmajor Governmental Funds
 Discretely Presented Anderson County School Department
 June 30, 2008

	Special Revenue Funds				Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Education Special Revenue	Other	
\$ 340,600	\$ 171,702	\$ 253,499	\$ 765,801		
0	81,954	0	81,954		
1,668	2,583	0	4,251		
124,301	150,167	171,337	445,805		
665	21,546	0	22,211		
\$ 467,234	\$ 427,952	\$ 424,836	\$ 1,320,022		

ASSETS

Equity in Pooled Cash and Investments	
Inventories	
Accounts Receivable	
Due from Other Governments	
Due from Other Funds	
Total Assets	

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LIABILITIES AND FUND BALANCES

<u>Liabilities</u>				
Accounts Payable	\$ 72,050	\$ 27,793	\$ 182,433	\$ 282,276
Payroll Deductions Payable	30,992	16,353	20,189	67,534
Due to Other Funds	63,230	0	78,494	141,724
Due to Primary Government	0	0	488	488
Other Deferred Revenues	0	0	9,381	9,381
Total Liabilities	\$ 166,272	\$ 44,146	\$ 290,985	\$ 501,403
<u>Fund Balances</u>				
Reserved for Inventory	\$ 0	\$ 81,954	\$ 0	\$ 81,954
Reserved for Technology	185	0	0	185
Reserved for Title I Grants to Local Education Agencies	36,432	0	0	36,432
Reserved for Special Education - Grants to States	336,975	0	0	336,975
Other Federal Reserves	29,326	0	133,851	163,177
Unreserved (Deficit)	(101,956)	301,852	0	199,896
Total Fund Balances	\$ 300,962	\$ 383,806	\$ 133,851	\$ 818,619
Total Liabilities and Fund Balances	\$ 467,234	\$ 427,952	\$ 424,836	\$ 1,320,022

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, 2008

	Special Revenue Funds				Total	Capital Projects Fund		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Education Special Revenue	Other Education Special Revenue		Education Capital Projects	Capital Projects	
<u>Revenues</u>								
Charges for Current Services	\$ 11,200	\$ 1,196,203	\$ 260,193	\$ 1,467,596	\$ 0	\$ 0	\$ 1,467,596	
Other Local Revenues	0	8,726	541	9,267	71	0	9,338	
State of Tennessee	117,149	33,773	38,513	189,435	0	0	189,435	
Federal Government	3,640,073	1,687,261	2,850,429	8,177,763	0	0	8,177,763	
Other Governments and Citizens Groups	5,536	0	0	5,536	0	0	5,536	
<u>Total Revenues</u>	<u>\$ 3,773,958</u>	<u>\$ 2,925,963</u>	<u>\$ 3,149,676</u>	<u>\$ 9,849,597</u>	<u>\$ 71</u>	<u>\$ 0</u>	<u>\$ 9,849,668</u>	
<u>Expenditures</u>								
Current:								
Instruction	\$ 2,742,480	\$ 0	\$ 0	\$ 2,742,480	\$ 0	\$ 0	\$ 2,742,480	
Support Services	764,581	0	0	764,581	0	0	764,581	
Operation of Non-Instructional Services	0	3,225,937	2,831,526	6,057,463	0	0	6,057,463	
Debt Service:								
Principal on Debt	0	0	18,957	18,957	0	0	18,957	
Interest on Debt	0	0	76,656	76,656	0	0	76,656	
Capital Projects	0	0	0	0	315,020	0	315,020	
<u>Total Expenditures</u>	<u>\$ 3,507,061</u>	<u>\$ 3,225,937</u>	<u>\$ 2,927,139</u>	<u>\$ 9,660,137</u>	<u>\$ 315,020</u>	<u>\$ 0</u>	<u>\$ 9,975,157</u>	
Excess (Deficiency) of Revenues Over Expenditures	\$ 266,897	\$ (299,974)	\$ 222,537	\$ 189,460	\$ (314,949)	\$ 0	\$ (125,489)	
<u>Other Financing Sources (Uses)</u>								
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 81,245	\$ 0	\$ 81,245	
Transfers In	0	211,877	0	211,877	0	0	211,877	
Transfers Out	(63,230)	0	(230,714)	(293,944)	(408)	0	(294,352)	
<u>Total Other Financing Sources (Uses)</u>	<u>\$ (63,230)</u>	<u>\$ 211,877</u>	<u>\$ (230,714)</u>	<u>\$ (82,067)</u>	<u>\$ 80,837</u>	<u>\$ 0</u>	<u>\$ (1,230)</u>	
Net Change in Fund Balances Fund Balance, July 1, 2007	\$ 203,667	\$ (88,097)	\$ (8,177)	\$ 107,393	\$ (234,112)	\$ 0	\$ (126,719)	
	97,295	471,903	142,028	711,226	234,112	0	945,338	
Fund Balance, June 30, 2008	\$ 300,962	\$ 383,806	\$ 133,851	\$ 818,619	\$ 0	\$ 0	\$ 818,619	

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, 2008

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 21,045,525	\$ 0	\$ 21,045,525	\$ 20,515,634	\$ 20,515,634	\$ 529,891
Licenses and Permits	3,580	0	3,580	4,000	4,000	(420)
Charges for Current Services	246,557	0	246,557	112,000	252,624	(6,067)
Other Local Revenues	300,957	0	300,957	389,500	389,500	(88,543)
State of Tennessee	31,325,961	0	31,325,961	30,639,716	31,094,336	231,625
Federal Government	160,000	0	160,000	228,061	253,196	(93,196)
Total Revenues	\$ 53,082,580	\$ 0	\$ 53,082,580	\$ 51,888,911	\$ 52,509,290	\$ 573,290
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 21,845,035	\$ 0	\$ 21,845,035	\$ 23,106,711	\$ 22,387,361	\$ 542,326
Special Education Program	5,619,439	0	5,619,439	5,343,161	5,697,952	78,513
Vocational Education Program	2,989,407	0	2,989,407	3,063,020	3,095,264	105,857
Adult Education Program	135,451	0	135,451	133,541	165,271	29,820
<u>Support Services</u>						
Attendance	336,294	0	336,294	333,597	351,597	15,303
Health Services	374,970	0	374,970	340,408	380,513	5,543
Other Student Support	1,454,321	0	1,454,321	1,038,788	1,465,922	11,601
Regular Instruction Program	1,277,428	0	1,277,428	1,337,938	1,401,360	123,932
Special Education Program	434,162	0	434,162	452,617	463,647	29,485
Vocational Education Program	255,093	0	255,093	248,539	256,289	1,196
Adult Programs	101,994	0	101,994	103,207	103,643	1,649
Other Programs	235,770	0	235,770	0	235,770	0
Board of Education	883,792	0	883,792	899,694	955,494	71,702
Director of Schools	256,374	0	256,374	260,164	263,393	7,019
Office of the Principal	2,911,061	0	2,911,061	2,819,125	2,946,821	35,760

(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)	Less: Encumbrances 7/1/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Support Services (Cont.)</u>						
Fiscal Services	\$ 314,107	\$ 0	\$ 314,107	\$ 356,673	\$ 356,985	\$ 42,878
Human Services/Personnel	114,483	0	114,483	127,645	128,847	14,364
Operation of Plant	4,451,798	0	4,451,798	4,457,859	4,557,062	105,264
Maintenance of Plant	1,356,090	0	1,356,090	1,202,866	1,419,403	63,313
Transportation	2,435,593	0	2,435,593	2,352,930	2,453,338	17,745
Central and Other	614,423	0	614,423	546,198	621,640	7,217
<u>Operation of Non-Instructional Services</u>						
Early Childhood Education	548,639	0	548,639	528,036	563,571	14,932
<u>Capital Outlay</u>						
Regular Capital Outlay	337,763	(9,416)	328,347	173,877	348,529	20,182
Principal on Debt						
Education	403,670	0	403,670	234,583	403,751	81
Interest on Debt						
Education	374,438	0	374,438	34,613	374,438	0
Other Debt Service						
Education						
Total Expenditures	2,194,756	0	2,194,756	500	2,230,677	35,921
	\$ 52,256,351	\$ (9,416)	\$ 52,246,935	\$ 49,496,290	\$ 53,628,538	\$ 1,381,603
<u>Excess (Deficiency) of Revenues</u>						
Over Expenditures	\$ 826,229	\$ 9,416	\$ 835,645	\$ 2,392,621	\$ (1,119,248)	\$ 1,954,893
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 9,332	\$ 0	\$ 9,332	\$ 18,700	\$ 18,700	\$ (9,368)
Transfers In	119,636	0	119,636	260,000	110,000	9,636
Transfers Out	(37,161)	0	(37,161)	(2,633,245)	(37,161)	0
Total Other Financing Sources (Uses)	\$ 91,807	\$ 0	\$ 91,807	\$ (2,354,545)	\$ 91,539	\$ 268

(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)	Less: Encumbrances 7/1/2007	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Net Change in Fund Balance	\$ 918,036	\$ 9,416	\$ 927,452	\$ 38,076	\$ (1,027,709)	\$ 1,955,161
Fund Balance, July 1, 2007	3,082,303	(9,416)	3,072,887	1,559,291	1,559,291	1,513,596
Fund Balance, June 30, 2008	\$ 4,000,339	\$ 0	\$ 4,000,339	\$ 1,597,367	\$ 531,582	\$ 3,468,757

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, 2008

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 11,200	\$ 11,200	\$ 11,200	\$ 0
State of Tennessee	117,149	227,701	183,426	(66,277)
Federal Government	3,640,073	3,558,672	3,914,553	(274,480)
Other Governments and Citizens Groups	5,536	17,600	23,366	(17,830)
Total Revenues	\$ 3,773,958	\$ 3,815,173	\$ 4,132,545	\$ (358,587)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 1,503,555	\$ 1,677,198	\$ 1,719,698	\$ 216,143
Special Education Program	926,819	946,783	1,039,962	113,143
Vocational Education Program	312,106	246,582	323,642	11,536
<u>Support Services</u>				
Other Student Support	88,071	0	158,054	69,983
Regular Instruction Program	155,214	294,581	161,633	6,419
Special Education Program	421,139	463,014	538,014	116,875
Board of Education	159	159	159	0
Director of Schools	410	410	410	0
Office of the Principal	1,251	1,500	1,500	249
Transportation	98,337	110,000	110,000	11,663
Total Expenditures	\$ 3,507,061	\$ 3,740,227	\$ 4,053,072	\$ 546,011
Excess (Deficiency) of Revenues Over Expenditures	\$ 266,897	\$ 74,946	\$ 79,473	\$ 187,424
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 93,289	\$ 93,289	\$ (93,289)
Transfers Out	(63,230)	(168,235)	(172,762)	109,532
Total Other Financing Sources (Uses)	\$ (63,230)	\$ (74,946)	\$ (79,473)	\$ 16,243
Net Change in Fund Balance	\$ 203,667	\$ 0	\$ 0	\$ 203,667
Fund Balance, July 1, 2007	97,295	0	0	97,295
Fund Balance, June 30, 2008	\$ 300,962	\$ 0	\$ 0	\$ 300,962

Exhibit J-10

Anderson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Anderson County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2008

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 1,196,203	\$ 1,244,083	\$ 1,245,335	\$ (49,132)
Other Local Revenues	8,726	22,567	9,300	(574)
State of Tennessee	33,773	32,000	33,773	0
Federal Government	1,687,261	1,554,841	1,662,714	24,547
Total Revenues	<u>\$ 2,925,963</u>	<u>\$ 2,853,491</u>	<u>\$ 2,951,122</u>	<u>\$ (25,159)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 3,225,937	\$ 3,356,348	\$ 3,374,484	\$ 148,547
Total Expenditures	<u>\$ 3,225,937</u>	<u>\$ 3,356,348</u>	<u>\$ 3,374,484</u>	<u>\$ 148,547</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (299,974)</u>	<u>\$ (502,857)</u>	<u>\$ (423,362)</u>	<u>\$ 123,388</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 0	\$ 4,100	\$ 400	\$ (400)
Transfers In	211,877	157,758	219,548	(7,671)
Transfers Out	0	(110,000)	0	0
Total Other Financing Sources (Uses)	<u>\$ 211,877</u>	<u>\$ 51,858</u>	<u>\$ 219,948</u>	<u>\$ (8,071)</u>
Net Change in Fund Balance	\$ (88,097)	\$ (450,999)	\$ (203,414)	\$ 115,317
Fund Balance, July 1, 2007	<u>471,903</u>	<u>393,135</u>	<u>393,135</u>	<u>78,768</u>
Fund Balance, June 30, 2008	<u>\$ 383,806</u>	<u>\$ (57,864)</u>	<u>\$ 189,721</u>	<u>\$ 194,085</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, 2008

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 260,193	\$ 276,368	\$ 276,368	\$ (16,175)
Other Local Revenues	541	0	541	0
State of Tennessee	38,513	21,250	21,250	17,263
Federal Government	2,850,429	2,780,242	2,911,446	(61,017)
Total Revenues	<u>\$ 3,149,676</u>	<u>\$ 3,077,860</u>	<u>\$ 3,209,605</u>	<u>\$ (59,929)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Community Services	\$ 2,831,526	\$ 2,830,145	\$ 2,895,962	\$ 64,436
<u>Principal on Debt</u>				
Education	18,957	0	18,970	13
<u>Interest on Debt</u>				
Education	76,656	0	76,705	49
Total Expenditures	<u>\$ 2,927,139</u>	<u>\$ 2,830,145</u>	<u>\$ 2,991,637</u>	<u>\$ 64,498</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 222,537</u>	<u>\$ 247,715</u>	<u>\$ 217,968</u>	<u>\$ 4,569</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (230,714)	\$ (247,715)	\$ (240,571)	\$ 9,857
Total Other Financing Sources (Uses)	<u>\$ (230,714)</u>	<u>\$ (247,715)</u>	<u>\$ (240,571)</u>	<u>\$ 9,857</u>
Net Change in Fund Balance	\$ (8,177)	\$ 0	\$ (22,603)	\$ 14,426
Fund Balance, July 1, 2007	142,028	142,028	142,028	0
Fund Balance, June 30, 2008	<u>\$ 133,851</u>	<u>\$ 142,028</u>	<u>\$ 119,425</u>	<u>\$ 14,426</u>

Exhibit J-12

Anderson County, Tennessee
Statement of Fiduciary Net Assets
Discretely Presented Anderson County School Department
Fiduciary Fund
June 30, 2008

	Other Employee Benefits Trust Fund
	<hr/>
	Flexible Benefits Fund
	<hr/>
<u>ASSETS</u>	
Cash	\$ 37,915
Total Assets	<hr/> \$ 37,915
<u>NET ASSETS</u>	
Funds Held in Trust for Employees	<hr/> \$ 37,915
Total Net Assets	<hr/> <hr/> \$ 37,915

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, 2008

	Other Employee Benefits Trust Fund <hr/> Flexible Benefits Fund <hr/>
<u>ADDITIONS</u>	
Plan Member Contributions	\$ 143,879
Total Additions	<u>\$ 143,879</u>
<u>DEDUCTIONS</u>	
Employee Benefits	
Other Fringe Benefits	\$ 129,026
Total Deductions	<u>\$ 129,026</u>
Change in Net Assets	\$ 14,853
Net Assets, July 1, 2007	<u>23,062</u>
Net Assets, June 30, 2008	<u><u>\$ 37,915</u></u>

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MISCELLANEOUS SCHEDULES

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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, 2008

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-07	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-08
<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	\$ 20,000	0 \$	10,000 \$	10,000
Tourism Facilities Improvements	50,000	4.98	10-1-1999	10-1-09	15,000	0	5,000	10,000
Total Payable through Other Special Revenue Fund					\$ 35,000	0 \$	15,000 \$	20,000
<u>Payable through General Debt Service Fund</u>								
Roof Repairs	100,000	3.6	6-12-03	12-1-12	\$ 60,000	0 \$	10,000 \$	50,000
Health Department	300,000	3.78	5-4-05	5-1-15	240,000	0	30,000	210,000
Total Payable through General Debt Service Fund					\$ 300,000	0 \$	40,000 \$	260,000
Total Notes Payable					\$ 335,000	0 \$	55,000 \$	280,000

OTHER LOANS PAYABLE

<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	\$ 1,392,000	0 \$	71,000 \$	1,321,000
Jail Renovation - Montgomery Co. PBA	3,000,000	Variable	5-22-06	5-25-25	2,882,000	0	122,000	2,760,000
Total Payable through General Debt Service Fund					\$ 4,274,000	0 \$	193,000 \$	4,081,000
<u>Payable through Rural Debt Service Fund</u>								
School Refunding - City of Clarksville PBA	5,746,000	Variable	4-1-03	5-25-17	\$ 3,915,654	0 \$	489,453 \$	3,426,201
Rural Elementary School Project - Montgomery Co. PBA	6,000,000	Variable	4-19-04	6-25-18	5,679,905	10,345	103,250	5,587,000
Total Payable through Rural Debt Service Fund					\$ 9,595,559	10,345 \$	592,703 \$	9,013,201

(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 7-1-07	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-08
<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	\$ 4,570,585	0	\$ 681,047	\$ 3,889,538
Rural High School Project - Montgomery Co. PBA	4,100,000	Variable	4-19-04	6-25-18	3,841,599	70,900	62,500	3,849,999
Total Payable through Education Debt Service Fund					\$ 8,412,184	\$ 70,900	\$ 743,547	\$ 7,759,537
Total Other Loans Payable					\$ 22,281,743	\$ 81,245	\$ 1,529,250	\$ 20,833,738
<u>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
General Obligation Refunding	6,085,000	3 to 5%	8-1-01	4-1-13	\$ 3,470,000	0	\$ 740,000	\$ 2,730,000
General Obligation Refunding	4,580,000	3.5 to 3.7	12-15-05	9-1-12	3,880,000	0	685,000	3,195,000
Total Payable through General Debt Service Fund					\$ 7,350,000	0	\$ 1,425,000	\$ 5,925,000
<u>Payable through Rural Debt Service Fund</u>								
Rural Development Water and Sewer	110,000	4.875	12-28-00	8-28-38	\$ 102,206	0	\$ 1,433	\$ 100,773
Rural School Refunding	4,145,000	3 to 5	8-1-01	4-1-13	2,650,000	0	285,000	2,365,000
Rural School Refunding	3,505,000	2 to 3.875	3-1-04	3-1-18	3,170,000	0	250,000	2,920,000
Total Payable through Rural Debt Service Fund					\$ 5,922,206	0	\$ 536,433	\$ 5,385,773
<u>Payable through Education Debt Service Fund</u>								
Rural High School Refunding	3,490,000	3 to 5	8-1-01	4-1-13	\$ 1,985,000	0	\$ 300,000	\$ 1,685,000
Rural High School Refunding	4,895,000	2 to 3.875	3-1-04	3-1-18	4,420,000	0	350,000	4,070,000
Total Payable through Education Debt Service Fund					\$ 6,405,000	0	\$ 650,000	\$ 5,755,000
Total Bonds Payable					\$ 19,677,206	0	\$ 2,611,433	\$ 17,065,773

(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 7-1-07	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-08
<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	\$ 24,374	0 \$	16,250 \$	8,124
Clinton Middle (EPA - Asbestos) Schools	89,529	0	4-17-1992	5-30-11	19,529	0	5,000	14,529
Renovation of Various Schools	1,000,000	4.79 to 5.27	6-30-1997	7-2-09	249,999	0	83,333	166,666
Renovation of Various Schools	572,000	4.89	10-1-1999	10-1-09	197,000	0	60,000	137,000
Renovation of Various Schools - Borrowed from Primary Government	700,000	3.6	6-12-03	12-1-12	420,000	0	70,000	350,000
	10,100,000	Variable	4-15-04	6-25-18	9,521,505	81,244	165,750	9,436,999
Total Notes Payable					<u>\$ 10,432,407</u>	<u>\$ 81,244</u>	<u>\$ 400,333</u>	<u>\$ 10,113,318</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	800,684	0 \$	22,294 \$	778,390
Total Capital Leases Payable					<u>\$ 800,684</u>	<u>\$ 0</u>	<u>\$ 22,294</u>	<u>\$ 778,390</u>

Exhibit K-2

Anderson County, Tennessee
Schedule of Long-term Debt Requirements by Year
Primary Government and Discretely Presented Anderson County School Department

PRIMARY GOVERNMENT

Year Ending June 30	Note Principal	Note Interest	Total Note Requirements
2009	\$ 55,000	\$ 10,056	\$ 65,056
2010	45,000	8,030	53,030
2011	40,000	6,287	46,287
2012	40,000	4,793	44,793
2013	40,000	3,299	43,299
2014	30,000	1,985	31,985
2015	30,000	851	30,851
Total	\$ 280,000	\$ 35,301	\$ 315,301

Year Ending June 30	Other Loan Principal	Other Loan Interest	Other Loan Fees	Total Other Loan Requirements
2009	\$ 1,618,900	\$ 540,658	\$ 79,168	\$ 2,238,726
2010	1,763,900	499,061	73,016	2,335,977
2011	1,817,600	453,793	66,314	2,337,707
2012	1,891,500	407,123	59,407	2,358,030
2013	1,931,000	358,546	52,219	2,341,765
2014	2,000,000	308,906	44,881	2,353,787
2015	2,064,000	257,481	37,281	2,358,762
2016	2,144,000	204,381	29,438	2,377,819
2017	2,308,000	149,206	21,291	2,478,497
2018	1,600,838	89,856	12,520	1,703,214
2019	291,000	48,095	6,437	345,532
2020	304,000	39,005	5,331	348,336
2021	315,000	29,485	4,176	348,661
2022	187,000	19,600	2,979	209,579
2023	193,000	14,925	2,269	210,194
2024	199,000	10,100	1,535	210,635
2025	205,000	5,125	779	210,904
Total	\$ 20,833,738	\$ 3,435,346	\$ 499,041	\$ 24,768,125

(Continued)

Exhibit K-2

Anderson County, Tennessee
Schedule of Long-term Debt Requirements by Year
Primary Government and Discretely Presented Anderson County School Department (Cont.)

PRIMARY GOVERNMENT (CONT.)

Year Ending June 30	Bond Principal	Bond Interest	Total Bond Requirements
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	<u>\$ 17,065,773</u>	<u>\$ 2,830,176</u>	<u>\$ 19,895,949</u>

(Continued)

Exhibit K-2

Anderson County, Tennessee

Schedule of Long-term Debt Requirements by Year

Primary Government and Discretely Presented Anderson County School Department (Cont.)

DISCRETELY PRESENTED ANDERSON COUNTY SCHOOL DEPARTMENT

Year Ending June 30	Note Principal	Note Interest	Total Note Requirements
2009	\$ 941,957	\$ 260,671	\$ 1,202,628
2010	1,063,833	232,884	1,296,717
2011	928,629	203,625	1,132,254
2012	960,000	179,752	1,139,752
2013	975,000	154,983	1,129,983
2014	930,000	131,098	1,061,098
2015	955,000	107,847	1,062,847
2016	985,000	83,973	1,068,973
2017	1,115,000	59,347	1,174,347
2018	1,258,899	31,473	1,290,372
Total	\$ 10,113,318	\$ 1,445,653	\$ 11,558,971

Year Ending June 30	Capital Lease Principal	Capital Lease Interest	Total Capital Lease Requirements
2009	\$ 26,129	\$ 87,415	\$ 113,544
2010	30,425	84,216	114,641
2011	35,236	80,502	115,738
2012	40,626	76,209	116,835
2013	46,663	71,268	117,931
2014	53,426	65,603	119,029
2015	61,002	59,124	120,126
2016	69,487	51,736	121,223
2017	78,992	43,328	122,320
2018	89,639	33,778	123,417
2019	101,565	22,949	124,514
2020	114,925	10,687	125,612
2021	30,275	569	30,844
Total	\$ 778,390	\$ 687,384	\$ 1,465,774

Exhibit K-3

Anderson County, Tennessee
Schedule of Investments
June 30, 2008

<u>Fund and Type</u>	<u>Amount</u>
<u>Employee Health Insurance Fund</u>	
State Treasurer's Investment Pool	\$ 18,044
Total Investments	\$ 18,044

Exhibit K-4

Anderson County, Tennessee
 Schedule of Notes Receivable
 June 30, 2008

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	\$ 6,000,000	4-19-04	6-25-18	Variable	\$ 5,587,000
Education Debt Service Fund:						
Payment of Other Loan Principal and Interest	Anderson County School Department	4,100,000	4-19-04	6-25-18	Variable	3,849,999
Total Notes Receivable						<u>\$ 9,436,999</u>

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

Exhibit K-5

Anderson County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Anderson County School Department
For the Year Ended June 30, 2008

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
PRIMARY GOVERNMENT:			
General	Courthouse and Jail Maintenance	Operations	\$ 100,000
General	Public Library	Operations	201,936
General	Solid Waste/Sanitation	Operations	921,554
General	Other Special Revenue	Operations	160,548
General	Highway/Public Works	Various projects	49,390
General	Education Debt Service	Operations	16,107
General	Capital Projects	Various projects	47,845
General	Public Utility	Capital projects	15,000
Total Transfers Primary Government			<u>\$ 1,512,380</u>
DISCRETELY PRESENTED ANDERSON COUNTY SCHOOL DEPARTMENT:			
General Purpose School	Central Cafeteria	Cafeteria expenditures	\$ 37,161
School Federal Projects	General Purpose School	Indirect costs	63,230
Other Education Special Revenue	General Purpose School	Indirect costs	55,998
Other Education Special Revenue	Central Cafeteria	Cafeteria expenditures	174,716
Education Capital Projects	General Purpose School	Close fund	408
Total Transfers Discretely Presented Anderson County School Department			<u>\$ 331,513</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, 2008

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <u>TCA</u>	\$ 95,339	\$ 50,000	RLI Insurance Company
Highway Superintendent	Section 8-24-102, <u>TCA</u>	75,732	100,000 "	"
Director of Schools	State Board of Education and County Board of Education	108,581 (1)	100,000	Travelers Casualty and Surety Company of America
Trustee	Section 8-24-102, <u>TCA</u>	68,847	2,186,000	Cincinnati Insurance Company
Assessor of Property	Section 8-24-102, <u>TCA</u>	68,847	50,000	Travelers Casualty and Surety Company of America
Director of Accounts and Budgets:		-	25,000	RLI Insurance Company
Gail Cook (7-1-07 through 2-29-08)	County Commission	46,494	65,569	RLI Insurance Company
Christopher Phillips (4-7-08 through 6-30-08)	County Commission	10,592	65,569	RLI Insurance Company
County Clerk	Section 8-24-102, <u>TCA</u>	68,847	50,000 "	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, <u>TCA</u>	68,847	50,000 "	"
Clerk and Master	Section 8-24-102, <u>TCA</u> , and Chancery Court Judge	68,847 (2)	300,000	State Automobile Mutual Insurance Company
Register	Section 8-24-102, <u>TCA</u>	68,847	25,000	Ohio Casualty Insurance Company
Sheriff	Section 8-24-102, <u>TCA</u>	75,732 (3)	25,000	Ohio Casualty Insurance Company
Purchasing Agent	County Commission	44,530	25,000	RLI Insurance Company
Employee Blanket Bonds				
Public Employee Dishonesty - County Departments			150,000	Tennessee Risk Management Trust
Public Employee Dishonesty - School Department			150,000 "	"

(1) Does not include career ladder supplement of \$1,000.

(2) Does not include special commissioner fees of \$20,600.

(3) Does not include law enforcement training supplement of \$1,200.

Exhibit K-7

Anderson County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2008

	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	\$ 9,618,758	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Trustee's Collections - Prior Year	226,377	0	0	0	0	0	0
Circuit/Clerk & Master Collections - Prior Years	210,926	0	0	0	0	0	0
Interest and Penalty	127,792	0	0	0	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	16,107	0	0	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	576,034	0	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	744,755	0	0	0	0	0	0
<u>County Local Option Taxes</u>							
Local Option Sales Tax	640,702	0	0	0	0	0	0
Hotel/Motel Tax	180,233	0	0	0	0	0	0
Litigation Tax - General	196,131	0	0	0	0	0	0
Litigation Tax - Special Purpose	0	23,036	0	0	0	0	0
Litigation Tax - Office of Public Defender	20,679	0	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	1,016	0	0	0	0	0	0
Litigation Tax - Victim/Offender Mediation Center	6,223	0	0	0	0	0	0
Business Tax	1,028,801	0	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0	0
Other County Local Option Taxes	1,173	0	0	0	0	0	0
<u>Statutory Local Taxes</u>							
Bank Excise Tax	116,164	0	0	0	0	0	0
Coal Severance Tax	0	0	0	0	0	0	0
Interstate Telecommunications Tax	4,084	0	0	0	0	0	0
Other Statutory Local Taxes	1,557	0	0	0	0	0	0
Total Local Taxes	\$ 13,717,512	\$ 23,036	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Cable TV Franchise	\$ 190,308	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Permits</u>							
Beer Permits	1,354	0	0	0	0	0	0
Building Permits	143,119	0	0	0	0	0	0
Total Licenses and Permits	\$ 334,781	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit K-7

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

	Special Revenue Funds							District Attorney General
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Drug Control			
<u>Fines, Forfeitures, and Penalties</u>								
<u>Circuit Court</u>								
Fines	\$ 1,798	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	18,478	0	0	0	0	0	0	0
Drug Control Fines	2,066	0	0	0	1,986	0	0	0
DUI Treatment Fines	1,573	0	0	0	0	0	0	0
Data Entry Fee - Circuit Court	2,321	0	0	0	0	0	0	0
<u>Criminal Court</u>								
Fines	4,750	0	0	0	0	0	0	0
Drug Court Fees	1,340	0	0	0	0	0	0	0
<u>General Sessions Court</u>								
Fines	30,788	0	0	0	0	0	0	0
Officers Costs	95,721	0	0	0	0	0	0	0
Drug Control Fines	6,802	0	0	0	3,907	0	0	0
Drug Court Fees	10,131	0	0	0	0	0	0	0
Jail Fees	96,170	0	0	0	0	0	0	0
Interpreter Fees	50	0	0	0	0	0	0	0
DUI Treatment Fines	8,810	0	0	0	0	0	0	0
Data Entry Fee - General Sessions Court	13,425	0	0	0	0	0	0	0
Courtroom Security Fee	3,228	0	0	0	0	0	0	0
<u>Juvenile Court</u>								
Fines	8,270	0	0	0	0	0	0	0
Officers Costs	18,499	0	0	0	0	0	0	0
Jail Fees	5,087	0	0	0	0	0	0	0
Courtroom Security Fee	11	0	0	0	0	0	0	0
<u>Chancery Court</u>								
Officers Costs	32,620	0	0	0	0	0	0	0
Data Entry Fee - Chancery Court	2,774	0	0	0	0	0	0	0
Courtroom Security Fee	118	0	0	0	0	0	0	0
<u>Courts in Other District Counties</u>								
District Attorney General Fees	0	0	0	0	0	0	0	15,585
<u>Judicial District Drug Program</u>								
Drug Task Force Forfeitures and Seizures	0	0	0	0	0	0	29,123	0

(Continued)

Exhibit K-7

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

	Special Revenue Funds						District Attorney General
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Drug Control		
<u>Fines, Forfeitures, and Penalties (Cont.)</u>							
Other Fines, Forfeitures, and Penalties	\$ 1,100	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Proceeds from Confiscated Property	50	0	0	0	0	0	0
Other Fines, Forfeitures, and Penalties	\$ 365,980	\$ 0	\$ 0	\$ 0	\$ 35,016	\$ 15,585	
<u>Total Fines, Forfeitures, and Penalties</u>							
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Other Employee Benefit Charges/Contributions	\$ 560	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Convenience Waste Centers Collection Charge	0	0	0	49,727	0	0	0
Surcharge - Host Agency	0	0	0	334,444	0	0	0
Solid Waste Disposal Fees	0	0	0	2,801	0	0	0
Patient Charges	4,515,897	0	0	0	0	0	0
Health Department Collections	201,358	0	0	0	0	0	0
Other General Service Charges	163,419	0	0	0	0	0	0
<u>Fees</u>							
Recreation Fees	46,619	0	0	0	0	0	0
Copy Fees	2,611	0	0	0	0	0	0
Library Fees	0	0	17,067	0	0	0	0
Telephone Commissions	15,174	0	0	0	0	0	0
Vending Machine Collections	126	0	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	0	0	0
Data Processing Fee - Register	29,316	0	0	0	0	0	0
Data Processing Fee - Sheriff	14,712	0	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	2,000	0	0	0	0	0	0
<u>Other Charges for Services</u>							
Other Charges for Services	4,754	0	0	0	0	0	0
<u>Total Charges for Current Services</u>	\$ 4,996,546	\$ 0	\$ 17,067	\$ 386,972	\$ 0	\$ 0	\$ 0
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	\$ 305,107	\$ 0	\$ 4,798	\$ 0	\$ 4,021	\$ 0	\$ 0
Lease/Rentals	154,131	0	0	0	0	0	0

(Continued)

Exhibit K-7

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

	Special Revenue Funds							District Attorney General
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Drug Control			
<u>Other Local Revenues (Cont.)</u>								
<u>Recurring Items (Cont.)</u>								
Sale of Materials and Supplies	\$ 5,322	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Commissary Sales	128,010	0	0	0	0	0	0	0
Sale of Gasoline	0	0	0	0	0	0	0	0
Sale of Maps	12,628	0	0	0	0	0	0	0
Sale of Recycled Materials	0	0	0	14,800	0	0	0	0
Refund of Telecommunication & Internet Fees (E-Rate)	0	0	1,768	0	0	0	0	0
Miscellaneous Refunds	1,432	0	0	0	0	0	0	3
<u>Nonrecurring Items</u>								
Sale of Equipment	11,398	0	6	2,340	10,300			0
Damages Recovered from Individuals	17,377	0	0	0	0			0
Contributions and Gifts	2,363	0	8,062	1,100	1,055			0
<u>Other Local Revenues</u>								
Other Local Revenues	359,627	0	0	0	0	0	0	0
Total Other Local Revenues	\$ 997,395	\$ 0	\$ 14,634	\$ 18,240	\$ 15,376	\$ 0	\$ 0	3
<u>Fees Received from County Officials</u>								
<u>Fees In-Lieu-of Salary</u>								
County Clerk	\$ 792,757	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
General Sessions Court Clerk	793,828	0	0	0	0	0	0	0
Clerk and Master	449,069	0	0	0	0	0	0	0
Register	400,268	0	0	0	0	0	0	0
Sheriff	46,831	0	0	0	0	0	0	0
Trustee	1,194,535	0	0	0	0	0	0	0
Total Fees Received from County Officials	\$ 3,677,288	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>State of Tennessee</u>								
<u>General Government Grants</u>								
Juvenile Services Program	\$ 10,995	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
State Reappraisal Grant	22,422	0	0	0	0	0	0	0
Solid Waste Grants	9,650	0	0	51,500	0	0	0	0
Other General Government Grants	36,215	0	0	0	0	0	0	0

(Continued)

Exhibit K-7

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

	Special Revenue Funds							District Attorney General
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Drug Control			
<u>State of Tennessee (Cont.)</u>								
<u>Public Safety Grants</u>								
Law Enforcement Training Programs	\$ 27,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Drug Control Grants	70,042	0	0	0	0	0	0	0
Other Public Safety Grants	4,995	0	0	0	0	0	0	0
<u>Health and Welfare Grants</u>								
Health Department Programs	351,320	0	0	0	0	0	0	0
Other Health and Welfare Grants	15,789	0	0	0	0	0	0	0
<u>Public Works Grants</u>								
Bridge Program	0	0	0	0	0	0	0	0
State Aid Program	0	0	0	0	0	0	0	0
Litter Program	0	0	0	46,322	0	0	0	0
Other Public Works Grants	100,000	0	0	0	0	0	0	0
<u>Other State Revenues</u>								
Income Tax	118,052	0	0	0	0	0	0	0
Alcoholic Beverage Tax	81,248	0	0	0	0	0	0	0
Mixed Drink Tax	4,583	0	0	0	0	0	0	0
State Revenue Sharing - T.V.A.	241,340	0	0	0	0	0	0	0
Board of Jurors	89	0	0	0	0	0	0	0
Prisoner Transportation	9,126	0	0	0	0	0	0	0
Contracted Prisoner Boarding	308,910	0	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0	0	0
Registrar's Salary Supplement	12,285	0	0	0	0	0	0	0
Other State Grants	9,500	0	1,000	0	0	0	0	0
Other State Revenues	174,680	0	0	0	0	0	2,796	0
Total State of Tennessee	\$ 1,608,241	\$ 0	\$ 1,000	\$ 97,822	\$ 2,796	\$ 0	\$ 0	0
<u>Federal Government</u>								
Federal Through State								
Homeland Security Grants	\$ 40,052	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Other Federal through State	454,962	0	0	0	0	0	0	0
<u>Direct Federal Revenue</u>								
Other Direct Federal Revenue	105,556	0	0	0	0	0	0	0
Total Federal Government	\$ 600,570	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0

(Continued)

Exhibit K-7

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

	Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Drug Control	District Attorney General	
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Contributions	\$ 10,000	\$ 0	\$ 112,705	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Services	53,185	0	0	0	0	0	0
<u>Citizens Groups</u>							
Donations	0	0	8,821	0	0	0	0
Other	938,075	0	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 1,001,260	\$ 0	\$ 121,526	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 27,299,573	\$ 23,036	\$ 154,227	\$ 503,034	\$ 53,188	\$ 15,588	

(Continued)

Exhibit K-7

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

	Special Revenue Funds			Debt Service Funds			Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Rural Debt Service	Education Debt Service		
Local Taxes							
County Property Taxes							
Current Property Tax	\$ 0	\$ 0	\$ 2,343,032	\$ 47,068	\$ 921,828	\$ 12,930,686	
Trustee's Collections - Prior Year	0	0	54,991	2,011	31,123	314,502	
Circuit/Clerk & Master Collections - Prior Years	0	0	0	0	0	210,926	
Interest and Penalty	0	0	14,071	397	6,602	148,862	
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	0	16,107	
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	0	0	576,034	
Payments in-Lieu-of Taxes - Other	0	0	0	0	0	744,755	
County Local Option Taxes							
Local Option Sales Tax	0	376,285	0	0	0	1,016,987	
Hotel/Motel Tax	0	0	0	0	0	180,233	
Litigation Tax - General	0	0	0	0	0	196,131	
Litigation Tax - Special Purpose	0	0	0	0	0	23,036	
Litigation Tax - Office of Public Defender	0	0	0	0	0	20,679	
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	48,980	0	0	49,996	
Litigation Tax - Victim/Offender Mediation Center	0	0	0	0	0	6,223	
Business Tax	0	0	0	0	0	1,028,801	
Mineral Severance Tax	0	149,665	0	0	0	149,665	
Other County Local Option Taxes	0	0	0	0	0	1,173	
Statutory Local Taxes							
Bank Excise Tax	0	0	0	0	0	116,164	
Coal Severance Tax	0	21,827	0	0	0	21,827	
Interstate Telecommunications Tax	0	0	0	0	0	4,084	
Other Statutory Local Taxes	0	0	0	0	0	1,557	
Total Local Taxes	\$ 0	\$ 547,777	\$ 2,461,074	\$ 49,476	\$ 959,553	\$ 17,758,428	
Licenses and Permits							
Licenses							
Cable TV Franchise	\$ 0	0	0	0	0	190,308	
Permits							
Beer Permits	0	0	0	0	0	1,354	
Building Permits	0	0	0	0	0	143,119	
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 334,781	

(Continued)

Exhibit K-7

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

	Special Revenue Funds			Debt Service Funds			Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Rural Debt Service	Education Debt Service		
<u>Circuit Court</u>							
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,798
Officers Costs	0	0	0	0	0	0	18,478
Drug Control Fines	0	0	0	0	0	0	4,052
DUI Treatment Fines	0	0	0	0	0	0	1,573
Data Entry Fee - Circuit Court	0	0	0	0	0	0	2,321
<u>Criminal Court</u>							
Fines	0	0	0	0	0	0	4,750
Drug Court Fees	0	0	0	0	0	0	1,340
<u>General Sessions Court</u>							
Fines	0	0	0	0	0	0	30,788
Officers Costs	0	0	0	0	0	0	95,721
Drug Control Fines	0	0	0	0	0	0	10,709
Drug Court Fees	0	0	0	0	0	0	10,131
Jail Fees	0	0	0	0	0	0	96,170
Interpreter Fees	0	0	0	0	0	0	50
DUI Treatment Fines	0	0	0	0	0	0	8,810
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	13,425
Courtroom Security Fee	0	0	0	0	0	0	3,228
<u>Juvenile Court</u>							
Fines	0	0	0	0	0	0	8,270
Officers Costs	0	0	0	0	0	0	18,499
Jail Fees	0	0	0	0	0	0	5,087
Courtroom Security Fee	0	0	0	0	0	0	11
<u>Chancery Court</u>							
Officers Costs	0	0	0	0	0	0	32,620
Data Entry Fee - Chancery Court	0	0	0	0	0	0	2,774
Courtroom Security Fee	0	0	0	0	0	0	118
<u>Courts in Other District Counties</u>							
District Attorney General Fees	0	0	0	0	0	0	15,585
<u>Judicial District Drug Program</u>							
Drug Task Force Forfeitures and Seizures	0	0	0	0	0	0	29,123

(Continued)

Exhibit K-7

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

	Special Revenue Funds			Debt Service Funds			Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Rural Debt Service	Education Debt Service		
<u>Fines, Forfeitures, and Penalties (Cont.)</u>							
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property	0	0	0	0	0	0	1,100
Other Fines, Forfeitures, and Penalties	0	0	0	0	0	0	50
Total Fines, Forfeitures, and Penalties	0	0	0	0	0	0	416,581
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Other Employee Benefit Charges/Contributions	0	0	0	0	0	0	560
Convenience Waste Centers Collection Charge	0	0	0	0	0	0	49,727
Surcharge - Host Agency	0	0	0	0	0	0	334,444
Solid Waste Disposal Fees	0	0	0	0	0	0	2,801
Patient Charges	0	0	0	0	0	0	4,515,897
Health Department Collections	0	0	0	0	0	0	201,358
Other General Service Charges	0	0	0	0	0	0	163,419
<u>Fees</u>							
Recreation Fees	0	0	0	0	0	0	46,619
Copy Fees	0	0	0	0	0	0	2,611
Library Fees	0	0	0	0	0	0	17,067
Telephone Commissions	0	0	0	0	0	0	15,174
Vending Machine Collections	0	0	0	0	0	0	126
Constitutional Officers' Fees and Commissions	411	0	0	0	0	0	411
Special Commissioner Fees/Special Master Fees	20,600	0	0	0	0	0	20,600
Data Processing Fee - Register	0	0	0	0	0	0	29,316
Data Processing Fee - Sheriff	0	0	0	0	0	0	14,712
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	0	2,000
<u>Other Charges for Services</u>							
Other Charges for Services	0	31,978	0	0	0	0	36,732
Total Charges for Current Services	21,011	31,978	0	0	0	0	5,453,574
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	0	0	81,482	213,778	200,354	0	809,540
Lease/Rentals	0	0	0	0	0	0	154,131

(Continued)

Exhibit K-7

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

	Special Revenue Funds			Debt Service Funds			Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Rural Debt Service	Education Debt Service		
<u>Other Local Revenues (Cont.)</u>							
<u>Recurring Items (Cont.)</u>							
Sale of Materials and Supplies	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	5,322
Commissary Sales	0	0	0	0	0	0	128,010
Sale of Gasoline	0	528,671	0	0	0	0	528,671
Sale of Maps	0	0	0	0	0	0	12,628
Sale of Recycled Materials	0	0	0	0	0	0	14,800
Refund of Telecommunication & Internet Fees (E-Rate)	0	0	0	0	0	0	1,768
Miscellaneous Refunds	0	0	0	0	0	0	1,435
<u>Nonrecurring Items</u>							
Sale of Equipment	0	0	0	0	0	0	24,044
Damages Recovered from Individuals	0	0	0	0	0	0	17,377
Contributions and Gifts	0	0	0	0	0	0	12,580
<u>Other Local Revenues</u>							
Other Local Revenues	0	0	0	0	0	0	359,627
Total Other Local Revenues	\$ 0	\$ 528,671	\$ 81,482	\$ 213,778	\$ 200,354	\$ 0	\$ 2,069,933
<u>Fees Received from County Officials</u>							
<u>Fees In-Lieu-of Salary</u>							
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	792,757
General Sessions Court Clerk	0	0	0	0	0	0	793,828
Clerk and Master	0	0	0	0	0	0	449,069
Register	0	0	0	0	0	0	400,268
Sheriff	0	0	0	0	0	0	46,831
Trustee	0	0	0	0	0	0	1,194,535
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,677,288
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	10,995
State Reappraisal Grant	0	0	0	0	0	0	22,422
Solid Waste Grants	0	0	0	0	0	0	61,150
Other General Government Grants	0	8,700	0	0	0	0	44,915

(Continued)

Exhibit K-7

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

	Special Revenue Funds			Debt Service Funds			Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Rural Debt Service	Education Debt Service		
<u>State of Tennessee (Cont.)</u>							
<u>Public Safety Grants</u>							
Law Enforcement Training Programs	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	27,000
Drug Control Grants	0	0	0	0	0	0	70,042
Other Public Safety Grants	0	0	0	0	0	0	4,995
<u>Health and Welfare Grants</u>							
Health Department Programs	0	0	0	0	0	0	351,320
Other Health and Welfare Grants	0	0	0	0	0	0	15,789
<u>Public Works Grants</u>							
Bridge Program	0	196,986	0	0	0	0	196,986
State Aid Program	0	74,370	0	0	0	0	74,370
Litter Program	0	0	0	0	0	0	46,322
Other Public Works Grants	0	0	0	0	0	0	100,000
<u>Other State Revenues</u>							
Income Tax	0	0	0	0	0	0	118,052
Alcoholic Beverage Tax	0	0	0	0	0	0	81,248
Mixed Drink Tax	0	0	0	0	0	0	4,583
State Revenue Sharing - T.V.A.	0	0	0	0	0	0	241,340
Board of Jurors	0	0	0	0	0	0	89
Prisoner Transportation	0	0	0	0	0	0	9,126
Contracted Prisoner Boarding	0	0	0	0	0	0	308,910
Gasoline and Motor Fuel Tax	0	1,987,929	0	0	0	0	1,987,929
Petroleum Special Tax	0	57,286	0	0	0	0	57,286
Registrar's Salary Supplement	0	0	0	0	0	0	12,285
Other State Grants	0	0	0	0	0	0	10,500
Other State Revenues	0	0	0	0	0	0	177,476
Total State of Tennessee	\$ 0	\$ 2,325,271	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,035,130
<u>Federal Government</u>							
<u>Federal Through State</u>							
Homeland Security Grants	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	40,052
Other Federal through State	0	0	0	0	0	0	454,962
<u>Direct Federal Revenue</u>							
Other Direct Federal Revenue	0	0	0	0	0	0	105,556
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 600,570

(Continued)

Exhibit K-7

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

	Special Revenue Funds			Debt Service Funds			Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Rural Debt Service	Education Debt Service		
Other Governments and Citizens Groups							
Other Governments							
Contributions	\$ 0	\$ 0	\$ 0	\$ 1,355,541	\$ 839,215	\$ 2,317,461	
Contracted Services	0	0	0	0	0	53,185	
Citizens Groups							
Donations	0	0	0	0	0	8,821	
Other	0	0	0	0	0	938,075	
Other	0	0	0	0	0	0	
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 1,355,541	\$ 839,215	\$ 3,317,542	
Total	\$ 21,011	\$ 3,433,697	\$ 2,542,556	\$ 1,618,795	\$ 1,999,122	\$ 37,663,827	

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, 2008

	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	\$ 12,659,644	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,659,644
Trustee's Collections - Prior Year	299,038	0	0	0	0	299,038
Circuit/Clerk & Master Collections - Prior Years	190,500	0	0	0	0	190,500
Interest and Penalty	138,734	0	0	0	0	138,734
Payments in-Lieu-of Taxes - Other	492,000	0	0	0	0	492,000
<u>County Local Option Taxes</u>						
Local Option Sales Tax	7,104,562	0	0	0	0	7,104,562
<u>Statutory Local Taxes</u>						
Wholesale Beer Tax	142,391	0	0	0	0	142,391
Coal Severance Tax	13,134	0	0	0	0	13,134
Interstate Telecommunications Tax	5,522	0	0	0	0	5,522
Total Local Taxes	\$ 21,045,525	\$ 0	\$ 0	\$ 0	\$ 0	\$ 21,045,525
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 3,580	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,580
Total Licenses and Permits	\$ 3,580	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,580
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Tuition - Adult Education	\$ 34,516	\$ 0	\$ 0	\$ 0	\$ 0	\$ 34,516
Tuition - Other	0	0	0	260,193	0	260,193
Lunch Payments - Children	0	0	811,207	0	0	811,207
Lunch Payments - Adults	0	0	56,035	0	0	56,035
Income from Breakfast	0	0	200,669	0	0	200,669
Special Milk Sales	0	0	4,229	0	0	4,229
A la carte Sales	0	0	99,010	0	0	99,010
Contract for Administrative Services with Other LEAs	0	11,200	0	0	0	11,200
Receipts from Individual Schools	32,272	0	110	0	0	32,382
<u>Other Charges for Services</u>						
Other Charges for Services	179,769	0	24,943	0	0	204,712
Total Charges for Current Services	\$ 246,557	\$ 11,200	\$ 1,196,203	\$ 260,193	\$ 0	\$ 1,714,153

(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	\$ 162,102	\$ 0	\$ 7,726	\$ 0	\$ 71	\$ 169,899
Lease/Rentals	200	0	0	0	0	200
Sale of Materials and Supplies	292	0	0	0	0	292
Miscellaneous Refunds	39,876	0	0	0	0	39,876
<u>Nonrecurring Items</u>						
Sale of Equipment	6,863	0	1,000	41	0	7,904
Damages Recovered from Individuals	636	0	0	0	0	636
Contributions and Gifts	1,775	0	0	500	0	2,275
<u>Other Local Revenues</u>						
Other Local Revenues	89,213	0	0	0	0	89,213
Total Other Local Revenues	\$ 300,957	\$ 0	\$ 8,726	\$ 541	\$ 71	\$ 310,295

	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Education Capital Projects	Total
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
On-Behalf Contributions for OPEB	\$ 235,770	\$ 0	\$ 0	\$ 0	\$ 0	\$ 235,770
<u>State Education Funds</u>						
Basic Education Program	28,071,000	0	0	0	0	28,071,000
Early Childhood Education	1,086,105	0	0	0	0	1,086,105
School Food Service	0	0	33,773	0	0	33,773
Driver Education	16,055	0	0	0	0	16,055
Other State Education Funds	248,467	102,150	0	0	0	350,617
Career Ladder Program	279,090	0	0	0	0	279,090
Career Ladder - Extended Contract	347,355	0	0	0	0	347,355
Other Vocational	0	14,999	0	0	0	14,999
<u>Other State Revenues</u>						
Income Tax	177,077	0	0	0	0	177,077
Beer Tax	19,312	0	0	0	0	19,312
State Revenue Sharing - T.V.A.	655,000	0	0	0	0	655,000
Other State Grants	132,392	0	0	0	0	132,392
Other State Revenues	58,338	0	0	38,513	0	96,851
Total State of Tennessee	\$ 31,325,961	\$ 117,149	\$ 33,773	\$ 38,513	\$ 0	\$ 31,515,396

<u>Federal Government</u>						
Federal Through State	\$ 0	\$ 0	\$ 1,240,988	\$ 0	\$ 0	\$ 1,240,988
USDA School Lunch Program						

(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>						
Breakfast	\$ 0	\$ 0	\$ 446,273	\$ 0	\$ 0	\$ 446,273
USDA - Other	18,969	0	0	165,152	0	184,121
Adult Education State Grant Program	59,090	0	0	0	0	59,090
Vocational Education - Basic Grants to States	0	106,245	0	0	0	106,245
Other Vocational	0	130,066	0	0	0	130,066
Title I Grants to Local Education Agencies	0	1,109,432	0	0	0	1,109,432
Innovative Education Program Strategies	0	7,886	0	0	0	7,886
Special Education - Grants to States	25,496	1,665,155	0	0	0	1,690,651
Special Education Preschool Grants	0	107,337	0	0	0	107,337
Eisenhower Professional Development State Grants	0	372,655	0	0	0	372,655
Other Federal through State	0	80,431	0	0	0	80,431
Direct Federal Revenue	56,445	0	0	0	0	56,445
ROTC Reimbursement	0	60,866	0	2,685,277	0	2,746,143
Other Direct Federal Revenue	0	0	0	0	0	0
Total Federal Government	\$ 160,000	\$ 3,640,073	\$ 1,687,261	\$ 2,850,429	\$ 0	\$ 8,337,763
<u>Other Governments and Citizens Groups</u>						
<u>Other</u>						
Other	\$ 0	\$ 5,536	\$ 0	\$ 0	\$ 0	\$ 5,536
Total Other Governments and Citizens Groups	\$ 0	\$ 5,536	\$ 0	\$ 0	\$ 0	\$ 5,536
Total	\$ 53,082,580	\$ 3,773,958	\$ 2,925,963	\$ 3,149,676	\$ 71	\$ 62,932,248

Exhibit K-9

Anderson County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2008

General Fund

General Government

County Commission

Secretary to Board	\$	38,777	
Board and Committee Members Fees		103,218	
Social Security		7,736	
State Retirement		8,340	
Life Insurance		564	
Medical Insurance		42,335	
Dental Insurance		6,674	
Disability Insurance		365	
Unemployment Compensation		42	
Employer Medicare		1,810	
Communication		68	
Dues and Memberships		2,800	
Legal Notices, Recording, and Court Costs		648	
Maintenance Agreements		1,532	
Postal Charges		608	
Printing, Stationery, and Forms		112	
Travel		7,916	
Office Supplies		1,595	
Other Supplies and Materials		360	
Workers' Compensation Insurance		636	
In Service/Staff Development		2,345	
Total County Commission			\$ 228,481

Board of Equalization

Board and Committee Members Fees	\$	965	
Social Security		120	
Employer Medicare		28	
Legal Notices, Recording, and Court Costs		55	
Postal Charges		300	
Workers' Compensation Insurance		29	
Total Board of Equalization			1,497

Other Boards and Committees

County Official/Administrative Officer	\$	33,009	
Guards		3,166	
Secretary(ies)		6,071	
Maintenance Personnel		47,171	
Part-time Personnel		20,736	
Social Security		6,605	
State Retirement		5,662	

(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.)

Life Insurance	\$	109	
Medical Insurance		10,156	
Dental Insurance		931	
Disability Insurance		177	
Unemployment Compensation		235	
Employer Medicare		1,545	
Advertising		272	
Communication		1,885	
Dues and Memberships		205	
Maintenance and Repair Services - Equipment		1,050	
Maintenance and Repair Services - Vehicles		84	
Postal Charges		145	
Rentals		4,081	
Travel		940	
Disposal Fees		873	
Other Contracted Services		4,200	
Crushed Stone		3,111	
Custodial Supplies		1,473	
Equipment Parts - Light		200	
Gasoline		7,062	
Ice		495	
Office Supplies		368	
Small Tools		840	
Uniforms		836	
Utilities		13,948	
Water and Sewer		354	
Wood Products		1,728	
Other Supplies and Materials		11,334	
Vehicle and Equipment Insurance		4,330	
Workers' Compensation Insurance		4,603	
In Service/Staff Development		480	
Building Improvements		7,851	
Other Equipment		7,511	
Other Capital Outlay		53,903	
Total Other Boards and Committees			\$ 269,735

County Mayor/Executive

County Official/Administrative Officer	\$	95,339
Assistant(s)		30,528
Social Security		6,981

(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.)

State Retirement	\$	9,493	
Life Insurance		73	
Medical Insurance		14,829	
Dental Insurance		1,020	
Disability Insurance		326	
Unemployment Compensation		30	
Employer Medicare		1,632	
Communication		971	
Dues and Memberships		3,418	
Postal Charges		152	
Printing, Stationery, and Forms		250	
Travel		2,273	
Office Supplies		470	
Other Supplies and Materials		274	
Workers' Compensation Insurance		571	
In Service/Staff Development		85	
Other Charges		103	
Total County Mayor/Executive			\$ 168,818

Personnel Office

Assistant(s)	\$	22,798
Supervisor/Director		44,135
Part-time Personnel		3,302
Social Security		4,104
State Retirement		4,125
Life Insurance		73
Medical Insurance		9,455
Dental Insurance		844
Disability Insurance		174
Unemployment Compensation		114
Employer Medicare		960
Communication		360
Dues and Memberships		200
Legal Notices, Recording, and Court Costs		2,210
Postal Charges		248
Travel		741
Other Contracted Services		1,900
Office Supplies		2,315
Other Supplies and Materials		426
Workers' Compensation Insurance		315

(Continued)

Exhibit K-9

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

General Fund (Cont.)

General Government (Cont.)

Personnel Office (Cont.)

In Service/Staff Development	\$	348	
Data Processing Equipment		459	
Total Personnel Office			\$ 99,606

County Attorney

County Official/Administrative Officer	\$	123,136	
Paraprofessionals		35,691	
Secretary(ies)		27,580	
Social Security		10,074	
State Retirement		12,655	
Life Insurance		98	
Medical Insurance		11,965	
Dental Insurance		1,213	
Disability Insurance		479	
Unemployment Compensation		129	
Employer Medicare		2,580	
Communication		1,679	
Dues and Memberships		1,464	
Legal Services		15,884	
Legal Notices, Recording, and Court Costs		412	
Maintenance and Repair Services - Office Equipment		277	
Postal Charges		1,531	
Travel		736	
Other Contracted Services		3,210	
Library Books/Media		1,696	
Office Supplies		2,260	
Other Supplies and Materials		1,088	
Workers' Compensation Insurance		880	
In Service/Staff Development		788	
Total County Attorney			257,505

Election Commission

County Official/Administrative Officer	\$	49,752	
Deputy(ies)		98,702	
Part-time Personnel		1,685	
Overtime Pay		1,755	
Other Salaries and Wages		6,115	
Election Commission		9,225	
Election Workers		34,145	
Social Security		10,645	

(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.)

State Retirement	\$	9,519	
Life Insurance		309	
Medical Insurance		26,110	
Dental Insurance		3,181	
Disability Insurance		335	
Unemployment Compensation		268	
Employer Medicare		2,489	
Communication		725	
Data Processing Services		4,394	
Dues and Memberships		961	
Legal Notices, Recording, and Court Costs		2,687	
Postal Charges		7,611	
Printing, Stationery, and Forms		4,899	
Travel		4,003	
Office Supplies		3,694	
Other Supplies and Materials		1,439	
Workers' Compensation Insurance		746	
In Service/Staff Development		1,700	
Other Equipment		1,773	
Total Election Commission			\$ 288,867

Register of Deeds

County Official/Administrative Officer	\$	68,847
Clerical Personnel		189,790
Overtime Pay		2,669
Social Security		15,376
State Retirement		18,680
Life Insurance		223
Medical Insurance		26,817
Dental Insurance		2,104
Disability Insurance		660
Unemployment Compensation		224
Employer Medicare		3,596
Communication		559
Dues and Memberships		660
Maintenance and Repair Services - Office Equipment		30,783
Postal Charges		3,195
Printing, Stationery, and Forms		548
Rentals		146
Travel		3,173

(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.)

Data Processing Supplies	\$	765	
Duplicating Supplies		635	
Office Supplies		499	
Other Supplies and Materials		98	
Workers' Compensation Insurance		1,163	
In Service/Staff Development		1,585	
Data Processing Equipment		4,960	
Furniture and Fixtures		1,190	
Total Register of Deeds			\$ 378,945

Planning

Supervisor/Director	\$	38,635
Clerical Personnel		53,136
Other Salaries and Wages		99,641
Social Security		11,285
State Retirement		12,174
Life Insurance		258
Medical Insurance		12,541
Dental Insurance		2,757
Disability Insurance		553
Unemployment Compensation		295
Employer Medicare		2,639
Communication		2,228
Data Processing Services		1,700
Dues and Memberships		255
Legal Notices, Recording, and Court Costs		1,980
Maintenance Agreements		1,362
Maintenance and Repair Services - Vehicles		2,600
Postal Charges		1,113
Printing, Stationery, and Forms		704
Travel		1,250
Duplicating Supplies		528
Gasoline		5,114
Office Supplies		6,611
Other Supplies and Materials		1,691
Vehicle and Equipment Insurance		2,887
Workers' Compensation Insurance		3,741
In Service/Staff Development		2,477
Data Processing Equipment		4,979
Furniture and Fixtures		915

(Continued)

Exhibit K-9

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

General Fund (Cont.)

General Government (Cont.)

Planning (Cont.)

Motor Vehicles	\$ 17,411	
Total Planning		\$ 293,460

Engineering

County Official/Administrative Officer	\$ 32,332	
Social Security	2,032	
State Retirement	2,392	
Life Insurance	21	
Dental Insurance	288	
Disability Insurance	85	
Unemployment Compensation	23	
Employer Medicare	475	
Contributions	100	
Maintenance Agreements	1,000	
Printing, Stationery, and Forms	204	
Travel	650	
Other Contracted Services	10,530	
Gasoline	504	
Other Supplies and Materials	2,237	
Workers' Compensation Insurance	2,241	
In Service/Staff Development	650	
Other Charges	2,500	
Total Engineering		58,264

County Buildings

Supervisor/Director	\$ 47,912	
Clerical Personnel	30,728	
Custodial Personnel	141,728	
Maintenance Personnel	32,060	
Other Salaries and Wages	8,117	
Social Security	15,230	
State Retirement	16,957	
Life Insurance	328	
Medical Insurance	42,942	
Dental Insurance	3,728	
Disability Insurance	641	
Unemployment Compensation	480	
Employer Medicare	3,562	
Advertising	580	
Architects	28,864	

(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.)

Communication	\$	3,209	
Maintenance and Repair Services - Buildings		108,787	
Maintenance and Repair Services - Office Equipment		520	
Postal Charges		15	
Travel		1,620	
Disposal Fees		3,412	
Other Contracted Services		577	
Custodial Supplies		16,869	
Electricity		236,900	
Gasoline		596	
Natural Gas		28,686	
Office Supplies		2,362	
Uniforms		1,436	
Water and Sewer		22,019	
Other Supplies and Materials		17,199	
Workers' Compensation Insurance		9,251	
In Service/Staff Development		890	
Other Charges		3,719	
Building Improvements		140,956	
Other Construction		37,725	
Total County Buildings			\$ 1,010,605

Other General Administration

Disability Insurance	\$	8,333	
Audit Services		16,409	
Contracts with Private Agencies		4,402	
Legal Services		35,807	
Rentals		9,048	
Remittance of Revenue Collected		12,629	
Other Contracted Services		72,403	
Other Supplies and Materials		1,684	
Workers' Compensation Insurance		479	
Liability Claims		10,000	
Other Charges		4,693	
Office Equipment		3,612	
Total Other General Administration			179,499

Preservation of Records

Clerical Personnel	\$	26,668	
Part-time Personnel		422	

(Continued)

Exhibit K-9

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

General Fund (Cont.)

General Government (Cont.)

Preservation of Records (Cont.)

Social Security	\$	1,598	
State Retirement		2,001	
Life Insurance		30	
Medical Insurance		3,117	
Dental Insurance		601	
Disability Insurance		68	
Unemployment Compensation		44	
Employer Medicare		374	
Postal Charges		18	
Other Supplies and Materials		3,112	
Workers' Compensation Insurance		158	
Other Capital Outlay		<u>77,261</u>	
Total Preservation of Records	\$		115,472

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	57,086
Accountants/Bookkeepers		391,452
Part-time Personnel		1,724
Overtime Pay		649
Social Security		25,533
State Retirement		31,283
Life Insurance		507
Medical Insurance		69,455
Dental Insurance		6,507
Disability Insurance		957
Unemployment Compensation		688
Employer Medicare		5,971
Communication		1,965
Data Processing Services		1,695
Dues and Memberships		908
Legal Notices, Recording, and Court Costs		1,171
Maintenance Agreements		28,872
Maintenance and Repair Services - Office Equipment		2,703
Postal Charges		11,906
Printing, Stationery, and Forms		5,245
Rentals		400
Travel		2,585
Other Contracted Services		2,658
Office Supplies		14,214

(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.)

Workers' Compensation Insurance	\$	2,119	
In Service/Staff Development		3,753	
Data Processing Equipment		18,234	
Office Equipment		19,170	
Total Accounting and Budgeting			\$ 709,410

Purchasing

County Official/Administrative Officer	\$	44,530	
Purchasing Personnel		51,869	
Part-time Personnel		1,008	
Social Security		5,562	
State Retirement		6,717	
Life Insurance		106	
Medical Insurance		11,601	
Dental Insurance		1,202	
Disability Insurance		197	
Unemployment Compensation		152	
Employer Medicare		1,301	
Advertising		1,352	
Communication		830	
Dues and Memberships		420	
Maintenance Agreements		551	
Postal Charges		2,866	
Printing, Stationery, and Forms		1,424	
Travel		3,234	
Other Contracted Services		2,149	
Gasoline		1,096	
Office Supplies		1,643	
Uniforms		401	
Other Supplies and Materials		1,090	
Vehicle and Equipment Insurance		722	
Workers' Compensation Insurance		452	
In Service/Staff Development		1,299	
Data Processing Equipment		1,042	
Motor Vehicles		13,780	
Total Purchasing			158,596

Property Assessor's Office

County Official/Administrative Officer	\$	68,847	
Deputy(ies)		131,833	

(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 (Cont.)

Social Security	\$	11,931	
State Retirement		15,251	
Life Insurance		186	
Medical Insurance		23,662	
Dental Insurance		1,780	
Disability Insurance		532	
Unemployment Compensation		168	
Employer Medicare		2,790	
Audit Services		50,880	
Communication		6,115	
Data Processing Services		17,576	
Dues and Memberships		1,780	
Operating Lease Payments		914	
Maintenance Agreements		3,000	
Postal Charges		2,681	
Printing, Stationery, and Forms		390	
Rentals		1,619	
Travel		3,460	
Other Contracted Services		23,288	
Office Supplies		500	
Other Supplies and Materials		2,721	
Workers' Compensation Insurance		1,068	
Data Processing Equipment		10,212	
Total Property Assessor's Office			\$ 383,184

Reappraisal Program

Deputy(ies)	\$	71,875	
Social Security		4,275	
State Retirement		5,094	
Life Insurance		117	
Medical Insurance		9,389	
Dental Insurance		916	
Disability Insurance		189	
Unemployment Compensation		137	
Employer Medicare		1,000	
Data Processing Services		6,945	
Travel		2,024	
Office Supplies		500	
Other Supplies and Materials		500	
Workers' Compensation Insurance		3,076	
Total Reappraisal Program			106,037

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office

County Official/Administrative Officer	\$	68,847	
Clerical Personnel		280,927	
Part-time Personnel		33,946	
Social Security		22,546	
State Retirement		25,778	
Life Insurance		348	
Medical Insurance		41,425	
Dental Insurance		4,848	
Disability Insurance		909	
Unemployment Compensation		524	
Employer Medicare		5,273	
Communication		2,752	
Data Processing Services		2,312	
Dues and Memberships		780	
Legal Notices, Recording, and Court Costs		664	
Maintenance Agreements		5,300	
Maintenance and Repair Services - Office Equipment		409	
Postal Charges		9,536	
Printing, Stationery, and Forms		14,521	
Travel		4,726	
Office Supplies		3,471	
Other Supplies and Materials		807	
Workers' Compensation Insurance		1,680	
In Service/Staff Development		1,470	
Data Processing Equipment		21,339	
Total County Trustee's Office			\$ 555,138

County Clerk's Office

County Official/Administrative Officer	\$	68,847
Clerical Personnel		409,199
Part-time Personnel		20,799
Social Security		29,573
State Retirement		31,371
Life Insurance		656
Medical Insurance		46,339
Dental Insurance		6,515
Disability Insurance		1,175
Unemployment Compensation		849
Employer Medicare		6,916
Communication		5,764

(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.)

Data Processing Services	\$	15,600	
Dues and Memberships		700	
Janitorial Services		3,900	
Legal Notices, Recording, and Court Costs		150	
Maintenance and Repair Services - Buildings		444	
Postal Charges		19,895	
Printing, Stationery, and Forms		2,852	
Travel		1,915	
Other Contracted Services		1,488	
Data Processing Supplies		1,763	
Office Supplies		6,695	
Other Supplies and Materials		1,617	
Workers' Compensation Insurance		2,362	
In Service/Staff Development		440	
Data Processing Equipment		1,600	
Office Equipment		988	
Total County Clerk's Office			\$ 690,412

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	68,847
Clerical Personnel		482,246
Part-time Personnel		50,199
Overtime Pay		2,298
Board and Committee Members Fees		450
Social Security		35,331
State Retirement		36,779
Life Insurance		712
Medical Insurance		66,356
Dental Insurance		7,575
Disability Insurance		1,293
Unemployment Compensation		997
Employer Medicare		8,287
Data Processing Services		3,342
Dues and Memberships		620
Legal Notices, Recording, and Court Costs		261
Maintenance and Repair Services - Office Equipment		8,823
Postal Charges		14,075
Printing, Stationery, and Forms		1,934
Transportation - Other than Students		397

(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.)

Travel	\$	371	
Other Contracted Services		18,187	
Data Processing Supplies		1,021	
Duplicating Supplies		2,646	
Office Supplies		4,922	
Other Supplies and Materials		4,284	
Workers' Compensation Insurance		2,574	
In Service/Staff Development		950	
Other Charges		928	
Data Processing Equipment		21,292	
Office Equipment		1,989	
Total Circuit Court			\$ 849,986

Criminal Court

Postal Charges	\$	277	
Office Supplies		1,573	
Total Criminal Court			1,850

General Sessions Court

Communication	\$	7,214	
Data Processing Services		14,466	
Printing, Stationery, and Forms		3,541	
Travel		2,550	
Data Processing Supplies		450	
Duplicating Supplies		1,412	
Office Supplies		526	
Other Supplies and Materials		389	
Total General Sessions Court			30,548

General Sessions Judge

Judge(s)	\$	273,636	
Assistant(s)		66,713	
Other Salaries and Wages		22,195	
Social Security		17,199	
State Retirement		27,278	
Life Insurance		183	
Medical Insurance		31,201	
Dental Insurance		2,305	
Disability Insurance		928	
Unemployment Compensation		119	

(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.)

Employer Medicare	\$	4,987	
Dues and Memberships		900	
Maintenance and Repair Services - Office Equipment		150	
Postal Charges		123	
Printing, Stationery, and Forms		330	
Travel		2,920	
Office Supplies		645	
Workers' Compensation Insurance		1,604	
In Service/Staff Development		1,670	
Other Charges		186	
Total General Sessions Judge			\$ 455,272

Drug Court

County Official/Administrative Officer	\$	29,423	
Social Security		1,777	
State Retirement		958	
Life Insurance		42	
Medical Insurance		3,070	
Dental Insurance		297	
Disability Insurance		77	
Unemployment Compensation		84	
Employer Medicare		416	
Communication		367	
Dues and Memberships		200	
Legal Notices, Recording, and Court Costs		400	
Postal Charges		1,435	
Printing, Stationery, and Forms		1,186	
Travel		2,268	
Other Contracted Services		125	
Office Supplies		10,175	
Other Supplies and Materials		200	
Workers' Compensation Insurance		133	
In Service/Staff Development		650	
Other Charges		8,689	
Data Processing Equipment		7,426	
Total Drug Court			69,398

Chancery Court

County Official/Administrative Officer	\$	68,847	
Clerical Personnel		203,770	

(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.)

Part-time Personnel	\$	632	
Overtime Pay		1,132	
Social Security		15,740	
State Retirement		19,985	
Life Insurance		309	
Medical Insurance		38,706	
Dental Insurance		3,582	
Disability Insurance		709	
Unemployment Compensation		336	
Employer Medicare		3,681	
Communication		442	
Dues and Memberships		740	
Legal Notices, Recording, and Court Costs		7	
Maintenance Agreements		4,511	
Maintenance and Repair Services - Office Equipment		5,271	
Postal Charges		6,161	
Printing, Stationery, and Forms		1,247	
Data Processing Supplies		1,135	
Duplicating Supplies		1,118	
Office Supplies		3,020	
Other Supplies and Materials		2,127	
Workers' Compensation Insurance		1,387	
Office Equipment		7,671	
Total Chancery Court			\$ 392,266

Juvenile Court

Judge(s)	\$	101,994
Probation Officer(s)		174,654
Secretary(ies)		31,046
Social Security		18,319
State Retirement		21,090
Life Insurance		258
Medical Insurance		24,078
Dental Insurance		1,864
Disability Insurance		792
Unemployment Compensation		304
Employer Medicare		4,284
Communication		724
Contracts with Government Agencies		19,960
Dues and Memberships		440

(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.)

Evaluation and Testing	\$	7,381	
Maintenance and Repair Services - Buildings		60	
Maintenance and Repair Services - Office Equipment		149	
Maintenance and Repair Services - Vehicles		500	
Postal Charges		895	
Printing, Stationery, and Forms		345	
Travel		2,677	
Food Supplies		147	
Gasoline		288	
Office Supplies		2,438	
Other Supplies and Materials		578	
Vehicle and Equipment Insurance		722	
Workers' Compensation Insurance		1,377	
In Service/Staff Development		1,135	
Data Processing Equipment		6,866	
Total Juvenile Court			\$ 425,365

District Attorney General

Other Salaries and Wages	\$	24,356	
Social Security		1,431	
State Retirement		628	
Life Insurance		28	
Medical Insurance		3,020	
Dental Insurance		322	
Disability Insurance		65	
Unemployment Compensation		88	
Employer Medicare		335	
Workers' Compensation Insurance		124	
Total District Attorney General			30,397

Office of Public Defender

Other Contracted Services	\$	7,528	
Total Office of Public Defender			7,528

Judicial Commissioners

Postal Charges	\$	82	
Office Supplies		197	
Total Judicial Commissioners			279

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Administration of Justice (Cont.)

Probate Court

Communication	\$	468	
Postal Charges		200	
Duplicating Supplies		335	
Office Supplies		485	
Total Probate Court			\$ 1,488

Other Administration of Justice

Probation Officer(s)	\$	84,392	
Overtime Pay		3,629	
Social Security		5,066	
State Retirement		5,513	
Life Insurance		123	
Medical Insurance		17,696	
Dental Insurance		1,328	
Disability Insurance		215	
Unemployment Compensation		152	
Employer Medicare		1,185	
Communication		360	
Printing, Stationery, and Forms		385	
Travel		2,192	
Other Contracted Services		726	
Office Supplies		1,391	
Workers' Compensation Insurance		390	
Total Other Administration of Justice			124,743

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	76,932	
Deputy(ies)		1,721,086	
Guards		34,618	
Secretary(ies)		36,320	
Clerical Personnel		30,047	
School Resource Officer		234,273	
Overtime Pay		172,921	
Other Salaries and Wages		141,527	
Social Security		143,644	
State Retirement		140,350	
Life Insurance		2,440	
Medical Insurance		298,573	
Dental Insurance		25,938	

(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.)

Disability Insurance	\$	5,690	
Unemployment Compensation		3,627	
Employer Medicare		33,594	
Advertising		776	
Communication		20,347	
Data Processing Services		3,750	
Dues and Memberships		2,550	
Maintenance and Repair Services - Equipment		22,452	
Maintenance and Repair Services - Vehicles		1,953	
Medical and Dental Services		8,572	
Postal Charges		7,817	
Printing, Stationery, and Forms		2,637	
Tow-in Services		1,500	
Travel		9,084	
Duplicating Supplies		903	
Gasoline		222,013	
Law Enforcement Supplies		8,478	
Office Supplies		4,992	
Tires and Tubes		20,703	
Uniforms		35,484	
Utilities		5,408	
Other Supplies and Materials		738	
Liability Insurance		59,600	
Vehicle and Equipment Insurance		52,286	
Workers' Compensation Insurance		87,663	
Liability Claims		7,257	
In Service/Staff Development		1,275	
Communication Equipment		10,688	
Data Processing Equipment		40,872	
Furniture and Fixtures		4,524	
Law Enforcement Equipment		7,386	
Motor Vehicles		397,842	
Total Sheriff's Department			\$ 4,151,130

Jail

Guards	\$	1,684,978
Clerical Personnel		67,800
Cafeteria Personnel		28,704
Overtime Pay		67,968
Other Salaries and Wages		40,256

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Social Security	\$ 109,998
State Retirement	112,315
Life Insurance	2,305
Medical Insurance	275,171
Dental Insurance	23,966
Disability Insurance	4,072
Unemployment Compensation	3,511
Employer Medicare	25,726
Communication	9,889
Contracts with Private Agencies	7,605
Dues and Memberships	100
Maintenance and Repair Services - Buildings	14,995
Medical and Dental Services	9,500
Pest Control	440
Postal Charges	3
Printing, Stationery, and Forms	2,305
Rentals	2,651
Travel	3,711
Disposal Fees	4,703
Other Contracted Services	185,004
Custodial Supplies	41,984
Duplicating Supplies	279
Electricity	68,457
Food Supplies	312,580
Gasoline	18,526
Law Enforcement Supplies	2,007
Natural Gas	53,886
Office Supplies	8,338
Prisoners Clothing	14,771
Uniforms	20,643
Water and Sewer	93,414
Other Supplies and Materials	22,761
Building and Contents Insurance	8,234
Liability Insurance	39,734
Medical Claims	78,733
Vehicle and Equipment Insurance	8,805
Workers' Compensation Insurance	84,539
Liability Claims	552
In Service/Staff Development	2,798
Communication Equipment	5,850

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Data Processing Equipment	\$ 3,200	
Total Jail		\$ 3,577,767

Commissary

Guards	\$ 5,096	
Social Security	304	
State Retirement	378	
Life Insurance	6	
Medical Insurance	398	
Dental Insurance	39	
Disability Insurance	13	
Unemployment Compensation	5	
Employer Medicare	71	
Other Supplies and Materials	96,575	
Workers' Compensation Insurance	22	
Total Commissary		102,907

Civil Defense

County Official/Administrative Officer	\$ 28,198	
Other Salaries and Wages	15,026	
Social Security	2,609	
State Retirement	2,170	
Life Insurance	41	
Dental Insurance	301	
Disability Insurance	74	
Unemployment Compensation	127	
Employer Medicare	610	
Communication	2,537	
Contracts with Government Agencies	2,000	
Contributions	427,160	
Maintenance and Repair Services - Vehicles	1,314	
Postal Charges	55	
Rentals	4,980	
Travel	1,190	
Other Contracted Services	32,580	
Gasoline	5,994	
Office Supplies	918	
Tires and Tubes	1,017	
Gravel and Chert	4,161	
Other Supplies and Materials	19,077	

(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.)

Vehicle and Equipment Insurance	\$	5,774	
Workers' Compensation Insurance		198	
In Service/Staff Development		21,579	
Other Charges		599	
Data Processing Equipment		5,074	
Furniture and Fixtures		4,822	
Total Civil Defense			\$ 590,185

Rescue Squad

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

Other Emergency Management

Dispatchers/Radio Operators	\$	437,931	
Overtime Pay		6,137	
Social Security		26,002	
State Retirement		21,176	
Life Insurance		425	
Medical Insurance		58,693	
Dental Insurance		4,104	
Disability Insurance		917	
Unemployment Compensation		786	
Employer Medicare		6,081	
Communication		330	
Contracts with Government Agencies		2,930	
Contracts with Private Agencies		1,200	
Medical and Dental Services		250	
Travel		3,323	
Office Supplies		1,458	
Uniforms		1,500	
Other Supplies and Materials		50	
Workers' Compensation Insurance		2,123	
Total Other Emergency Management			575,416

County Coroner/Medical Examiner

County Official/Administrative Officer	\$	7,897	
Other Per Diem and Fees		6,344	
Social Security		843	
State Retirement		490	
Life Insurance		10	

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Public Safety (Cont.)

County Coroner/Medical Examiner (Cont.)

Medical Insurance	\$	2,292	
Dental Insurance		159	
Disability Insurance		13	
Unemployment Compensation		7	
Employer Medicare		197	
Communication		486	
Maintenance and Repair Services - Vehicles		835	
Other Contracted Services		76,004	
Gasoline		2,215	
Office Supplies		500	
Tires and Tubes		480	
Uniforms		133	
Other Supplies and Materials		2,459	
Vehicle and Equipment Insurance		722	
Workers' Compensation Insurance		1,348	
Other Equipment		495	
Total County Coroner/Medical Examiner			\$ 103,929

Other Public Safety

Mechanic(s)	\$	75,784
Clerical Personnel		2,087
Social Security		4,560
State Retirement		5,842
Life Insurance		89
Medical Insurance		9,182
Dental Insurance		1,233
Disability Insurance		199
Unemployment Compensation		86
Employer Medicare		1,066
Communication		1,810
Maintenance and Repair Services - Vehicles		1,550
Rentals		5,400
Tow-in Services		3,947
Disposal Fees		259
Other Contracted Services		12,437
Garage Supplies		7,429
Lubricants		7,951
Office Supplies		149
Small Tools		4
Tires and Tubes		407

(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.)

Uniforms	\$	571	
Utilities		6,056	
Vehicle Parts		81,643	
Other Supplies and Materials		764	
Vehicle and Equipment Insurance		1,443	
Workers' Compensation Insurance		3,157	
In Service/Staff Development		400	
Data Processing Equipment		1,442	
Maintenance Equipment		9,345	
Other Equipment		13,039	
Total Other Public Safety			\$ 259,331

Public Health and Welfare

Local Health Center

Medical Personnel	\$	32,290	
Clerical Personnel		29,925	
Other Salaries and Wages		22,215	
Social Security		5,114	
State Retirement		2,862	
Life Insurance		82	
Medical Insurance		6,234	
Dental Insurance		601	
Disability Insurance		110	
Unemployment Compensation		253	
Employer Medicare		1,196	
Communication		3,232	
Contracts with Other Public Agencies		17,740	
Dues and Memberships		380	
Laundry Service		1,631	
Maintenance and Repair Services - Buildings		4,793	
Postal Charges		1,500	
Printing, Stationery, and Forms		260	
Rentals		708	
Travel		185	
Disposal Fees		6,816	
Other Contracted Services		270	
Drugs and Medical Supplies		585	
Electricity		28,136	
Office Supplies		7,887	
Uniforms		281	

(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.)

Other Supplies and Materials	\$	1,697	
Building and Contents Insurance		2,400	
Workers' Compensation Insurance		2,771	
In Service/Staff Development		550	
Other Charges		2,711	
Building Improvements		6,992	
Maintenance Equipment		476	
Total Local Health Center			\$ 192,883

Rabies and Animal Control

Other Salaries and Wages	\$	50,261	
Social Security		2,877	
State Retirement		3,416	
Life Insurance		84	
Medical Insurance		11,960	
Dental Insurance		799	
Disability Insurance		138	
Unemployment Compensation		91	
Employer Medicare		673	
Communication		829	
Maintenance and Repair Services - Vehicles		1,800	
Travel		735	
Gasoline		10,580	
Tires and Tubes		499	
Uniforms		118	
Other Supplies and Materials		960	
Vehicle and Equipment Insurance		1,443	
Workers' Compensation Insurance		1,833	
In Service/Staff Development		495	
Motor Vehicles		18,364	
Other Equipment		11,625	
Total Rabies and Animal Control			119,580

Ambulance/Emergency Medical Services

Supervisor/Director	\$	62,252	
Accountants/Bookkeepers		62,079	
Medical Personnel		1,270,402	
Overtime Pay		746,888	
Social Security		125,408	
State Retirement		127,951	

(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.)

Life Insurance	\$	1,898
Medical Insurance		242,099
Dental Insurance		21,315
Disability Insurance		3,826
Unemployment Compensation		3,045
Employer Medicare		29,329
Communication		23,772
Data Processing Services		3,800
Dues and Memberships		878
Laundry Service		35,254
Maintenance and Repair Services - Vehicles		23,326
Pest Control		1,200
Postal Charges		305
Printing, Stationery, and Forms		738
Travel		1,517
Tuition		2,694
Other Contracted Services		19,890
Custodial Supplies		3,951
Drugs and Medical Supplies		167,553
Duplicating Supplies		2,727
Gasoline		142,289
Natural Gas		4,082
Office Supplies		5,700
Tires and Tubes		13,374
Uniforms		20,096
Utilities		17,227
Other Supplies and Materials		19,850
Building and Contents Insurance		545
Liability Insurance		24,132
Vehicle and Equipment Insurance		24,537
Workers' Compensation Insurance		128,986
Liability Claims		10,000
In Service/Staff Development		28,416
Building Improvements		38,640
Communication Equipment		9,419
Data Processing Equipment		23,680
Furniture and Fixtures		1,128
Motor Vehicles		263,973
Site Development		30,000
Building Purchases		510

(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.)

Other Equipment	\$ 8,271	
Total Ambulance/Emergency Medical Services		\$ 3,798,952

Dental Health Program

Medical Personnel	\$ 156,005	
Social Security	8,834	
State Retirement	11,014	
Life Insurance	161	
Medical Insurance	34,217	
Dental Insurance	2,355	
Disability Insurance	396	
Unemployment Compensation	200	
Employer Medicare	2,066	
Maintenance and Repair Services - Equipment	404	
Medical and Dental Services	271	
Travel	1,805	
Drugs and Medical Supplies	3,096	
Other Supplies and Materials	8,844	
Liability Insurance	1,100	
Workers' Compensation Insurance	5,738	
In Service/Staff Development	166	
Total Dental Health Program		236,672

Alcohol and Drug Programs

Contracts with Other Public Agencies	\$ 15,795	
Contributions	18,000	
Total Alcohol and Drug Programs		33,795

Other Local Health Services

Medical Personnel	\$ 121,440	
Clerical Personnel	127,317	
Overtime Pay	34	
Social Security	14,127	
State Retirement	10,998	
Life Insurance	375	
Medical Insurance	51,226	
Dental Insurance	4,381	
Disability Insurance	580	
Unemployment Compensation	751	
Employer Medicare	3,304	

(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.)

Travel	\$ 10,852	
Workers' Compensation Insurance	5,401	
Total Other Local Health Services		\$ 350,786

Appropriation to State

Contracts with Other Public Agencies	\$ 104,565	
Total Appropriation to State		104,565

Social, Cultural, and Recreational Services

Parks and Fair Boards

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

Agriculture and Natural Resources

Agriculture Extension Service

Clerical Personnel	\$ 23,915	
Part-time Personnel	19,175	
Social Security	2,476	
Extension Service Medicare	13,788	
State Retirement	1,795	
Life Insurance	86	
Medical Insurance	8,733	
Dental Insurance	601	
Disability Insurance	111	
Unemployment Compensation	84	
Employer Medicare	579	
Maintenance Agreements	324	
Postal Charges	2,633	
Travel	1,158	
Other Contracted Services	77,543	
Office Supplies	69	
Workers' Compensation Insurance	191	
Total Agriculture Extension Service		153,261

Soil Conservation

Secretary(ies)	\$ 30,347	
Social Security	1,763	
State Retirement	2,277	
Life Insurance	43	
Dental Insurance	601	

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation (Cont.)

Disability Insurance	\$	77	
Unemployment Compensation		42	
Employer Medicare		412	
Dues and Memberships		290	
Postal Charges		250	
Office Supplies		186	
Workers' Compensation Insurance		134	
Total Soil Conservation			\$ 36,422

Other Operations

Industrial Development

Contributions	\$	122,339	
Total Industrial Development			122,339

Other Economic and Community Development

Clerical Personnel	\$	101,378	
Part-time Personnel		9,812	
Overtime Pay		128	
Social Security		6,343	
State Retirement		6,746	
Life Insurance		114	
Medical Insurance		15,237	
Dental Insurance		1,712	
Disability Insurance		254	
Unemployment Compensation		229	
Employer Medicare		1,483	
Advertising		341	
Communication		302	
Licenses		100	
Maintenance and Repair Services - Vehicles		2,102	
Printing, Stationery, and Forms		498	
Tow-in Services		1,612	
Travel		1,341	
Tuition		102,571	
Gasoline		14,234	
Office Supplies		2,353	
Textbooks		21,043	
Uniforms		6,596	
Testing		2,449	
Other Supplies and Materials		11,759	

(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.)

Other Charges	\$ 71,722	
Total Other Economic and Community Development		\$ 382,459

Veterans' Services

County Official/Administrative Officer	\$ 32,339	
Social Security	2,020	
State Retirement	1,048	
Life Insurance	33	
Dental Insurance	328	
Disability Insurance	97	
Unemployment Compensation	84	
Employer Medicare	472	
Communication	232	
Dues and Memberships	55	
Postal Charges	562	
Printing, Stationery, and Forms	691	
Rentals	378	
Travel	674	
Data Processing Supplies	1,000	
Office Supplies	2,032	
Other Supplies and Materials	1,941	
Workers' Compensation Insurance	144	
Data Processing Equipment	1,445	
Total Veterans' Services		45,575

Other Charges

Contributions	\$ 27,000	
Other Contracted Services	316	
Duplicating Supplies	2,253	
Building and Contents Insurance	25,408	
Liability Insurance	116,411	
Trustee's Commission	299,643	
Other Equipment	49,626	
Total Other Charges		520,657

Contributions to Other Agencies

Contributions	\$ 260,000	
Total Contributions to Other Agencies		260,000

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Other Operations (Cont.)

Miscellaneous

County Official/Administrative Officer	\$	18,292	
Part-time Personnel		27,171	
Overtime Pay		12	
Social Security		2,684	
State Retirement		1,531	
Life Insurance		29	
Medical Insurance		1,599	
Dental Insurance		409	
Disability Insurance		62	
Unemployment Compensation		166	
Employer Medicare		648	
Communication		61,142	
Dues and Memberships		20,307	
Office Supplies		237	
Other Supplies and Materials		93	
Workers' Compensation Insurance		249	
Total Miscellaneous			\$ 134,631

Capital Projects

General Administration Projects

Architects	\$	3,963	
Building Improvements		266,089	
Total General Administration Projects			270,052

Administration of Justice Projects

Architects	\$	50,270	
Total Administration of Justice Projects			50,270

Public Health and Welfare Projects

Building Improvements	\$	7,062	
Total Public Health and Welfare Projects			7,062

Public Utility Projects

Engineering Services	\$	2,750	
Other Contracted Services		600	
Other Construction		54,397	
Total Public Utility Projects			57,747

Other General Government Projects

Architects	\$	17,193	
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(Continued)

Exhibit K-9

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

General Fund (Cont.)

Capital Projects (Cont.)

Other General Government Projects (Cont.)

Contributions	\$ 200,000	
Total Other General Government Projects		\$ 217,193
Total General Fund		\$ 24,821,217

Courthouse and Jail Maintenance Fund

General Government

Building

Maintenance and Repair Services - Buildings	\$ 56,546	
Maintenance and Repair Services - Equipment	1,821	
Other Supplies and Materials	8,581	
Trustee's Commission	229	
Data Processing Equipment	17,971	
Furniture and Fixtures	8,711	
Total Building		\$ 93,859
Total Courthouse and Jail Maintenance Fund		93,859

Public Library Fund

Social, Cultural, and Recreational Services

Libraries

Librarians	\$ 97,293
Part-time Personnel	76,750
Social Security	10,294
State Retirement	7,300
Life Insurance	203
Medical Insurance	18,084
Dental Insurance	2,404
Disability Insurance	249
Unemployment Compensation	704
Employer Medicare	2,407
Advertising	53
Communication	5,805
Data Processing Services	1,895
Dues and Memberships	95
Maintenance Agreements	2,845
Maintenance and Repair Services - Buildings	13
Maintenance and Repair Services - Equipment	500
Pest Control	240
Postal Charges	2,955

(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.)

Rentals	\$	776	
Travel		2,897	
Maintenance and Repair Services - Records		1,489	
Other Contracted Services		2,193	
Custodial Supplies		1,632	
Library Books/Media		42,898	
Office Supplies		6,142	
Periodicals		3,037	
Utilities		28,258	
Other Supplies and Materials		16,529	
Trustee's Commission		170	
Workers' Compensation Insurance		625	
In Service/Staff Development		796	
Data Processing Equipment		11,593	
Furniture and Fixtures		3,271	
Office Equipment		2,916	
Other Equipment		929	
Total Libraries			\$ 356,240

Total Public Library Fund \$ 356,240

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

County Official/Administrative Officer	\$	32,332
Supervisor/Director		30,110
Laborers		17,889
Overtime Pay		12
Social Security		5,055
State Retirement		5,314
Life Insurance		105
Medical Insurance		8,733
Dental Insurance		1,187
Disability Insurance		212
Unemployment Compensation		145
Employer Medicare		1,182
Advertising		600
Communication		795
Maintenance and Repair Services - Vehicles		1,000
Postal Charges		50

(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.)

Sanitation Management (Cont.)

Gasoline	\$	3,584	
Instructional Supplies and Materials		1,009	
Other Supplies and Materials		696	
Trustee's Commission		3,282	
Vehicle and Equipment Insurance		1,443	
Workers' Compensation Insurance		1,630	
Motor Vehicles		18,300	
Other Capital Outlay		532	
Total Sanitation Management			\$ 135,197

Convenience Centers

Maintenance and Repair Services - Buildings	\$	300	
Rentals		8,200	
Other Contracted Services		460,209	
Concrete		5,306	
Electricity		469	
Water and Sewer		1,511	
Building Purchases		16,717	
Solid Waste Equipment		18,153	
Total Convenience Centers			510,865

Other Waste Collection

Supervisor/Director	\$	2,730	
Deputy(ies)		28,677	
Social Security		1,859	
State Retirement		2,368	
Life Insurance		35	
Medical Insurance		4,068	
Dental Insurance		359	
Disability Insurance		84	
Unemployment Compensation		46	
Employer Medicare		435	
Communication		576	
Maintenance and Repair Services - Vehicles		1,000	
Travel		246	
Gasoline		2,956	
Instructional Supplies and Materials		9,224	
Uniforms		454	
Other Supplies and Materials		4,193	
Vehicle and Equipment Insurance		1,443	

(Continued)

Exhibit K-9

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

<u>Solid Waste/Sanitation Fund (Cont.)</u>		
<u>Public Health and Welfare (Cont.)</u>		
<u>Other Waste Collection (Cont.)</u>		
Workers' Compensation Insurance	\$ 1,231	
Total Other Waste Collection		\$ 61,984
 <u>Recycling Center</u>		
Contracts with Private Agencies	\$ 7,184	
Total Recycling Center		7,184
 <u>Landfill Operation and Maintenance</u>		
Contracts with Private Agencies	\$ 642,289	
Contributions	13,150	
Total Landfill Operation and Maintenance		655,439
 <u>Other Waste Disposal</u>		
Contracts with Private Agencies	\$ 70,502	
Rentals	1,693	
Total Other Waste Disposal		<u>72,195</u>
Total Solid Waste/Sanitation Fund		\$ 1,442,864
 <u>Drug Control Fund</u>		
<u>Public Safety</u>		
<u>Drug Enforcement</u>		
Advertising	\$ 478	
Communication	10,033	
Contracts with Private Agencies	3,489	
Confidential Drug Enforcement Payments	5,000	
Dues and Memberships	450	
Operating Lease Payments	2,000	
Maintenance and Repair Services - Vehicles	100	
Medical and Dental Services	3,863	
Rentals	1,125	
Tow-in Services	3,315	
Travel	2,463	
Veterinary Services	1,145	
Animal Food and Supplies	752	
Garage Supplies	122	
Law Enforcement Supplies	4,012	
Office Supplies	674	
Uniforms	1,161	
Other Supplies and Materials	1,589	

(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.)

Trustee's Commission	\$	429	
Vehicle and Equipment Insurance		2,887	
In Service/Staff Development		1,465	
Other Charges		741	
Data Processing Equipment		5,666	
Law Enforcement Equipment		17,096	
Total Drug Enforcement			\$ 70,055

Total Drug Control Fund \$ 70,055

District Attorney General Fund

Administration of Justice

District Attorney General

Communication	\$	844	
Data Processing Services		138	
Dues and Memberships		1,792	
Printing, Stationery, and Forms		732	
Travel		950	
Other Contracted Services		1,135	
Office Supplies		487	
Periodicals		117	
Uniforms		752	
Other Supplies and Materials		270	
Trustee's Commission		160	
In Service/Staff Development		1,609	
Furniture and Fixtures		6,038	
Office Equipment		4,334	
Total District Attorney General			\$ 19,358

Total District Attorney General Fund 19,358

Other Special Revenue Fund

Other Operations

Tourism

Supervisor/Director	\$	38,419	
Clerical Personnel		7,116	
Social Security		2,675	
State Retirement		2,883	
Life Insurance		43	
Medical Insurance		4,500	

(Continued)

Exhibit K-9

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

Other Special Revenue Fund (Cont.)

Other Operations (Cont.)

Tourism (Cont.)

Dental Insurance	\$	301	
Disability Insurance		98	
Unemployment Compensation		84	
Employer Medicare		626	
Advertising		45,494	
Communication		3,585	
Dues and Memberships		3,250	
Maintenance and Repair Services - Buildings		3,300	
Postal Charges		2,107	
Printing, Stationery, and Forms		214	
Travel		1,434	
Office Supplies		345	
Uniforms		1,500	
Utilities		2,432	
Building and Contents Insurance		230	
Liability Insurance		905	
Workers' Compensation Insurance		196	
In Service/Staff Development		249	
Other Charges		200	
Total Tourism			\$ 122,186

Principal on Debt

General Government

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

Interest on Debt

General Government

Interest on Notes	\$	1,591	
Total General Government			1,591

Total Other Special Revenue Fund \$ 138,777

Constitutional Officers - Fees Fund

Administration of Justice

General Sessions Court

Constitutional Officers' Operating Expenses	\$	196	
Total General Sessions Court			\$ 196

(Continued)

Exhibit K-9

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

Constitutional Officers - Fees Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	20,600	
Constitutional Officers' Operating Expenses		215	
Total Chancery Court			\$ 20,815

Total Constitutional Officers - Fees Fund \$ 21,011

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	75,732	
Clerical Personnel		102,990	
Social Security		10,665	
State Retirement		13,144	
Life Insurance		141	
Medical Insurance		20,584	
Dental Insurance		1,679	
Disability Insurance		391	
Unemployment Compensation		63	
Employer Medicare		2,494	
Dues and Memberships		3,534	
Licenses		750	
Maintenance Agreements		8,150	
Maintenance and Repair Services - Equipment		453	
Pest Control		20	
Travel		129	
Disposal Fees		291	
Office Supplies		1,093	
In Service/Staff Development		50	
Office Equipment		647	
Total Administration			\$ 243,000

Highway and Bridge Maintenance

Foremen	\$	50,379
Equipment Operators		137,129
Truck Drivers		137,548
Laborers		254,935
Overtime Pay		24,249
Social Security		34,724
State Retirement		37,497
Life Insurance		808

(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.)

Medical Insurance	\$ 111,804	
Dental Insurance	9,317	
Disability Insurance	1,371	
Unemployment Compensation	562	
Employer Medicare	8,150	
Contracts with Private Agencies	670	
Pest Control	220	
Rentals	1,285	
Other Contracted Services	54,703	
Asphalt	646,248	
Crushed Stone	79,832	
Custodial Supplies	4,240	
Fertilizer, Lime, and Seed	2,905	
Other Road Supplies	17,028	
Pipe - Metal	23,848	
Road Signs	9,166	
Uniforms	7,111	
Other Supplies and Materials	62	
Total Highway and Bridge Maintenance		\$ 1,655,791

Operation and Maintenance of Equipment

Mechanic(s)	\$ 60,167	
Nightwatchmen	76,939	
Overtime Pay	8,819	
Social Security	8,170	
State Retirement	9,890	
Life Insurance	185	
Medical Insurance	38,050	
Dental Insurance	2,404	
Disability Insurance	259	
Unemployment Compensation	127	
Employer Medicare	1,911	
Other Contracted Services	2,230	
Equipment and Machinery Parts	102,696	
Garage Supplies	1,136	
Gasoline	617,910	
Lubricants	3,607	
Tires and Tubes	12,896	
Other Supplies and Materials	17,165	
Communication Equipment	577	
Total Operation and Maintenance of Equipment		965,138

(Continued)

Exhibit K-9

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges

Communication	\$	3,486	
Electricity		11,743	
Natural Gas		6,247	
Water and Sewer		437	
Building and Contents Insurance		605	
Liability Insurance		58,519	
Trustee's Commission		25,933	
Vehicle and Equipment Insurance		47,848	
Workers' Compensation Insurance		64,639	
Liability Claims		23,118	
Total Other Charges			\$ 242,575

Capital Outlay

Bridge Construction	\$	203,834	
Highway Construction		263,607	
Other Equipment		17,956	
Total Capital Outlay			485,397

Total Highway/Public Works Fund \$ 3,591,901

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	1,425,000	
Principal on Notes		40,000	
Principal on Other Loans		193,000	
Total General Government			\$ 1,658,000

Interest on Debt

General Government

Interest on Bonds	\$	294,395	
Interest on Notes		10,799	
Interest on Other Loans		134,410	
Total General Government			439,604

Other Debt Service

General Government

Fiscal Agent Charges	\$	2,502	
Trustee's Commission		55,673	
Total General Government			58,175

Total General Debt Service Fund 2,155,779

(Continued)

Exhibit K-9

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

<u>Rural Debt Service Fund</u>		
<u>Principal on Debt</u>		
<u>Education</u>		
Principal on Bonds	\$ 536,433	
Principal on Other Loans	<u>592,703</u>	
Total Education		\$ 1,129,136
 <u>Interest on Debt</u>		
<u>Education</u>		
Interest on Bonds	\$ 227,201	
Interest on Other Loans	<u>309,352</u>	
Total Education		536,553
 <u>Other Debt Service</u>		
<u>Education</u>		
Fiscal Agent Charges	\$ 2,080	
Trustee's Commission	<u>1,095</u>	
Total Education		<u>3,175</u>
Total Rural Debt Service Fund		\$ 1,668,864
 <u>Education Debt Service Fund</u>		
<u>Principal on Debt</u>		
<u>Education</u>		
Principal on Bonds	\$ 650,000	
Principal on Other Loans	<u>743,547</u>	
Total Education		\$ 1,393,547
 <u>Interest on Debt</u>		
<u>Education</u>		
Interest on Bonds	\$ 231,123	
Interest on Other Loans	<u>271,636</u>	
Total Education		502,759
 <u>Other Debt Service</u>		
<u>Education</u>		
Fiscal Agent Charges	\$ 2,080	
Trustee's Commission	<u>19,816</u>	
Total Education		<u>21,896</u>
Total Education Debt Service Fund		1,918,202

(Continued)

Exhibit K-9

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

General Capital Projects Fund

Capital Projects

Public Safety Projects

Other Supplies and Materials	\$	3,695	
Building Improvements		39,285	
Data Processing Equipment		<u>4,865</u>	
Total Public Safety Projects			<u>\$ 47,845</u>

Total General Capital Projects Fund \$ 47,845

Total Governmental Funds - Primary Government \$ 36,345,972

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, 2008

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 15,447,269	
Career Ladder Program	205,703	
Career Ladder Extended Contracts	296,936	
Homebound Teachers	44,973	
Educational Assistants	425,195	
Certified Substitute Teachers	21,605	
Non-certified Substitute Teachers	184,018	
Social Security	971,705	
State Retirement	1,014,149	
Life Insurance	20,056	
Medical Insurance	1,556,870	
Unemployment Compensation	15,574	
Employer Medicare	228,748	
Payments to Retirees	28,665	
Maintenance and Repair Services - Equipment	1,880	
Other Contracted Services	29,538	
Instructional Supplies and Materials	484,075	
Textbooks	421,906	
Other Supplies and Materials	4,480	
Refund to Applicant for Criminal Investigation	6,912	
Other Charges	47,374	
Regular Instruction Equipment	387,404	
Total Regular Instruction Program		\$ 21,845,035

Special Education Program

Teachers	\$ 3,674,281
Career Ladder Program	44,650
Homebound Teachers	66,079
Educational Assistants	442,601
Other Salaries and Wages	96,421
Certified Substitute Teachers	4,970
Non-certified Substitute Teachers	26,130
Social Security	251,003
State Retirement	266,568
Life Insurance	6,086
Medical Insurance	373,791
Unemployment Compensation	4,559
Employer Medicare	60,120
Contracts with Private Agencies	45,544

(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.)

Dues and Memberships	\$	105	
Maintenance and Repair Services - Vehicles		1,320	
Other Contracted Services		138,309	
Instructional Supplies and Materials		61,701	
Other Supplies and Materials		11,018	
Special Education Equipment		44,183	
Total Special Education Program			\$ 5,619,439

Vocational Education Program

Teachers	\$	2,094,925	
Career Ladder Program		24,495	
Clerical Personnel		87,470	
Other Salaries and Wages		31,740	
Certified Substitute Teachers		11,855	
Non-certified Substitute Teachers		29,065	
Social Security		130,958	
State Retirement		138,500	
Life Insurance		2,612	
Medical Insurance		209,469	
Unemployment Compensation		2,020	
Employer Medicare		30,945	
Maintenance and Repair Services - Equipment		8,654	
Instructional Supplies and Materials		85,790	
Other Supplies and Materials		8,988	
Vocational Instruction Equipment		89,368	
Other Equipment		2,553	
Total Vocational Education Program			2,989,407

Adult Education Program

Teachers	\$	99,709	
Career Ladder Program		1,000	
Other Salaries and Wages		7,352	
Social Security		6,715	
State Retirement		4,448	
Life Insurance		59	
Unemployment Compensation		163	
Employer Medicare		1,570	
Payments to Retirees		1,743	
Advertising		300	

(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.)

Adult Education Program (Cont.)

Travel	\$	1,129	
Instructional Supplies and Materials		924	
Other Supplies and Materials		734	
Other Charges		376	
Administration Equipment		9,229	
Total Adult Education Program			\$ 135,451

Support Services

Attendance

Supervisor/Director	\$	70,571	
Career Ladder Program		3,000	
Clerical Personnel		29,973	
Other Salaries and Wages		195,032	
Social Security		15,776	
State Retirement		12,473	
Life Insurance		248	
Medical Insurance		684	
Unemployment Compensation		271	
Employer Medicare		4,317	
Travel		2,475	
Other Supplies and Materials		1,474	
Total Attendance			336,294

Health Services

Medical Personnel	\$	286,739	
Social Security		16,970	
State Retirement		16,941	
Life Insurance		386	
Medical Insurance		20,107	
Unemployment Compensation		394	
Employer Medicare		3,969	
Travel		8,748	
Drugs and Medical Supplies		14,810	
Other Supplies and Materials		3,370	
Administration Equipment		2,536	
Total Health Services			374,970

Other Student Support

Career Ladder Program	\$	6,000	
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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.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Guidance Personnel	\$	836,385	
Medical Personnel		98,393	
Social Security		53,845	
State Retirement		57,619	
Life Insurance		1,047	
Medical Insurance		53,527	
Unemployment Compensation		676	
Employer Medicare		12,846	
Evaluation and Testing		1,330	
Printing, Stationery, and Forms		450	
Travel		2,736	
Other Contracted Services		301,655	
Other Supplies and Materials		27,798	
Other Charges		14	
Total Other Student Support			\$ 1,454,321

Regular Instruction Program

Supervisor/Director	\$	80,038	
Career Ladder Program		17,000	
Librarians		652,862	
Secretary(ies)		29,029	
Clerical Personnel		30,878	
Other Salaries and Wages		96,132	
Social Security		52,643	
State Retirement		55,338	
Life Insurance		1,126	
Medical Insurance		77,607	
Unemployment Compensation		822	
Employer Medicare		12,446	
Maintenance and Repair Services - Equipment		7,320	
Travel		1,924	
Library Books/Media		72,793	
Other Supplies and Materials		64,801	
In Service/Staff Development		23,845	
Regular Instruction Equipment		824	
Total Regular Instruction Program			1,277,428

Special Education Program

Supervisor/Director	\$	82,206	
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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.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Career Ladder Program	\$	6,700	
Psychological Personnel		138,259	
Clerical Personnel		80,858	
Social Security		17,744	
State Retirement		20,280	
Life Insurance		324	
Medical Insurance		34,107	
Unemployment Compensation		195	
Employer Medicare		4,150	
Consultants		45,000	
Dues and Memberships		339	
Rentals		4,000	
Total Special Education Program			\$ 434,162

Vocational Education Program

Supervisor/Director	\$	93,153	
Career Ladder Program		3,000	
Other Salaries and Wages		79,197	
Social Security		10,420	
State Retirement		11,979	
Life Insurance		202	
Medical Insurance		12,827	
Unemployment Compensation		119	
Employer Medicare		2,437	
Travel		41,759	
Total Vocational Education Program			255,093

Adult Programs

Other Salaries and Wages	\$	69,766	
Social Security		4,280	
State Retirement		5,267	
Life Insurance		101	
Medical Insurance		4,184	
Unemployment Compensation		60	
Employer Medicare		1,001	
Communication		477	
Travel		935	
Other Contracted Services		1,300	
Other Supplies and Materials		14,623	
Total Adult Programs			101,994

(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 Programs

On-Behalf Payments to OPEB	\$ 235,770	
Total Other Programs		\$ 235,770

Board of Education

Secretary to Board	\$ 6,000	
Board and Committee Members Fees	38,500	
Social Security	2,179	
State Retirement	1,155	
Life Insurance	403	
Unemployment Compensation	11	
Employer Medicare	643	
Advertising	1,127	
Audit Services	11,500	
Dues and Memberships	7,531	
Legal Services	57,524	
Travel	17,335	
Liability Insurance	108,557	
Premiums on Corporate Surety Bonds	223	
Trustee's Commission	433,153	
Workers' Compensation Insurance	197,165	
Other Charges	786	
Total Board of Education		883,792

Director of Schools

County Official/Administrative Officer	\$ 108,581	
Career Ladder Program	1,000	
Secretary(ies)	29,964	
Social Security	8,204	
State Retirement	8,424	
Life Insurance	101	
Medical Insurance	7,501	
Unemployment Compensation	58	
Employer Medicare	1,992	
Communication	70,022	
Dues and Memberships	2,584	
Postal Charges	6,735	
Travel	683	
Office Supplies	2,325	
Other Charges	8,200	
Total Director of Schools		256,374

(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

Principals	\$ 1,247,884	
Career Ladder Program	24,000	
Assistant Principals	489,503	
Secretary(ies)	528,395	
Social Security	133,708	
State Retirement	146,085	
Life Insurance	2,612	
Medical Insurance	162,393	
Unemployment Compensation	1,704	
Employer Medicare	31,830	
Payments to Retirees	14,508	
Communication	19,288	
Travel	9,229	
Other Supplies and Materials	1,438	
In Service/Staff Development	17,813	
Administration Equipment	80,671	
Total Office of the Principal		\$ 2,911,061

Fiscal Services

Supervisor/Director	\$ 71,331	
Accountants/Bookkeepers	174,389	
Social Security	14,053	
State Retirement	16,955	
Life Insurance	307	
Medical Insurance	12,552	
Unemployment Compensation	223	
Employer Medicare	3,471	
Travel	783	
Office Supplies	5,316	
Other Supplies and Materials	14,727	
Total Fiscal Services		314,107

Human Services/Personnel

Supervisor/Director	\$ 62,384
Secretary(ies)	15,770
Clerical Personnel	1,434
Social Security	4,723
State Retirement	6,009
Life Insurance	92

(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.)

Human Services/Personnel (Cont.)

Medical Insurance	\$	4,950	
Unemployment Compensation		108	
Employer Medicare		1,105	
Advertising		133	
Travel		1,062	
Office Supplies		2,906	
Other Supplies and Materials		8,247	
In Service/Staff Development		492	
Other Charges		750	
Administration Equipment		4,318	
Total Human Services/Personnel			\$ 114,483

Operation of Plant

Supervisor/Director	\$	28,459	
Clerical Personnel		16,024	
Custodial Personnel		1,339,825	
Social Security		77,734	
State Retirement		101,144	
Life Insurance		2,797	
Medical Insurance		211,174	
Unemployment Compensation		1,789	
Employer Medicare		18,801	
Maintenance and Repair Services - Vehicles		8,928	
Rentals		53,573	
Disposal Fees		48,659	
Other Contracted Services		43,204	
Custodial Supplies		177,515	
Electricity		1,536,736	
Natural Gas		317,354	
Water and Sewer		214,958	
Other Supplies and Materials		14,845	
Building and Contents Insurance		183,726	
Plant Operation Equipment		54,553	
Total Operation of Plant			4,451,798

Maintenance of Plant

Maintenance Personnel	\$	566,895	
Social Security		33,196	
State Retirement		33,540	

(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.)

Maintenance of Plant (Cont.)

Life Insurance	\$	596	
Medical Insurance		53,008	
Unemployment Compensation		878	
Employer Medicare		7,930	
Payments to Retirees		1,473	
Communication		169,608	
Maintenance and Repair Services - Buildings		32,400	
Maintenance and Repair Services - Equipment		27,041	
Other Contracted Services		96,726	
Gasoline		50,420	
Office Supplies		2,000	
Other Supplies and Materials		240,976	
Furniture and Fixtures		39,403	
Total Maintenance of Plant			\$ 1,356,090

Transportation

Supervisor/Director	\$	124,514	
Career Ladder Program		2,000	
Clerical Personnel		16,024	
Social Security		8,468	
State Retirement		9,104	
Life Insurance		113	
Medical Insurance		11,030	
Unemployment Compensation		74	
Employer Medicare		1,981	
Contracts with Vehicle Owners		2,236,387	
Other Contracted Services		5,715	
Other Supplies and Materials		956	
Transportation Equipment		19,227	
Total Transportation			2,435,593

Central and Other

Supervisor/Director	\$	80,629	
Secretary(ies)		23,816	
Other Salaries and Wages		244,789	
Social Security		20,347	
State Retirement		23,052	
Life Insurance		353	
Medical Insurance		21,975	

(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.)

Unemployment Compensation	\$	290	
Employer Medicare		4,759	
Travel		1,908	
Other Contracted Services		54,186	
Other Supplies and Materials		99,541	
In Service/Staff Development		861	
Administration Equipment		14,929	
Data Processing Equipment		22,988	
Total Central and Other			\$ 614,423

Operation of Non-Instructional Services

Early Childhood Education

Supervisor/Director	\$	7,854
Teachers		285,133
Career Ladder Program		2,000
Secretary(ies)		9,348
Clerical Personnel		15,491
Educational Assistants		89,484
Non-certified Substitute Teachers		220
Social Security		23,719
State Retirement		26,888
Life Insurance		764
Medical Insurance		56,680
Unemployment Compensation		493
Employer Medicare		5,547
Communication		1,282
Consultants		375
Contributions		50
Maintenance and Repair Services - Office Equipment		618
Travel		827
Other Contracted Services		2,409
Drugs and Medical Supplies		361
Food Supplies		149
General Construction Materials		390
Instructional Supplies and Materials		4,501
Natural Gas		2,704
Office Supplies		598
Other Supplies and Materials		1,758
Building and Contents Insurance		125

(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.)

In Service/Staff Development	\$	2,724	
Refund to Applicant for Criminal Investigation		144	
Other Charges		3,957	
Data Processing Equipment		1,966	
Furniture and Fixtures		80	
Total Early Childhood Education			\$ 548,639

Capital Outlay

Regular Capital Outlay

Architects	\$	14,921	
Other Contracted Services		4,714	
Other Supplies and Materials		6,975	
Building Construction		271,373	
Building Improvements		39,780	
Total Regular Capital Outlay			337,763

Principal on Debt

Education

Principal on Notes	\$	400,333	
Principal on Capital Leases		3,337	
Total Education			403,670

Interest on Debt

Education

Interest on Notes	\$	360,941	
Interest on Capital Leases		13,497	
Total Education			374,438

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	2,194,756	
Total Education			2,194,756

Total General Purpose School Fund \$ 52,256,351

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	1,141,087	
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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.)

Regular Instruction Program (Cont.)

Educational Assistants	\$	22,911	
Other Salaries and Wages		73	
Certified Substitute Teachers		2,690	
Non-certified Substitute Teachers		6,065	
Social Security		67,678	
State Retirement		70,475	
Life Insurance		1,159	
Medical Insurance		83,075	
Unemployment Compensation		875	
Employer Medicare		16,181	
Instructional Supplies and Materials		84,499	
Workers' Compensation Insurance		6,787	
Total Regular Instruction Program			\$ 1,503,555

Special Education Program

Teachers	\$	386,787	
Educational Assistants		194,824	
Other Salaries and Wages		27,983	
Certified Substitute Teachers		60	
Non-certified Substitute Teachers		1,348	
Social Security		35,174	
State Retirement		41,412	
Life Insurance		1,268	
Medical Insurance		67,062	
Unemployment Compensation		1,021	
Employer Medicare		8,434	
Travel		584	
Instructional Supplies and Materials		112,370	
Other Supplies and Materials		3,000	
Workers' Compensation Insurance		4,830	
Refund to Applicant for Criminal Investigation		192	
Other Charges		60	
Special Education Equipment		40,410	
Total Special Education Program			926,819

Vocational Education Program

Teachers	\$	13,190	
Educational Assistants		17,797	
Other Salaries and Wages		55,490	

(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.)

Social Security	\$	2,072	
State Retirement		2,167	
Life Insurance		50	
Medical Insurance		4,184	
Unemployment Compensation		133	
Employer Medicare		484	
Other Fringe Benefits		66	
Consultants		1,753	
Travel		26,343	
Instructional Supplies and Materials		36,756	
Workers' Compensation Insurance		93	
In Service/Staff Development		15,225	
Other Charges		1,043	
Vocational Instruction Equipment		135,260	
Total Vocational Education Program			\$ 312,106

Support Services

Other Student Support

Travel	\$	7,389	
Other Contracted Services		13,836	
Other Supplies and Materials		28,891	
In Service/Staff Development		36,289	
Other Charges		323	
Other Equipment		1,343	
Total Other Student Support			88,071

Regular Instruction Program

Supervisor/Director	\$	84,488	
Secretary(ies)		32,567	
Social Security		7,207	
State Retirement		7,731	
Life Insurance		101	
Unemployment Compensation		60	
Employer Medicare		1,686	
Travel		10,619	
Other Contracted Services		2,700	
Other Supplies and Materials		5,082	
Workers' Compensation Insurance		702	
In Service/Staff Development		195	

(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.)

Regular Instruction Program (Cont.)

Other Charges	\$ 1,149	
Other Equipment	927	
Total Regular Instruction Program		\$ 155,214

Special Education Program

Psychological Personnel	\$ 109,385	
Clerical Personnel	61,852	
Social Security	10,272	
State Retirement	11,495	
Life Insurance	218	
Medical Insurance	10,841	
Unemployment Compensation	136	
Employer Medicare	2,402	
Consultants	150,153	
Travel	43,441	
Workers' Compensation Insurance	1,480	
In Service/Staff Development	19,464	
Total Special Education Program		421,139

Board of Education

Workers' Compensation Insurance	\$ 159	
Total Board of Education		159

Director of Schools

Postal Charges	\$ 410	
Total Director of Schools		410

Office of the Principal

Communication	\$ 1,251	
Total Office of the Principal		1,251

Transportation

Contracts with Vehicle Owners	\$ 81,346	
Maintenance and Repair Services - Vehicles	4,991	
Gasoline	12,000	
Total Transportation		98,337

Total School Federal Projects Fund		\$ 3,507,061
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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.)

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	58,559	
Accountants/Bookkeepers		93,494	
Clerical Personnel		373,177	
Cafeteria Personnel		820,738	
Other Salaries and Wages		20,250	
Social Security		78,845	
State Retirement		79,725	
Life Insurance		3,473	
Medical Insurance		178,132	
Unemployment Compensation		3,390	
Employer Medicare		18,443	
Payments to Retirees		4,340	
Communication		9,640	
Dues and Memberships		616	
Maintenance and Repair Services - Equipment		23,609	
Printing, Stationery, and Forms		749	
Travel		2,697	
Other Contracted Services		28,720	
Food Supplies		1,363,490	
Office Supplies		2,454	
Other Supplies and Materials		4,591	
Trustee's Commission		76	
Workers' Compensation Insurance		32,801	
In Service/Staff Development		3,032	
Refund to Applicant for Criminal Investigation		624	
Other Charges		33	
Food Service Equipment		20,239	
Total Food Service			\$ 3,225,937

Total Central Cafeteria Fund

\$ 3,225,937

Other Education Special Revenue Fund

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	70,659
Teachers		117,176
Social Workers		39,031
Medical Personnel		43,300
Secretary(ies)		74,019

(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.)

Educational Assistants	\$ 1,081,682
Other Salaries and Wages	80,684
Certified Substitute Teachers	60
Non-certified Substitute Teachers	220
Social Security	85,738
State Retirement	98,417
Life Insurance	3,039
Medical Insurance	183,978
Unemployment Compensation	2,668
Employer Medicare	20,152
Advertising	32
Communication	17,602
Consultants	375
Contracts with Other School Systems	681,073
Contributions	150
Dues and Memberships	1,312
Operating Lease Payments	13,200
Maintenance and Repair Services - Office Equipment	3,562
Maintenance and Repair Services - Vehicles	3,212
Pest Control	960
Postal Charges	1,046
Travel	10,058
Other Contracted Services	19,370
Drugs and Medical Supplies	3,082
Electricity	12,580
Food Supplies	9,474
Gasoline	5,079
Instructional Supplies and Materials	15,413
Natural Gas	2,834
Office Supplies	6,570
Water and Sewer	1,842
Other Supplies and Materials	19,313
Building and Contents Insurance	2,249
Liability Insurance	750
Vehicle and Equipment Insurance	4,500
Workers' Compensation Insurance	6,172
In Service/Staff Development	30,709
Refund to Applicant for Criminal Investigation	816
Other Charges	22,377

(Continued)

Exhibit K-10

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

<u>Other Education Special Revenue Fund (Cont.)</u>		
<u>Operation of Non-Instructional Services (Cont.)</u>		
<u>Community Services (Cont.)</u>		
Data Processing Equipment	\$ 2,949	
Motor Vehicles	13,349	
Other Equipment	<u>18,693</u>	
Total Community Services		\$ 2,831,526
 <u>Principal on Debt</u>		
<u>Education</u>		
Principal on Capital Leases	\$ <u>18,957</u>	
Total Education		18,957
 <u>Interest on Debt</u>		
<u>Education</u>		
Interest on Capital Leases	\$ <u>76,656</u>	
Total Education		<u>76,656</u>
Total Other Education Special Revenue Fund		\$ 2,927,139
 <u>Education Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Education Capital Projects</u>		
Building Improvements	\$ <u>315,020</u>	
Total Education Capital Projects		\$ <u>315,020</u>
Total Education Capital Projects Fund		<u>315,020</u>
Total Governmental Funds - Anderson County School Department		<u>\$ 62,231,508</u>

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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.

	Tables	Pages
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	249-255
Revenue Capacity:		
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	7-10	256-259
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	260-264
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	265-266
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	267-269

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

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Table 1

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

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
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	\$ 11,364,951
Restricted for:						
Highway	594,373	967,776	1,740,500	1,379,754	971,846	870,595
Debt Service	343,039	514,489	797,035	947,042	1,084,976	1,465,266
Courthouse and Jail (2)	0	0	0	0	57,551	86,728
Public Library (2)	0	0	0	0	109,136	109,059
Solid Waste (2)	0	0	0	0	198,665	183,051
Drug Control (2)	0	0	0	0	99,497	82,630
Tourism (2)	0	0	0	0	0	100,279
Other Purposes	254,040	439,064	606,468	797,752	303,040	195,536
Unrestricted	(22,816,572)	(20,570,791)	(17,603,786)	(14,374,348)	(9,992,846)	(6,996,196)
Subtotal Governmental Activities Net Assets	\$ (19,865,544)	\$ (14,971,714)	\$ (9,664,011)	\$ (3,764,257)	\$ 2,019,291	\$ 7,461,899
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	\$ 10,518,405
Unrestricted	1,442,959	1,312,134	1,340,772	1,287,859	1,393,488	1,544,982
Subtotal Business-type Activities Net Assets	\$ 10,790,998	\$ 10,975,352	\$ 11,394,051	\$ 12,037,596	\$ 11,985,744	\$ 12,063,387
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	\$ 21,883,356
Restricted for:						
Highway	594,373	967,776	1,740,500	1,379,754	971,846	870,595
Debt Service	343,039	514,489	797,035	947,042	1,084,976	1,465,266
Courthouse and Jail (2)	0	0	0	0	57,551	86,728
Public Library (2)	0	0	0	0	109,136	109,059
Solid Waste (2)	0	0	0	0	198,665	183,051
Drug Control (2)	0	0	0	0	99,497	82,630
Tourism (2)	0	0	0	0	0	100,279
Other Purposes	254,040	439,064	606,468	797,752	303,040	195,536
Unrestricted	(21,373,613)	(19,258,657)	(16,263,014)	(13,086,489)	(8,599,358)	(5,451,214)
Total Primary Government Net Assets (3)	\$ (9,074,546)	\$ (3,996,362)	\$ 1,730,040	\$ 8,273,339	\$ 14,005,035	\$ 19,525,286

(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 years 2007 and 2008, 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 Six Fiscal Years (1)
(accrual basis of accounting)

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Expenses						
Governmental Activities:						
General Government	\$ 2,384,417	\$ 2,958,476	\$ 3,043,074	\$ 3,625,905	\$ 3,382,567	\$ 3,825,776
Finance	2,074,278	2,264,600	2,353,548	2,289,764	2,500,844	2,582,694
Administration of Justice	2,143,265	2,487,842	2,396,649	2,499,792	2,354,901	2,227,931
Public safety	6,005,316	6,525,846	6,550,593	7,265,640	7,634,445	9,474,855
Public Health and Welfare	4,306,111	4,821,032	5,490,734	5,700,376	5,847,219	6,087,420
Social, Cultural, and Recreational Service	246,687	274,330	290,638	305,178	395,711	363,662
Agriculture and Natural Resources	153,247	160,814	158,093	256,550	259,270	194,110
Other Operations	907,842	950,493	784,386	1,101,170	1,168,858	1,814,950
Highways	4,273,421	3,965,497	2,830,170	3,315,744	4,355,441	3,744,401
Education	0	0	0	103,464	0	0
Interest on Long-term Debt	2,195,850	1,631,665	1,543,338	1,774,242	1,787,493	1,561,094
Other Debt Service	213,476	233,936	128,947	215,508	262,708	123,866
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>	<u>\$ 32,000,759</u>
Business-type Activities						
Water and Sewer	<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>	<u>\$ 2,368,759</u>
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>	<u>\$ 2,368,759</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>	<u>\$ 34,369,518</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	\$ 1,053,338
Finance	1,583,976	1,630,854	1,754,221	1,813,917	1,972,724	1,987,292
Administration of Justice	1,647,842	1,656,494	1,802,240	1,927,388	1,835,139	1,685,908
Public Safety	537,734	552,327	503,359	554,705	502,858	515,637
Public Health and Welfare (2)	2,496,522	3,530,284	3,847,134	4,530,165	4,832,207	5,142,663
Social, Cultural and Recreational Services	46,634	53,948	53,712	59,388	61,976	190,913
Highways	183,836	205,001	272,479	350,675	406,180	560,649
Debt Service:						
Interest on Long-term Debt	0	0	0	0	338,925	326,092
Operating Grants and Contributions	3,336,015	3,426,740	3,174,796	2,643,078	2,852,540	3,257,888
Capital Grants and Contributions (3)	1,313,529	352,265	292,704	2,087,387	897,373	893,945
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>	<u>\$ 15,614,325</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	\$ 2,431,402
Capital Grants and Contributions	0	423,375	425,000	940,801	0	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>	<u>\$ 2,431,402</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>	<u>\$ 18,045,727</u>

(Continued)

Table 2

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

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Net (Expense)/Revenue						
Governmental Activities	\$ (12,678,858)	\$ (13,740,802)	\$ (12,842,613)	\$ (13,442,541)	\$ (15,038,402)	\$ (16,386,434)
Business-type Activities	(171,471)	180,578	173,299	669,147	(123,132)	62,643
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>	<u>\$ (16,323,791)</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	\$ 13,464,967
Sales Taxes	511,551	722,130	805,743	843,717	985,038	1,016,987
Other Taxes	821,487	886,672	1,439,492	1,426,737	1,983,801	1,683,405
Grants and Contributions not Restricted to Specific Programs	3,678,888	3,707,744	3,081,497	3,538,483	4,140,252	5,150,780
Unrestricted Investment Income	256,942	203,825	276,969	504,488	559,351	484,487
Gain (Loss) on Sale of Capital Assets	0	0	0	96,514	0	0
Miscellaneous	86,743	74,167	49,095	58,769	70,568	43,416
Transfers	0	0	(238,366)	39,890	(35,000)	(15,000)
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>	<u>\$ 21,829,042</u>
Business-type Activities:						
Sales Taxes	\$ 49,546	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Unrestricted Investment Income	5,622	3,776	7,034	14,288	36,280	0
Miscellaneous	10,500	0	0	0	0	0
Transfers	0	0	238,366	(39,890)	35,000	15,000
Total Business-type Activities	<u>\$ 65,668</u>	<u>\$ 3,776</u>	<u>\$ 245,400</u>	<u>\$ (25,602)</u>	<u>\$ 71,280</u>	<u>\$ 15,000</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>	<u>\$ 21,844,042</u>
Change in Net Assets						
Governmental Activities	\$ 5,519,323	\$ 4,893,830	\$ 5,307,703	\$ 5,899,754	\$ 5,783,548	\$ 5,442,608
Business-type Activities	(105,803)	184,354	418,699	643,545	(51,852)	77,643
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>	<u>\$ 5,520,251</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) 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 Six 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		Total
								Local Tax	Local Tax	
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	
2008	13,464,967	1,016,987	4,084	180,233	296,065	1,028,801	149,665	24,557	16,165,359	

(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) 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 distribution, 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									
	1999	2000	2001	2002	2003 (2)	2004	2005	2006	2007	2008
General Fund:										
Reserved	\$ 102,107	\$ 146,605	\$ 121,952	\$ 221,553	\$ 199,846	\$ 296,073	\$ 755,557	\$ 279,141	\$ 324,579	\$ 618,661
Unreserved	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	7,715,751
Total General Fund	\$ 258,772	\$ 384,148	\$ 1,780,602	\$ 2,843,806	\$ 4,461,412	\$ 4,296,798	\$ 4,912,405	\$ 5,565,258	\$ 7,344,067	\$ 8,334,412
All Other Governmental Funds:										
Reserved	\$ 50,297	\$ 8,811	\$ 29,219	\$ 15,933	\$ 13,215	\$ 385,599	\$ 4,598,932	\$ 7,147,825	\$ 9,729,622	\$ 9,468,991
Unreserved, Reported in:										
Special Revenue Funds	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	1,213,829
Debt Service Funds	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	3,648,132
Capital Projects	7,082	7,082	0	0	0	0	0	47,960	(190,806)	0
Total Other Governmental Funds	\$ 3,335,748	\$ 3,067,863	\$ 2,995,685	\$ 2,866,022	\$ 2,815,857	\$ 3,591,282	\$ 8,493,621	\$ 12,191,543	\$ 13,907,701	\$ 14,330,952
Total Governmental Funds (1)	\$ 3,594,520	\$ 3,452,011	\$ 4,776,287	\$ 5,709,828	\$ 7,277,269	\$ 7,888,080	\$ 13,406,026	\$ 17,756,801	\$ 21,251,768	\$ 22,665,364

(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									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues:										
Local Taxes	\$ 11,864,039	\$ 13,536,158	\$ 14,284,748	\$ 14,670,570	\$ 14,864,570	\$ 15,402,849	\$ 15,973,264	\$ 15,901,248	\$ 17,453,374	\$ 17,758,428
Licenses and Permits	231,236	234,314	237,143	260,265	262,113	303,338	312,175	277,564	435,207	334,781
Fines, Forfeitures, and Penalties	356,438	351,692	294,635	325,699	370,148	427,735	494,129	464,091	472,529	416,581
Charges for Current Services	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	5,453,574
Other Local Revenues	1,620,851	1,369,621	1,260,907	858,826	1,158,942	849,065	963,584	1,369,514	1,747,527	2,069,933
Fees Received from County Officials (1)	0	0	0	0	0	1,277,573	1,323,177	1,354,986	3,693,734	3,677,288
State of Tennessee	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	4,035,130
Federal Government	1,172,094	386,448	340,757	776,305	409,311	678,092	231,108	1,833,543	642,244	600,570
Other Governments and Citizens Groups	162,710	128,200	129,915	139,165	3,458,424	2,966,178	2,174,828	2,574,130	2,382,651	3,317,542
Total Revenues	\$ 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	\$ 37,663,827
Expenditures:										
General Government	\$ 1,982,412	\$ 2,989,953	\$ 2,354,285	\$ 2,502,448	\$ 2,706,226	\$ 2,894,719	\$ 3,167,562	\$ 3,459,948	\$ 3,290,754	\$ 3,444,613
Finance	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	2,602,777
Administration of Justice	1,324,913	1,742,335	1,886,328	1,996,125	2,151,193	2,330,126	2,472,047	2,355,187	2,429,489	2,429,489
Public Safety	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	9,450,720
Public Health and Welfare	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	6,280,097
Social, Cultural, and Recreational Services	470,420	300,734	234,603	253,009	263,472	268,495	287,399	298,894	318,068	359,240
Agriculture and Natural Resources	585,941	136,033	140,945	144,980	152,408	167,853	153,674	255,659	257,428	189,683
Other Operations	1,957,477	1,069,272	819,433	3,059,257	904,384	939,409	777,750	1,057,494	1,157,513	1,587,847
Highways	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	3,591,901
Debt Service:										
Principal on Debt	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	4,195,683
Interest on Debt	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	1,480,507
Other Debt Service	36,521	35,064	33,816	30,623	153,024	284,776	90,211	252,051	221,390	83,246
Capital Projects	246,517	50,000	0	49,833	105,814	1,228,570	778,751	975,440	3,949,006	650,169
Total Expenditures	\$ 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	\$ 36,345,972
Excess of Revenues	\$ (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)	\$ 1,317,855
Over (Under) Expenditures										
Other Financing Sources (Uses):										
Notes Issued	\$ 1,110,000	\$ 50,000	\$ -	\$ 0	\$ 100,000	\$ 8,395,000	\$ 300,000	\$ 0	\$ 0	\$ 0
Capital Leases Issued	319,352	386,251	382,189	331,044	196,931	318,291	0	0	0	0
Refunding Debt Issued	0	0	0	13,720,000	12,933,000	0	0	4,580,000	0	0
Other Loans Issued	0	0	0	1,700,000	0	0	3,344,356	3,856,132	5,499,975	81,245
Premiums on Bonds Sold	0	0	0	189,880	0	0	0	0	0	29,496
Insurance Recovery	0	0	0	0	0	0	0	0	41,685	0
Transfers In (1)	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	1,497,380
Transfers Out (1)	(1,739,626)	(1,867,432)	(2,006,968)	(2,588,549)	(2,552,902)	(1,380,648)	(2,109,005)	(1,710,885)	(2,235,128)	(1,512,380)
Redemption of Refunded Debt	0	0	0	(13,732,625)	(12,867,400)	(8,185,474)	0	(4,572,750)	0	0
Total Other Financing Sources (Uses)	\$ 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	\$ 95,741
Net Change in Fund Balances	\$ (356,600)	\$ (154,010)	\$ 1,319,824	\$ 931,704	\$ 1,570,262	\$ 1,193,534	\$ 4,935,223	\$ 4,350,775	\$ 3,494,967	\$ 1,413,596
Debt Service as a Percentage of Noncapital Expenditures	25.7%	25.1%	26.0%	23.1%	24.7%	22.8%	19.8%	18.7%	18.3%	16.1%

(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 is 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	Local	Interstate	Hotel	Local	Business	Mineral	Coal	Other	Total
	Tax	Option Sales Tax	Communi- cations Tax	Motel Tax	Litigation Tax	Tax	Severance Tax	Severance Tax	Local Tax	
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
2008	13,604,976	1,016,987	4,084	180,233	296,065	1,028,801	149,665	21,827	2,730	16,305,368

Table 7

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

Fiscal Year Ended December 31	(1a) Real Property		(1b) Personal Property		(1c) Public Utility Property		Total Appraised Value	Assessed Value	Total Direct Tax Rate	Ratio of Total Assessed to Total Appraised Value	
	Tax Year	Appraised Value	Assessed Value	Appraised Value	Assessed Value	Appraised Value					
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	3.40	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%
2008	2007	4,043,862,400	1,149,011,110	389,371,776	100,002,700	64,086,782	35,247,730	4,497,320,958	1,284,261,540	2.82	28.56%

(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
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		
1999	1998	.78	\$ 1.58	\$.23	\$.01	\$.17	\$ 2.76	\$ 2.59	\$ 1.58	\$ 1.10	\$ 2.09	\$ 1.89	\$ 1.15		
2000	1999	.94	1.80	.23	.01	.17	3.14	2.97	1.80	0.89	2.34	1.89	1.25		
2001	2000	.97	1.94	.23	.01	.17	3.31	3.14	1.94	0.89	2.57	1.89	1.15		
2002	2001	.98	1.91	.25	.01	.17	3.31	3.14	1.91	0.89	2.94	1.89	1.50		
2003	2002	.96	1.92	.26	.01	.17	3.31	3.14	1.92	0.89	2.94	1.89	1.60		
2004	2003	.96	1.92	.26	.01	.17	3.31	3.14	1.92	0.89	2.87	1.89	1.60		
2005	(3) 2004	.93	2.06	.23	.01	.17	3.39	3.22	2.06	0.89	2.87	1.60	1.60		
2006	2005	.78	1.72	.19	.01	.13	2.82	2.69	1.72	0.89	2.87	1.60	1.60		
2007	2006	.78	1.71	.19	.01	.13	2.81	2.68	1.71	0.73	2.55	1.53	1.60		
2008	2007	.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 year 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	2008			1999		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value (2)	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value (3)
Oak Ridge Project LLC	\$ 21,011,720	1	1.68%	\$ 0		0.00%
Magna International	11,615,822	2	0.93%	0		0.00%
Summit Properties (4)	11,431,880	3	0.92%	11,540,270	4	1.23%
Bell South	10,748,960	4	0.86%	19,277,977	1	2.06%
Richard Chinn	8,896,960	5	0.71%	0		0.00%
Boeing Engineering	8,630,216	6	0.69%	12,568,645	3	1.34%
Food Lion	8,216,232	7	0.66%	7,794,030	6	0.83%
Methodist Medical Center	7,554,200	8	0.60%	8,340,840	5	0.89%
Carlisle Tire (5)	6,718,939	9	0.54%	7,004,622	7	0.75%
Invenegery TN LLC	6,398,805	10	0.51%	0		0.00%
Crown American Corporation	0		0	14,341,920	2	1.53%
International Environmental	0		0	4,747,884	10	0.51%
Oak Ridge Corporate	0		0	4,916,440	9	0.52%
Techmer PM	0		0	5,053,360	8	0.54%
Totals	<u>\$ 101,223,734</u>		<u>8.11%</u>	<u>\$ 95,585,988</u>		<u>10.20%</u>

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

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

(3) Total taxable value including real, personal, and public utility properties 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	Amount	Percentage of Levy	Amount	Percentage of Levy
1999	1998	\$ 24,517,698	95.31	\$ 23,368,780	95.31	% \$ 1,071,947	99.69	\$ 24,440,727	99.69	% \$ 76,971	0.31
2000	1999	28,705,746	97.84	28,086,203	97.84	523,983	99.67	28,610,186	99.67	95,560	0.33
2001	2000	30,929,677	94.46	29,215,549	94.46	1,494,773	99.29	30,710,322	99.29	219,355	0.71
2002	2001	31,218,032	94.38	29,464,179	94.38	1,638,241	99.63	31,102,420	99.63	115,612	0.37
2003	2002	31,553,817	93.64	29,547,862	93.64	1,925,284	99.74	31,473,146	99.74	80,671	0.26
2004	2003	31,541,534	94.20	29,710,989	94.20	1,801,681	99.91	31,512,670	99.91	28,864	0.09
2005	2004	32,691,543	95.16	31,110,500	95.16	1,536,444	99.86	32,646,944	99.86	44,599	0.14
2006	2005	33,550,148	95.11	31,908,542	95.11	1,523,961	99.65	33,432,503	99.65	117,645	0.35
2007	2006	34,484,834	94.90	32,724,486	94.90	1,359,217	98.84	34,083,703	98.84	401,131	1.16
2008	2007	34,479,582	97.95	33,772,795	97.95	0	97.95	33,772,795	97.95	707,787	2.05

(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				
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	
2008	37,899,511	280,000	0	1,022,723	0	39,202,234	1.77%	527	

(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
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
2008	74,446	1,284,261,540	37,899,511	3,648,132	34,251,379	2.67%		460

(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, 2008

Direct General Bonded Debt and Loans Payable:	
Anderson County	\$ 37,899,511 (1)
Less: Amount Available in Debt Service Funds	<u>(3,648,132)</u>
Total Direct General Bonded Debt and Loans Payable - Net	<u>\$ 34,251,379</u>
Overlapping General Bonded Debt:	
City of Oak Ridge	\$ 101,262,192 (2)
City of Clinton	6,560,418 (2)
Town of Lake City	<u>1,012,578 (2)</u>
Total Overlapping General Bonded Debt	<u>\$ 108,835,188</u>
Total Direct General Bonded Debt and Loans Payable and Overlapping General Bonded Debt	<u><u>\$ 143,086,567</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, 2008

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	
1999	\$ 1,656,491	\$ 1,138,025	\$ 518,466	\$ 137,473	\$ 119,989	2.01
2000	1,564,016	1,057,393	506,623	135,814	132,454	1.89
2001	1,686,833	1,129,308	557,525	143,253	87,734	2.41
2002	1,655,320	1,180,701	474,619	106,212	53,284	2.98
2003	1,735,747	1,348,129	387,618	101,947	74,964	2.19
2004	1,723,155	1,456,902	266,253	126,310	60,418	1.43
2005	1,825,171	1,566,766	258,405	132,010	61,841	1.33
2006	1,981,323	1,714,328	266,995	137,233	34,122	1.56
2007	2,350,570	1,858,103	492,467	130,277	10,382	3.50
2008	2,444,516	1,819,125	625,391	131,294	0	4.76

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>
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%
2008	74,446	2,217,002	29,780	41.4	8,694	5.4%

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	2008			1999		
	Employees	Rank	Percentage of County Work Force	Employees	Rank	Percentage of County Work Force
BWXT - Y12 (1)	4,500	1	12.56%	-		
UT Battelle (1)	4,200	2	11.73%	-		
Anderson County Government	1,528	3	4.27%	1,276	4	(3)
Methodist Medical Center	1,350	4	3.77%	1,400	3	(3)
Bechtel Jacobs Co., LLC	1,337	5	3.73%	1,600	2	(3)
City of Oak Ridge	1,053	6	2.94%	706	6	(3)
Wackenhut-Oak Ridge Team	902	7	2.52%	-		
SAIC	800	8	2.23%	650	9	(3)
Oak Ridge Associated Universities	600	9	1.68%	660	8	(3)
Carlisle Tire & Wheel Co. (2)	600	10	1.68%	-		
Lockheed Martin Energy System, Inc. (1)	-		-	10,000	1	(3)
Boeing Engineering, Inc.	-		-	955	5	(3)
Eagle Bend Manufacturing	-		-	700	7	(3)
Dico	-		-	500	10	(3)
Total	<u>16,870</u>		<u>47.10%</u>	<u>18,447</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 Six Fiscal Years (1)

Function	Full-time Equivalent Employees as of June 30					
	2003	2004	2005	2006	2007	2008
General Government	37.0	38.5	39.7	43.7	42.3	42.0
Finance	48.8	50.7	49.0	48.3	50.3	45.4
Administration of Justice	50.8	52.9	51.7	54.1	43.7	47.6
Public Safety	103.0	112.9	111.5	121.0	131.8	147.6
Public Health and Welfare	90.6	92.8	90.5	92.8	93.8	105.1
Social, Cultural, and Recreational Services	1.5	11.3	11.3	12.8	13.7	12.8
Agriculture and Natural Resources	2.6	2.7	2.5	2.7	3.0	3.0
Other Operations	3.7	4.3	3.3	4.5	6.1	6.1
Solid Waste	3.0	3.0	3.0	3.0	2.4	3.0
Highways	38.2	36.8	33.2	33.1	33.0	33.8
Water and Sewer	15.8	15.9	14.8	16.4	18.2	21.3
TOTAL	<u>395.0</u>	<u>421.8</u>	<u>410.5</u>	<u>432.4</u>	<u>438.3</u>	<u>467.7</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:	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Register of Deeds	NA	NA	15,100	16,500	18,500	18,000	15,500	17,000	16,100	14,708
Documents Filed	NA	NA	15,100	16,500	18,500	18,000	15,500	17,000	16,100	14,708
Chancery Court	NA	NA	15,100	16,500	18,500	18,000	15,500	17,000	16,100	14,708
Cases Filed	1,587	1,699	1,808	1,705	1,566	1,670	1,565	1,704	1,655	2,121
Case Dispositions	1,498	1,467	1,749	1,997	1,394	1,448	1,390	2,117	1,564	1,704
General Sessions Court I	1,410	1,154	1,011	1,146	1,354	1,522	1,320	1,439	1,679	2,087
Civil Cases Filed	5,831	5,165	5,897	6,081	7,839	8,641	8,710	6,246	7,478	7,887
Criminal Cases Files	527	487	492	477	382	419	429	420	560	519
General Sessions Court II	3,900	4,234	4,496	4,778	5,497	6,201	5,702	5,423	5,182	4,584
Civil Cases Filed	565	584	659	649	761	839	757	858	750	713
Cases Filed	541	566	532	544	599	NA	772	785	926	880
Case Dispositions	919	1,111	1,184	983	964	1,025	922	934	911	1,729
Criminal Court	1,267	795	1,279	941	815	835	974	980	617	519
Cases Filed	NA	NA	608	527	793	910	768	803	2,363	2,717
Case Dispositions	495	499	703	906	2,071	1,997	1,042	576	274	406
Sheriff's Department	1,795	2,334	2,580	3,844	4,566	6,283	5,856	5,974	5,974	7,985
Physical Arrests	NA	NA	608	527	793	910	768	803	2,363	2,717
Traffic Violations	NA	NA	608	527	793	910	768	803	2,363	2,717
Back-Up Units Required	NA	NA	608	527	793	910	768	803	2,363	2,717
Emergency Dispatch	NA	NA	608	527	793	910	768	803	2,363	2,717
Calls for Service	NA	NA	608	527	793	910	768	803	2,363	2,717
Sherriff	14,820	15,878	15,707	15,703	22,777	25,661	25,205	12,602	24,795	28,645
Ambulance	10,005	13,040	14,701	16,142	17,166	19,327	20,953	10,476	22,446	22,101
Fire & Rescue Calls	NA	2,135	5,121	4,152						
Ambulance Service	9,120	8,821	9,836	8,719	11,868	13,043	14,760	15,843	15,797	17,875
Transports (1)	28	9	16	24	28	14	32	36	28	17
Highway Department	75	75	101	97	105	88	100	100	125	209
Road Resurfacing (miles)	619,315	481,993	469,674	482,189	474,336	455,233	485,515	483,672	439,240	476,752
Water	532,943	352,595	343,786	360,934	353,989	334,293	338,187	338,670	360,308	376,930
New Connections	60	60	61	63	64	65	67	69	78	80
Gallons Produced and Purchased	60	60	61	63	64	65	67	69	78	80
Gallons Sold	60	60	61	63	64	65	67	69	78	80
Wastewater	60	60	61	63	64	65	67	69	78	80
Average Daily Sewage Treatment (thousands of gallons)	60	60	61	63	64	65	67	69	78	80

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 Six Fiscal Years (1)

Function	Fiscal Year Ending					
	2003	2004	2005	2006	2007	2008
General Government						
Buildings	5	5	5	5	5	5
Vehicles	5	6	6	5	5	6
Administration of Justice						
Vehicles	1	1	1	1	1	1
Public Safety						
Buildings	2	2	2	2	3	4
Vehicles	79	77	81	71	77	91
Haz-mat Vehicle	0	0	0	1	1	1
Public Health and Welfare						
Buildings	2	2	2	2	2	2
Ambulances	10	14	16	18	16	19
Vehicles	2	3	3	4	4	5
Social, Cultural, and Recreational						
Buildings	1	1	1	1	1	1
Parks	8	8	8	7	7	7
Highway						
Buildings	1	1	1	1	1	1
Bridges	65	65	65	65	65	66
Roads (miles)	500	501	534	535	535	536
Water						
Water Mains (miles)	440	450	460	465	475	480
Fire Hydrants	145	160	180	188	205	220
Sewer						
Sanitary sewers (miles)	43	43	43	50	57	57

Sources: Various government departments.

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

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SINGLE AUDIT SECTION

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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 20, 2008

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

To the County Mayor and 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, 2008, which collectively comprise Anderson County's basic financial statements and have issued our report thereon dated November 20, 2008. 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

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. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting: 08.02 and 08.03(A).

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 Anderson County's internal control.

Our consideration of the 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 the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider item 8.03(A) to be a material weakness.

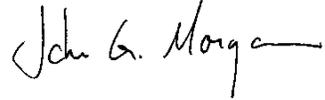
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Anderson County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards, and which are described in the accompanying Schedule of Findings and Questioned Costs as items 08.01 and 08.03(B).

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

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,

A handwritten signature in black ink that reads "John G. Morgan" with a long horizontal flourish extending to the right.

John G. Morgan
Comptroller of the Treasury

JGM/yu

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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 20, 2008

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, 2008. 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, 2008.

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, 2008, and have issued our report thereon dated November 20, 2008. 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.

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

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" with a long horizontal flourish extending to the right.

John G. Morgan
Comptroller of the Treasury

JGM/yu

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Anderson County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants - (1)
For the Year Ended June 30, 2008

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:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	\$ 151,432 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	446,273
National School Lunch Program	10.555	N/A	1,240,988 (3)
Summer Food Service Program for Children	10.559	N/A	18,969
Passed-through State Department of Human Services:			
Child and Adult Care Food Program	10.558	(2)	165,152
Total U.S. Department of Agriculture			<u>\$ 2,022,814</u>
U.S. Department of Labor:			
Passed-through State Department of Labor and Workforce Development:			
WIA Cluster:			
WIA Adult Program	17.258	N/A	\$ 207,780
WIA Youth Activities	17.259	N/A	117,441
WIA Dislocated Workers	17.260	N/A	126,475
Total U.S. Department of Labor			<u>\$ 451,696</u>
U.S. Environmental Protection Agency:			
Direct Program:			
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	N/A	\$ 47,357
Total U.S. Environmental Protection Agency			<u>\$ 47,357</u>
U.S. Department of Education:			
Direct Program:			
Fund for the Improvement of Education	84.215	N/A	\$ 221
Passed-through State Department of Labor and Workforce Development:			
Adult Education - State Grant Program	84.002	N/A	59,090
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	1,232,986
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,393,073
Special Education - Preschool Grants	84.173	N/A	75,413
Career and Technical Education - Basic Grants to States	84.048	N/A	288,259
Safe and Drug Free Schools and Communities - State Grants	84.186	(2)	37,850
State Grants for Innovative Programs	84.298	N/A	16,328
Education Technology State Grants	84.318	(2)	12,873
Improving Teacher Quality State Grants	84.367	N/A	358,091
Passed-through Jefferson County Board of Education:			
English Language Acquisition Grants	84.365	(2)	705
Total U.S. Department of Education			<u>\$ 3,474,889</u>
U.S. Department of Health and Human Services:			
Direct Program:			
Head Start	93.600	N/A	\$ 2,685,277
Total U.S. Department of Health and Human Services			<u>\$ 2,685,277</u>

(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 Homeland Security: Passed-through State Department of Military: Homeland Security Cluster:			
State Domestic Preparedness Equipment Support Program	97.004	(2)	\$ 25,052
Emergency Management Performance Grants	97.042	GG-07-20457-00	15,000
Total U.S. Department of Homeland Security			\$ 40,052
Total Expenditures of Federal Awards			\$ 8,722,085

State Grants		Contract Number	
Reappraisal Program - Comptroller of the Treasury	N/A	(2)	\$ 22,422
Juvenile Services Program - State Children's Services Commission	N/A	(2)	10,995
Litter Program - State Department of Transportation	N/A	(2)	46,322
Waste Tire Grant - State Department of Environment and Conservation	N/A	(2)	51,500
Adult Basic Education - State Department of Education	N/A	(2)	41,462
Law Enforcement Training Program	N/A	(2)	27,000
Family First - State Department of Education	N/A	(2)	66,600
LEAPS - State Department of Education	N/A	(2)	102,150
Health and Welfare Grants - State Department of Health	N/A	(2)	367,109
Total State Grants			\$ 735,560

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

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Information not available.
- (3) Total for CFDA No. 10.555 is \$1,392,420.

Anderson County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2008

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, 2007, which have not been corrected.

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ANDERSON COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2008

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Anderson County is unqualified.
2. The audit of the financial statements of Anderson County disclosed significant deficiencies in internal control. One of these conditions was considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that are 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); the Work Force Investment Act Cluster: WIA Adult Program, WIA Youth Activities, and WIA Dislocated Workers (CFDA Nos. 17.258, 17.259, and 17.260); 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. The written response of the trustee is quoted in this report. Other officials offered oral responses to certain findings and recommendations; however, these oral responses have not been included in this report.

OFFICES OF COUNTY MAYOR, HIGHWAY SUPERINTENDENT, AND DIRECTOR OF ACCOUNTS AND BUDGETS

FINDING 08.01 **EXPENDITURES EXCEEDED APPROPRIATIONS** (Noncompliance Under Government Auditing Standards)

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

<u>Fund/Major Category</u>	<u>Amount</u> <u>Overspent</u>
General:	
Other Administration of Justice	\$ 7,175
Dental Health Program	7,260
Alcohol and Drug Programs	15,795
Industrial Development	2,839
Other Charges	6,838
Administration of Justice Projects	7,870
Other General Government Projects	46
Highway/Public Works:	
Other Charges	15,698
Rural Debt Service:	
Interest on Debt - Education	9,839
Education Debt Service:	
Interest on Debt - Education	3,898

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." This deficiency exists because management failed to correct this finding noted in prior-year reports and failed to hold spending to the limit authorized by the County Commission, which results in unauthorized spending.

RECOMMENDATION

Expenditures should be held within appropriations approved by the County Commission.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 08.02 **THE SCHOOL FEDERAL PROJECTS FUND HAD A FUND DEFICIT**

(Internal Control – Significant Deficiency Under Government Auditing Standards)

The School Federal Projects Fund had a fund deficit of \$101,956 at June 30, 2008. This deficit occurred because School Department personnel had not requested reimbursements of grant funds on a timely basis. School Department personnel requested and received \$59,148 subsequent to June 30, 2008; however, as of the date of this report, management has not provided documentation that the remaining requests for reimbursements have been filed.

RECOMMENDATION

Management should liquidate the fund deficit. Requests for reimbursement for grant funds should be filed on a timely basis.

OFFICE OF TRUSTEE

FINDING 08.03 **A CASH SHORTAGE OF AT LEAST \$4,584.89 EXISTED AT JUNE 30, 2008**

(A. – Internal Control – Material Weakness Under Government Auditing Standards; and B. – Noncompliance Under Government Auditing Standards)

A cash shortage of at least \$4,584.89 existed in the Office of Trustee as of June 30, 2008, and is described below:

- A. On June 12, 2008, the trustee notified the Comptroller's Office of potential improprieties in accounting for property tax collections. Office staff became aware of improprieties when certain taxpayers notified the office that they had received delinquent property tax notices for unpaid taxes, which in fact had already been paid. These taxpayers subsequently provided evidence to the Trustee's Office that their taxes had been paid. After examining the evidence presented by taxpayers, the trustee determined that some of the taxpayers' payments matched amounts and days that a surplus of funds was thought to have existed in the office. Those amounts were subsequently adjusted by the trustee and brought into accounting. However, there were not enough surplus funds to account for all of the payments claimed to have been made by the taxpayers. The trustee identified \$4,584.89 of tax collections, which could not be accounted for, resulting in the cash shortage.
- B. Proper internal controls did not exist over tax collections. Collections received by the office were not immediately receipted onto the office computer system. In an attempt to minimize customer wait time, the trustee allowed employees

to accept and hold collections, then receipt the collections into the accounting system at a slower time of day. However, many collections were never receipted. This resulted in several days where cash on hand did not balance with receipts issued, and a surplus of funds was thought to have existed in the office as noted above. This also provided the opportunity for collections to be removed from the office without being readily detected. Further, on days when a surplus of funds was thought to have existed, the surplus was not deposited to the official bank account, but was held until such time as the money was identified to specific taxpayers. Section 9-2-103, Tennessee Code Annotated (TCA), requires that all funds be receipted, and Section 5-8-207, TCA, requires that all funds be deposited within three days of collection.

Due to the lack of controls over the receipting of funds, there could be other collections, which have not been accounted for and have not yet been detected. If we become aware of any further tax collections that have not been accounted for, we will communicate those in a future report.

The trustee advised the district attorney general and the Tennessee Bureau of Investigation (TBI) of the improprieties. The TBI is currently investigating the cash shortage.

RECOMMENDATION

Officials should take steps to liquidate the cash shortage and should be alert for any information provided by taxpayers that may indicate other tax collections are unaccounted. All collections should be receipted when received, and all collections should be deposited within three days of collection.

MANAGEMENT'S RESPONSE – TRUSTEE (DIRECT QUOTE)

There are a couple of points in the audit finding that I find to be inaccurate or perhaps misleading. "Proper internal controls" can be widely defined and I feel that we enhance and tweak our procedures and controls on an ongoing basis and that no matter what kind of controls and procedures you have in place, they will always have to be updated and will never be flawless.

It is stated that the Trustee allowed payments to be received and receipted at a later time to minimize customer wait time. This is in part true. I did allow delayed processing for check payments where a paper trail existed for the customer and ourselves. At no time, ever, was a clerk permitted to receive cash and hold it without processing it immediately.

Additionally, your office states that "due to the lack of controls over receipting of funds," and while I welcome criticism on helping us improve our internal controls, the issue in this finding is not a lack of control in receipting funds. The cashier made a decision to take cash payments and not receipt it into the receipting software. As stated earlier, this was never permitted when handling cash. Unfortunately, there is little that I or anyone could have done to stop this.

With regard to your recommendation, we have already taken these steps in my office to further secure the collections process. In fact, they were taken immediately after we met with county audit.

I am pleased to report that we did take all necessary steps in reporting to the Comptroller, the district attorney, county law director, and other necessary parties in a timely fashion. More importantly, we did not cover up the theft to the public. All proper procedures were followed in recording the incident and I look forward to seeking restitution to restore public funds that were illegally diverted back to Anderson County.

AUDITOR'S REBUTTAL

Accounting standards define internal controls as a process designed by management to provide reasonable assurance of the reliability of financial reporting, the effectiveness and efficiency of operations, and the compliance with applicable laws and regulations. Management, allowing staff to issue receipts subsequent to the actual collection, circumvents proper internal control procedures and increases the risks that funds will not be accounted for properly. In addition to amounts included in the shortage, cash was apparently accepted on other occasions without receipts being issued because cash-on-hand at checkout for different personnel of the office exceeded receipts issued for certain days. The excess funds for some of the days were later identified because customers inquired as to why their taxes were reflected as unpaid when in fact they were paid.

The collection of funds, whether by check or cash, should be immediately acknowledged by an official receipt of the office. Also, all collections should be deposited within three days as required by state statute. The failure to issue receipts at the point of collection and the failure to deposit funds promptly increases the risks that errors or irregularities will occur and not be detected within a timely period. These are necessary procedures for adequate internal controls over collections.

**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, 2008**

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