

---

---

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
BEDFORD COUNTY, TENNESSEE**



**FOR THE YEAR ENDED JUNE 30, 2009**



This page is left blank intentionally.

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**BEDFORD COUNTY, TENNESSEE**

**FOR THE YEAR ENDED JUNE 30, 2009**

*DEPARTMENT OF AUDIT  
JUSTIN P. WILSON  
Comptroller of the Treasury*

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

*JAMES R. ARNETTE  
Director*

*JEFF BAILEY, CPA, CGFM, CFE  
Audit Manager*

*KENT WHITE, CPA, CGFM, CFE  
Auditor 4*

*SHERRIE GILL, CFE  
SUZZIE SINGLETON, CGFM  
NATHAN ABBOTT, CISA, CFE  
State Auditors*

*ROBERT DANIEL, CPA  
Finance Director  
Bedford County, Tennessee*

This financial report is available at [www.tn.gov/comptroller](http://www.tn.gov/comptroller)

This page is left blank intentionally.

---



---

## BEDFORD COUNTY, TENNESSEE TABLE OF CONTENTS

---



---

|  | Exhibit | Page(s) |
|--|---------|---------|
| Audit Highlights   |         | 9       |
| <u>INTRODUCTORY SECTION</u>  |         | 11      |
| Letter of Transmittal  |         | 13-17   |
| Organizational Chart   |         | 19      |
| Bedford County Officials   |         | 21-22   |
| <u>FINANCIAL SECTION</u>   |         | 23      |
| Independent Auditor's Report   |         | 25-27   |
| Management's Discussion and Analysis   |         | 29-40   |
| BASIC FINANCIAL STATEMENTS:  |         | 41      |
| Government-wide Financial Statements:  |         |         |
| Statement of Net Assets  | A       | 43-45   |
| Statement of Activities  | B       | 46-47   |
| Fund Financial Statements:   |         |         |
| Governmental Funds:  |         |         |
| Balance Sheet  | C-1     | 48      |
| Reconciliation of the Balance Sheet of Governmental Funds to<br>the Statement of Net Assets  | C-2     | 49      |
| Statement of Revenues, Expenditures, and Changes in<br>Fund Balances   | C-3     | 50-51   |
| Reconciliation of the Statement of Revenues, Expenditures,<br>and Changes in Fund Balances of Governmental Funds to<br>the Statement of Activities | C-4     | 52      |
| Proprietary Fund:  |         |         |
| Statement of Net Assets  | D-1     | 53      |
| Statement of Revenues, Expenses, and Changes in Net Assets   | D-2     | 54      |
| Statement of Cash Flows  | D-3     | 55-56   |
| Fiduciary Funds:   |         |         |
| Statement of Fiduciary Assets and Liabilities  | E       | 57      |
| Notes to the Financial Statements  |         | 59-107  |
| REQUIRED SUPPLEMENTARY INFORMATION:  |         | 109     |
| Schedules of Revenues, Expenditures, and Changes in Fund<br>Balances – Actual (Budgetary Basis) and Budget:  |         |         |
| General Fund   | F-1     | 111-114 |
| Other Special Revenue Fund   | F-2     | 115     |

|   | Exhibit | Page(s) |
|---|---------|---------|
| Schedule of Funding Progress – Pension Plan– Primary Government, Discretely Presented Bedford County School Department, and Discretely Presented Bedford County Solid Waste Authority                         | F-3     | 116     |
| Schedule of Funding Progress – Other Postemployment Benefits Plans – Primary Government, Discretely Presented Bedford County School Department, and Discretely Presented Bedford County Solid Waste Authority | F-4     | 117     |
| Notes to the Required Supplementary Information   |         | 119     |
| COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:   |         | 121     |
| Nonmajor Governmental Funds:  |         | 123-124 |
| Combining Balance Sheet   | G-1     | 125     |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances   | G-2     | 126-127 |
| Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:  |         |         |
| Special Purpose Fund  | G-3     | 128     |
| Drug Control Fund   | G-4     | 129     |
| Agriculture Center Fund   | G-5     | 130     |
| Highway/Public Works Fund   | G-6     | 131     |
| Major Governmental Fund:  |         | 133     |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget:  |         |         |
| General Debt Service Fund   | H       | 135     |
| Fiduciary Funds:  |         | 137     |
| Combining Statement of Fiduciary Assets and Liabilities   | I-1     | 139     |
| Combining Statement of Changes in Assets and Liabilities – All Agency Funds   | I-2     | 140     |
| Component Unit:   |         |         |
| Discretely Presented Bedford County School Department:  |         | 141     |
| Statement of Activities   | J-1     | 143     |
| Balance Sheet – Governmental Funds  | J-2     | 144     |
| Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets  | J-3     | 145     |
| Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds  | J-4     | 146     |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities  | J-5     | 147     |
| Combining Balance Sheet – Nonmajor Governmental Funds   | J-6     | 148     |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds   | J-7     | 149     |
| Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:  |         |         |
| General Purpose School Fund   | J-8     | 150-151 |
| School Federal Projects Fund  | J-9     | 152     |

|   | Exhibit | Page(s) |
|---|---------|---------|
| Central Cafeteria Fund  | J-10    | 153     |
| Extended School Program Fund  | J-11    | 154     |
| Component Unit:   |         |         |
| Discretely Presented Bedford County Solid Waste Authority:  |         | 155     |
| Balance Sheet – Governmental Fund   | K-1     | 157     |
| Reconciliation of the Balance Sheet of the Governmental Fund to the Statement of Net Assets   | K-2     | 158     |
| Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund  | K-3     | 159     |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Fund to the Statement of Activities  | K-4     | 160     |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget:  |         |         |
| Solid Waste/Sanitation Fund   | K-5     | 161     |
| Miscellaneous Schedules:  |         | 163     |
| Schedule of Changes in Long-term Notes, Other Loans, and Bonds  | L-1     | 165     |
| Schedule of Long-term Debt Requirements by Year   | L-2     | 166     |
| Schedule of Transfers – Primary Government and Discretely Presented Bedford County School Department  | L-3     | 167     |
| Schedule of Salaries and Official Bonds of Principal Officials – Primary Government, Discretely Presented Bedford County School Department, and Discretely Presented Bedford County Solid Waste Authority | L-4     | 168     |
| Schedule of Detailed Revenues – All Governmental Fund Types   | L-5     | 169-178 |
| Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Bedford County School Department   | L-6     | 179-181 |
| Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Bedford County Solid Waste Authority   | L-7     | 182     |
| Schedule of Detailed Expenditures – All Governmental Fund Types   | L-8     | 183-209 |
| Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Bedford County School Department   | L-9     | 210-224 |
| Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Bedford County Solid Waste Authority   | L-10    | 225     |
| Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balance – City Agency Fund  | L-11    | 226     |

|  | Table | Page(s)             |
|--|-------|---------------------|
| <u>STATISTICAL SECTION</u>   |       | 227                 |
| Net Assets by Component  | 1     | 229                 |
| Changes in Net Assets  | 2     | 230-231             |
| Governmental Activities Tax Revenues by Source   | 3     | 232                 |
| Fund Balances of Governmental Funds  | 4     | 233                 |
| Changes in Fund Balances of Governmental Funds –<br>Primary Government   | 5     | 234-235             |
| Changes in Fund Balances of Governmental Funds –<br>School Department  | 6     | 236                 |
| Governmental Tax Revenues by Source  | 7     | 237                 |
| Assessed Value and Estimated Value of Taxable Property   | 8     | 238                 |
| Property Tax Rates – Direct and Overlapping Governments  | 9     | 239                 |
| Principal Property Taxpayers   | 10    | 240                 |
| Property Tax Levies and Collections  | 11    | 241                 |
| Ratios of Outstanding Debt by Type   | 12    | 242                 |
| Ratios of General Bonded Debt Outstanding  | 13    | 243                 |
| Direct and Overlapping Governmental Activities Debt  | 14    | 244                 |
| Legal Debt Margin Information  | 15    | 245                 |
| Pledged-Revenue Coverage   | 16    | 246                 |
| Demographic and Economic Statistics  | 17    | 247                 |
| Principal Employers  | 18    | 248                 |
| Full-time Equivalent Employees by Function   | 19    | 249                 |
| Operating Indicators by Function   | 20    | 250-251             |
| Capital Assets Statistics by Function  | 21    | 252                 |
| <br><u>SINGLE AUDIT SECTION</u>  |       | <br>253             |
| Auditor’s Report on Internal Control Over Financial Reporting<br>and on Compliance and Other Matters Based on an Audit of<br>Financial Statements Performed in Accordance With<br><u>Government Auditing Standards</u> |       | <br><br><br>255-257 |
| Auditor’s Report on Compliance With Requirements Applicable<br>to Each Major Program and Internal Control Over Compliance<br>in Accordance With <u>OMB Circular A-133</u>  |       | <br><br><br>259-261 |
| Schedule of Expenditures of Federal Awards and State Grants  |       | 263-264             |
| Schedule of Audit Findings Not Corrected   |       | 265                 |
| Schedule of Findings and Questioned Costs  |       | 267-272             |
| Auditee Reporting Responsibilities   |       | 273                 |

***Audit Highlights***  
Comprehensive Annual Financial Report  
Bedford County, Tennessee  
For the Year Ended June 30, 2009

***Scope***

We have audited the basic financial statements of Bedford County as of and for the year ended June 30, 2009.

***Results***

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

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

***Findings***

The following are summaries of the audit findings:

**OFFICE OF FINANCE DIRECTOR**

- ◆ Material audit adjustments were required for proper financial statement presentation.
- 

**OFFICE OF COUNTY MAYOR**

- ◆ The Office of Zoning and Building Inspections had deficiencies in controls over its information system environment.
  - ◆ The Office of Zoning and Building Inspections had deficiencies in computer system backup procedures.
- 

**OFFICE OF SHERIFF**

- ◆ The office had deficiencies in the operation of the commissary.
- 

**OTHER FINDING**

- ◆ Duties were not segregated adequately among the officials and employees in the Offices of Zoning and Building Inspections; Juvenile Detention; County Clerk; Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; Register; and Sheriff.

This page is left blank intentionally.

---

---

## INTRODUCTORY SECTION

---

---

This page is left blank intentionally.



## **BEDFORD COUNTY, TENNESSEE**

### **Letter of Transmittal**

November 24, 2009

To the Honorable Eugene Ray, County Mayor,  
Board of County Commissioners, and Citizens of  
Bedford County, Tennessee

The Comprehensive Annual Financial Report of Bedford County, Tennessee, for the year ended June 30, 2009, is hereby submitted as required by state statutes. These statutes require that all local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by the State of Tennessee's Comptroller of the Treasury, Division of County Audit, or by independent public accountants within six months of the close of each fiscal year. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Bedford County, Tennessee. This report was prepared by the county's Finance Department in conjunction with the above state agency.

This report consists of management's representations concerning the finances of Bedford County, Tennessee. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of Bedford County, Tennessee, has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of financial statements in conformity with GAAP in Bedford County. The cost of internal controls should not outweigh their benefits in Bedford County, Tennessee. The comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The goal of the independent audit was to provide reasonable assurance that the financial statements of Bedford County, Tennessee, for the fiscal year ended June 30, 2009, 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 financial statements of Bedford County, Tennessee, have been audited by the State of Tennessee's Comptroller of the Treasury, Division of County Audit. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion on the financial statements of Bedford County, Tennessee, for the fiscal year ended June 30, 2009, that are fairly presented in accordance with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Bedford County, Tennessee, was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and compliance with legal requirements involving the administration of federal awards. These reports are available in a separate section of this comprehensive annual financial report.

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

### **Profile of the Government**

Bedford County was established on December 4, 1807, by Public Act of the State of Tennessee. The county is named after Thomas Bedford, Jr., an American Revolutionary War hero. One odd fact about Bedford County is that, if the state senate journal is accurate, in the rush of business to pass the bill to create the county, the state senate failed to read and adopt the bill on three readings on three separate days, which was required by state constitutional provisions to create a Tennessee county. Bedford County is in the southern middle part of the state and borders Rutherford, Lincoln, Coffee, Moore, and Marshall counties. The county has a land mass of approximately 303,148 acres (474 square miles) and serves an estimated population of 43,413. Bedford County is empowered to levy a property tax on both real and personal properties located within its boundaries.

Bedford County operates as a political subdivision of the state as provided by the Tennessee Constitution. Bedford County, as a political subdivision of the state, is subject to control by the Tennessee General Assembly, and the county has no authority except that expressly given by state statutes.

Bedford County operates under a County Mayor – County Commission form of government as provided by state statutes. The Bedford County Commission consists of an 18-member board elected in nine districts within the county. Policymaking and legislative authority is vested in the Bedford County Commission. The County Commission is responsible for various tasks, including but not limited to, adopting the annual budget, setting the property tax levy, appointing various boards and committees, and passing local ordinances. The county mayor is popularly elected for a four-year term and is the county’s manager and chief financial officer. He is responsible for carrying out policies and ordinances of the County Commission, overseeing the day-to-day operations of the government, and appointing or recommending for appointment various department heads. In addition, he serves as chairperson of the County Commission and as a member of most committees.

Bedford County provides a full range of essential services, including police and fire protection; solid waste disposal; emergency medical services; emergency management planning; and construction and maintenance of highways, streets, and other infrastructure. Bedford County also is financially responsible 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 unit can be found in Note I.A. in the notes to the financial statements.

The annual budget serves as the foundation for Bedford County’s financial planning and control. Bedford County adopts a budget annually in compliance with state statutes. As required, each department submits an itemized statement of appropriations needed for the upcoming year to the director of finance. Each fiscal year, the director of finance submits a consolidated budget to the Financial Management Committee. According to Section 5-21-110, Tennessee Code Annotated, “in preparing the budget, the budget committee may revise, as it deems necessary, the estimates or requests made by the various department officials, offices, institutions, and agencies of the county, but any county official or employee shall be entitled to a hearing before the budget committee with reference to any contemplated changes in the county official’s or employee’s budget requests or estimates.” The proposed budget of the Financial Management Committee is published in a paper of general circulation at least ten days before the Financial Management Committee conducts a public hearing on the budget. The County Commission may alter or revise the budget before adoption except for debt service. The County Commission adopts a budget before the end of July. The county director of finance, upon the request of a department head, except for salary and benefit related line-items, may transfer appropriations between line-items within a department. Transfers of appropriations between line-items, including salary and related line-items, within a department may be made by the Financial Management Committee.

Transfers between departments require the approval of the Bedford County Commission. Budget-to-actual comparisons are provided in this report for each governmental fund for which an appropriated budget has been adopted. For the General and Highway/Public Works funds, these comparisons are presented as required supplementary information. 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.

## **Local Economy**

Bedford County is predominately a manufacturing and agricultural county. Bedford County also ranks high in the number of manufacturing jobs per capita and is one of the largest manufacturing counties in the state. The three largest industries of the county are manufacturing at approximately 29 percent, retail trade at approximately 19 percent, and health care and social assistance at approximately seven percent.

As of September 2009, Bedford County had an estimated labor force of 22,110 with 19,730 employed resulting in a 10.76 percent unemployment rate. Bedford County's unemployment rate is slightly above the state average of 10.3 percent.

According to the 2000 federal census, Bedford County had a population of 37,586. This is an increase of more than 19 percent since the 1990 census. Bedford County's current population is estimated at 44,062.

## **Long-term Financial Planning**

Bedford County unveiled an updated ten-year master growth plan and capital projects program in 2005 that was based on assumptions that the county's student population would grow 52.5 percent over the ten-year period. It is estimated that this growth will require approximately \$79,775,809 in additional funding over the next ten years to add two additions to existing schools and to build three new elementary, one middle, and one high school.

Bedford County's financial management is currently working with The University of Tennessee to prepare an in-depth analysis of current and future projected debt to assist the county with future anticipated revenue needs for this projected debt management cost.

## **Relevant Financial Policies**

The Bedford County Commission and the Bedford County Financial Management Committee are currently studying a policy that one time revenues or unreserved fund balance shall not be used for operational purposes.

## **Major Initiatives**

Bedford County has currently completed the first phase of a major educational capital project. The first phase included an addition to Shelbyville Central High School, a new elementary school (Learning Way), and a new Community High School. The Community High School was originally planned to be a middle school in the ten-year master growth plan presented by the Bedford County Board of Education.

## **Awards and Acknowledgments**

Bedford County adopted the County Financial Management System of 1981 in November 2006. This local option law created a county financial management office. In April 2007, the county hired a certified public accountant as its first director of finance. Through great efforts by the director of finance and his staff, the county prepared financial

statements in accordance with GAAP and received its first unqualified financial statement audit in at least 20 years. The current fiscal year marks an attempt by Bedford County to meet the requirements of the GFOA Certificate of Achievement for Excellence in Financial Reporting.

The preparation of this report could not have been possible without the efficient and dedicated service of the entire Department of Finance. They are: Paulette Arnold, Denice Reese, Joyce Glover, Mary Anna Mitchell, Pat Thomas, Sherrie Armstrong, Melissa Brannon, and Collette Bales. Credit should also be given to Doug Bodary of The University of Tennessee County Technical Assistance Service for his assistance with meeting the GFOA Certificate program requirements as well as the county mayor and the governing body for their support and for maintaining the highest standards of professionalism in the management of Bedford County.

Sincerely,

A handwritten signature in cursive script that reads "Robert Daniel".

Robert Daniel, CPA, CGFM  
Director of Finance

This page is left blank intentionally.



This page is left blank intentionally.

# Bedford County Officials

## June 30, 2009

---

### **Officials**

Eugene Ray, County Mayor  
Stanley Smotherman, Highway Superintendent  
Ed Gray, Superintendent of Schools  
Peggy Bush, Trustee  
Ronda Clanton, Assessor of Property  
Kathy Prater, County Clerk  
Thomas Smith, Circuit, General Sessions, and  
    Juvenile Courts Clerk  
Patricia Finney, Clerk and Master  
John H. Reed, Jr., Register  
Randall Boyce, Sheriff  
Robert Daniel, Director of Finance

### **Board of County Commissioners**

Eugene Ray, County Mayor, Chairman  
Phillip Vincent  
Bobby Vannatta  
Jimmy Woodson  
Jimmy Patterson  
Ed Castleman  
Tony Barrett  
Janice Brothers  
Bobby Fox  
Phillip Farrar

Tony Smith  
Joyce Tune  
Billy King, Jr.  
J.D. Wilson  
Linda Yockey  
Joe Tillett, Jr.  
Jeff Yoes  
John Brown  
Mark Thomas

### **Financial Management Committee**

Joe Tillett, Jr., Chairman  
Eugene Ray, County Mayor  
Ed Gray, Superintendent of Schools  
Stanley Smotherman, Highway Superintendent

Janice Brothers  
Bobby Vannatta  
J.D. Wilson

### **Audit Committee**

Joe Tillet, Jr., Chairman  
Virgil Johnson  
Sheila Roark

Bailey Little  
Bob Garner

(Continued)

## Bedford County Officials (Cont.)

### **Board of Education**

Barry Cooper, Chairman  
Dixie Parker  
Ron Adcock  
Amy Martin  
Diane Neeley

Mary Jo Johnson  
Jerry Naron  
Leonard Singleton  
Glen Forsee

### **Solid Waste Authority Board of Directors**

Venson Hawkins, Chairman  
Robert McAnally  
Bobby Vannatta  
Lee Roy Cunningham  
David Gordon

Jean Harrison  
Harry Layne  
Eugene Ray  
William Lewis

---

---

# FINANCIAL SECTION

---

---

This page is left blank intentionally.



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

**INDEPENDENT AUDITOR'S REPORT**

November 24, 2009

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

To the County Mayor and 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 Bedford County, Tennessee, as of and for the year ended June 30, 2009, which collectively comprise Bedford County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Bedford 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 Bedford County Nursing Home, which comprises the entire business-type activities and is also a major enterprise fund of the primary government. Also, we did not audit the financial statements of the discretely presented Emergency Communications District of Bedford County, which represent 1.11 percent and 1.22 percent, respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Bedford County Nursing Home and the Emergency Communications District of Bedford County is based on the reports 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 reports of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of the 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 Bedford County, Tennessee, as of June 30, 2009, 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 24, 2009, on our consideration of Bedford 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.

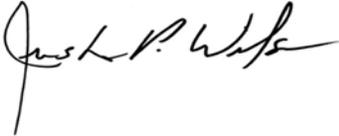
As described in Note V.B., Bedford County has adopted the provisions of Governmental Accounting Standards Board Statement (GASB) Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions; Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations; and Statement No. 52, Land and Other Real Estate Held as Investments by Endowments.

The management's discussion and analysis on pages 29 through 40 and budgetary comparison, pension, and postemployment benefits information on pages 111 through 119 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 Bedford County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Bedford County School Department and the Bedford County Solid Waste Authority (discretely presented component units), 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 General Debt Service Fund,

combining and individual fund financial statements of the Bedford County School Department and the Bedford County Solid Waste Authority (discretely presented component units), 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, based on our audit, 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 black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a long vertical stroke at the end.

Justin P. Wilson  
Comptroller of the Treasury

JPW/yu

This page is left blank intentionally.

**Bedford County, Tennessee**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2009**

As management for Bedford County, Tennessee, we offer readers of the financial statements for Bedford County, Tennessee, this narrative overview and analysis of the financial activities of the Bedford County, Tennessee, government for the fiscal year ended June 30, 2009. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

**Financial Highlights**

- The liabilities of Bedford County Government exceeded its assets at the close of the most recent fiscal year by \$31,210,419 (net assets). Of this amount, \$73,608,275 is debt that is attributable to the Bedford County Board of Education.
- From yearly activity, the government's total net assets increased by \$254,413.
- As of the close of the current fiscal year, the governmental funds of Bedford County, Tennessee, reported combined ending fund balances of \$16,777,975, a decrease of \$1,568,229 in comparison with the prior year. The majority of this decline can be attributed to decreases in local option sales taxes, interest earnings, as well as an increase in fuel and food costs. Most of this total amount, \$15,828,470 is available for spending at the government's discretion (unreserved fund balance).
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$3,990,325, or 25.4 percent of total General Fund expenditures.
- The total debt of Bedford County, Tennessee, decreased by \$662,746 or .8 percent during the current fiscal year.

**Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the basic financial statements of Bedford County, Tennessee. The basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the finances of Bedford County, Tennessee, in a manner similar to a private-sector business. The government-wide financial statements consist of two statements: the statement of net assets and the statement of activities.

The statement of net assets presents information on all of the assets and liabilities for Bedford County, Tennessee, with the differences 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 Bedford County, Tennessee, is improving or deteriorating.

The statement of activities presents information showing the change in Bedford County's net assets 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 Bedford County, Tennessee, 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 Bedford County, Tennessee, include general government; finance; administration of justice; public safety; public health and welfare; social, cultural, and recreational services; agriculture and natural resources; other operations; highways/public works; and education. The business-type activity of the county consists of a nursing home.

The government-wide financial statements include not only Bedford County Government itself (known as the primary government), but also a legally separate school system for which the Bedford County Government is financially accountable. These statements also include a legally separate E-911 district and a solid waste authority. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

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

**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. Bedford County, Tennessee, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Bedford County, Tennessee, 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 governmental funds is short-term in comparison to 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.

Bedford County, Tennessee, maintains 16 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Other Special Revenue, Education Capital Projects, and General Debt Service funds, all of which are considered to be major funds. Data from the other 12 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Bedford County, Tennessee, adopts an annual appropriated budget for the primary government's General Fund, most special revenue funds, General Debt Service Fund, the discretely presented School Department's special revenue funds, and the discretely presented Solid Waste Authority Fund. Budgetary comparison statements have been provided for these funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on Exhibits C-1 through C-4 of this report.

**Proprietary funds.** Bedford County maintains one proprietary fund, an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The county uses an enterprise fund to account for its nursing home.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Bedford County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statement can be found on Exhibit E of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in the table of contents.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Bedford County's major special revenue funds' budgetary statements, pension information, and other postemployment benefits information. This required information has been presented in the required supplementary information section of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the required supplementary information. Combining and individual fund statements and schedules can be found in the table of contents.

## Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Bedford County, Tennessee, liabilities exceeded assets by \$31,210,419 at the close of the fiscal year. The Constitution for the State of Tennessee only allows the local legislative body authorization to issue debt. Therefore, whenever the Bedford County Board of Education requires additional money to fund school construction and equipment, the related debt must be issued by the Bedford County Government. As of June 30, 2009, Bedford County had outstanding debt totaling \$73,608,275 for capital purposes of the Bedford County Board of Education, but the capital assets are reported in the financial statements of the Bedford County Board of Education. Bedford County has incurred the related liability significantly decreasing its unrestricted net assets without a corresponding increase in the county's capital assets.

### BEDFORD COUNTY'S Net Assets

|                             | Governmental    |                 | Business-type |              | Total           |                 |
|-----------------------------|-----------------|-----------------|---------------|--------------|-----------------|-----------------|
|                             | Activities      |                 | Activities    |              |                 |                 |
|                             | 2007-08         | 2008-09         | 2007-08       | 2008-09      | 2007-08         | 2008-09         |
| Current and Other Assets    | \$ 31,757,453   | \$ 29,614,956   | \$ 1,190,101  | \$ 1,022,213 | \$ 32,947,554   | \$ 30,637,169   |
| Capital Assets              | 29,121,211      | 30,256,679      | 1,136,857     | 1,170,287    | 30,258,068      | 31,426,966      |
| Total Assets                | \$ 60,878,664   | \$ 59,871,635   | \$ 2,326,958  | \$ 2,192,500 | \$ 63,205,622   | \$ 62,064,135   |
| Long-term Liabilities       | \$ 83,513,388   | \$ 82,854,008   | \$ 7,360      | \$ 0         | \$ 83,520,748   | \$ 82,854,008   |
| Other Liabilities           | 10,556,933      | 10,042,630      | 592,773       | 377,916      | 11,149,706      | 10,420,546      |
| Total Liabilities           | \$ 94,070,321   | \$ 92,896,638   | \$ 600,133    | \$ 377,916   | \$ 94,670,454   | \$ 93,274,554   |
| Net Assets:                 |                 |                 |               |              |                 |                 |
| Invested in Capital Assets, |                 |                 |               |              |                 |                 |
| Net of Related Debt         | \$ 20,004,135   | \$ 21,868,974   | \$ 1,129,497  | \$ 0         | \$ 21,133,632   | \$ 21,868,974   |
| Invested in Capital Assets  | 0               | 0               | 0             | 1,170,287    | 0               | 1,170,287       |
| Restricted                  | 8,817,295       | 7,127,016       | 0             | 0            | 8,817,295       | 7,127,016       |
| Unrestricted                | (62,013,087)    | (62,020,993)    | 597,328       | 644,297      | (61,415,759)    | (61,376,696)    |
| Total Net Assets            | \$ (33,191,657) | \$ (33,025,003) | \$ 1,726,825  | \$ 1,814,584 | \$ (31,464,832) | \$ (31,210,419) |

By far, the largest portion of Bedford County's net assets (\$23,039,261) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. Bedford County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Bedford County's 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 these liabilities.

An additional portion of the net assets of Bedford County, Tennessee, (\$7,127,016) represents resources that are subject to external restrictions on how they may be used. Any

balance remaining may be used to meet the government's ongoing obligations to citizens and creditors.

### Bedford County's Changes in Net Assets

**Governmental activities.** Governmental activities increased Bedford County Government's net assets by \$166,654. Key elements of this increase are as follows:

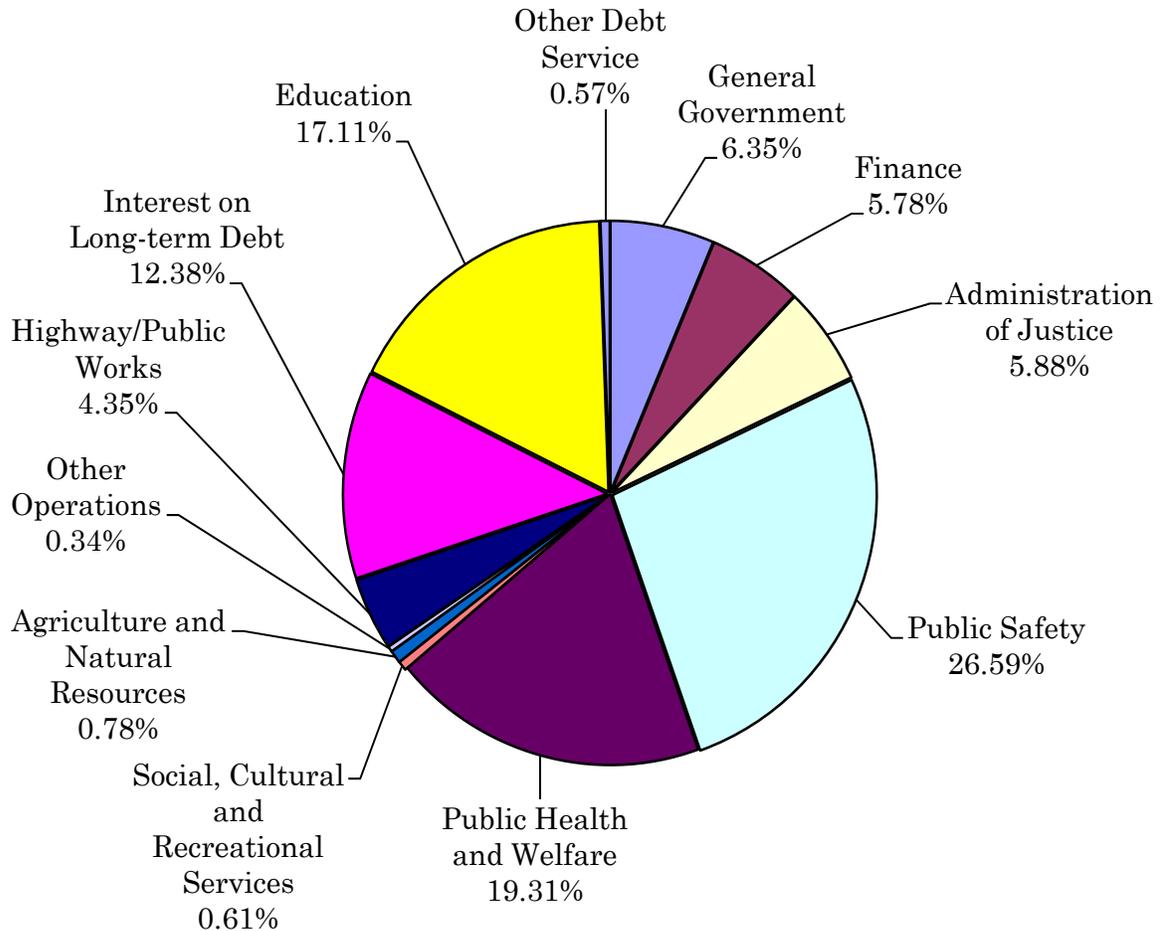
#### BEDFORD COUNTY'S Changes in Net Assets

|   | Governmental           |                        | Business-type       |                     | Total                  |                        |
|---|------------------------|------------------------|---------------------|---------------------|------------------------|------------------------|
|   | Activities             | Activities             | Activities          | Activities          | Activities             | Activities             |
|   | 2007-08                | 2008-09                | 2007-08             | 2008-09             | 2007-08                | 2008-09                |
| <b>Revenues:</b>                          |                        |                        |                     |                     |                        |                        |
| <b>Program Revenues:</b>                  |                        |                        |                     |                     |                        |                        |
| Charges for Services                      | \$ 5,317,450           | \$ 5,997,802           | \$ 6,599,099        | \$ 7,112,743        | \$ 11,916,549          | \$ 13,110,545          |
| Operating Grants and Contributions        | 3,827,410              | 3,598,823              | 99,393              | 0                   | 3,926,803              | 3,598,823              |
| Capital Grants and Contributions          | 257,308                | 670,265                | 0                   | 0                   | 257,308                | 670,265                |
| <b>General Revenues:</b>                  |                        |                        |                     |                     |                        |                        |
| Property Taxes                            | 9,641,137              | 9,799,026              | 0                   | 0                   | 9,641,137              | 9,799,026              |
| Local Option Sales Taxes                  | 5,023,451              | 4,814,308              | 0                   | 0                   | 5,023,451              | 4,814,308              |
| Other Taxes                               | 1,408,226              | 1,126,519              | 0                   | 0                   | 1,408,226              | 1,126,519              |
| <b>Grants and Contributions Not</b>       |                        |                        |                     |                     |                        |                        |
| Restricted to Specific Programs           | 333,573                | 698,500                | 0                   | 0                   | 333,573                | 698,500                |
| Unrestricted Investment Earnings          | 2,563,080              | 713,713                | 0                   | 0                   | 2,563,080              | 713,713                |
| Funds from Settlement of Sale             | 0                      | 0                      | 0                   | 0                   | 0                      | 0                      |
| Miscellaneous                             | 39,123                 | 190,650                | 65                  | 59                  | 39,188                 | 190,709                |
| <b>Total Revenues</b>                     | <b>\$ 28,410,758</b>   | <b>\$ 27,609,606</b>   | <b>\$ 6,698,557</b> | <b>\$ 7,112,802</b> | <b>\$ 35,109,315</b>   | <b>\$ 34,722,408</b>   |
| <b>Expenses:</b>                          |                        |                        |                     |                     |                        |                        |
| General Government                        | \$ 1,829,384           | \$ 1,744,838           | \$ 0                | \$ 0                | \$ 1,829,384           | \$ 1,744,838           |
| Finance                                   | 1,499,099              | 1,587,046              | 0                   | 0                   | 1,499,099              | 1,587,046              |
| Administration of Justice                 | 1,866,267              | 1,614,768              | 0                   | 0                   | 1,866,267              | 1,614,768              |
| Public Safety                             | 8,783,057              | 7,305,080              | 0                   | 0                   | 8,783,057              | 7,305,080              |
| Public Health and Welfare                 | 4,000,140              | 5,276,550              | 0                   | 0                   | 4,000,140              | 5,276,550              |
| <b>Social, Cultural, and Recreational</b> |                        |                        |                     |                     |                        |                        |
| Services                                  | 150,906                | 156,662                | 0                   | 0                   | 150,906                | 156,662                |
| Agriculture and Natural Resources         | 246,007                | 212,999                | 0                   | 0                   | 246,007                | 212,999                |
| Other Operations                          | 554,046                | 92,789                 | 0                   | 0                   | 554,046                | 92,789                 |
| Highway/Public Works                      | 2,605,250              | 1,195,559              | 0                   | 0                   | 2,605,250              | 1,195,559              |
| Education(Payment to CU)                  | 0                      | 4,700,000              | 0                   | 0                   | 0                      | 4,700,000              |
| Interest on Long-term Debt                | 3,134,262              | 3,400,659              | 0                   | 0                   | 3,134,262              | 3,400,659              |
| Other Debt Service                        | 229,225                | 156,002                | 0                   | 0                   | 229,225                | 156,002                |
| Nursing Home                              | 0                      | 0                      | 6,708,784           | 7,025,043           | 6,708,784              | 7,025,043              |
| <b>Total Expenses</b>                     | <b>\$ 24,897,643</b>   | <b>\$ 27,442,952</b>   | <b>\$ 6,708,784</b> | <b>\$ 7,025,043</b> | <b>\$ 31,606,427</b>   | <b>\$ 34,467,995</b>   |
| Increase (Decrease) in Net Assets         | \$ 3,513,115           | \$ 166,654             | \$ (10,227)         | \$ 87,759           | \$ 3,502,888           | \$ 254,413             |
| Transfers and Special Items               | 0                      | 0                      | 0                   | 0                   | 0                      | 0                      |
| Prior-period Adjustment                   | (956,480)              | 0                      | 0                   | 0                   | (956,480)              | 0                      |
| Net Assets, July 1                        | (35,748,292)           | (33,191,657)           | 1,737,052           | 1,726,825           | (34,011,240)           | (31,464,832)           |
| <b>Net Assets, June 30</b>                | <b>\$ (33,191,657)</b> | <b>\$ (33,025,003)</b> | <b>\$ 1,726,825</b> | <b>\$ 1,814,584</b> | <b>\$ (31,464,832)</b> | <b>\$ (31,210,419)</b> |

## Governmental Program Expenses

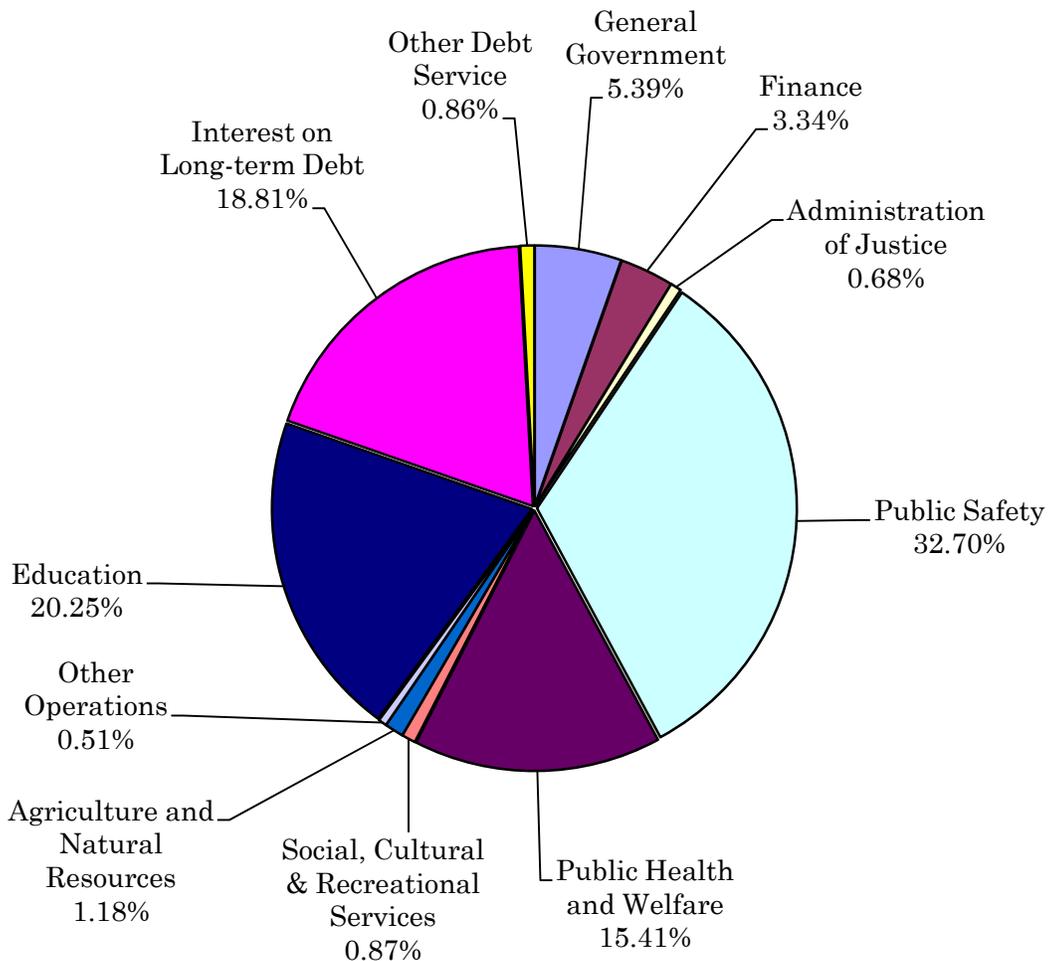
Public Safety expenses of \$7,305,080 are the largest expenses of Bedford County, the primary government, consisting of 26.59 percent of total expenses. Of these amounts, \$1,122,738 was recovered by charges for services and \$269,365 from operating grants and contributions. For additional details, see illustrations below.

### Expenses by Governmental Activity



The following illustration shows the “net (cost)” from Exhibit B as a percentage of the total. Unlike the preceding illustration, this one does not merely show the percentage of total costs, it shows the impact of the program on the local citizens’ tax base, as a percentage. Net expense is all program expenses less all program revenues. Note that all amounts are rounded to two decimal places in the accompanying chart.

## Net Cost by Governmental Activity



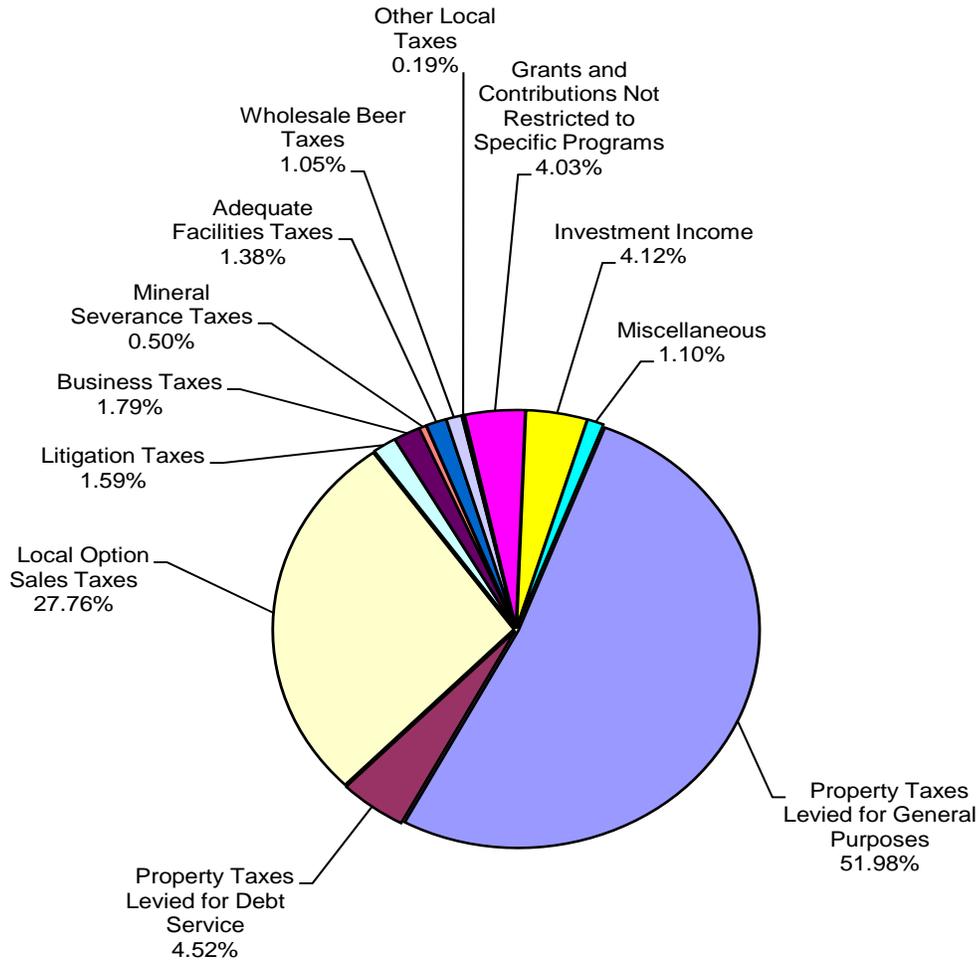
**Revenues** on the government-wide statement of activities are broken into two major categories: program and general revenues.

**Program revenues** are of three types: charges for services exchange type transactions (arise from charges to customers), operating grants and contributions that are restricted for a specific purpose, and capital grants and contributions that are restricted for a specific purpose.

**General revenues** are all revenues that do not qualify as program revenues.

The largest revenue source by far is general revenues. Within this major category, the largest single revenue source is property tax. Note all amounts are rounded to two decimal places in the following chart.

## General Revenues



## Financial Analysis of the Government's Funds

As noted earlier, Bedford County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of Bedford County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Bedford County Government'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.

As of the end of the current fiscal year, Bedford County's governmental funds reported combined ending fund balances of \$16,777,975, a decrease of \$1,568,229, in comparison with the prior year. Most of this total amount (\$15,828,470) constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of

fund balance is reserved to indicate that it is not available for new spending because it has already been committed (1) to liquidate contracts and purchase orders of the prior period (\$74,440), (2) for local education reserves (\$630,979) or (3) for a variety of other restricted purposes (\$244,086).

The General Fund is the chief operating fund of Bedford County Government. At the end of the current fiscal year, unreserved fund balance was \$3,990,325, while total fund balance reached \$4,273,129. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 25.4 percent of total General Fund expenditures, while total fund balance represents 27.2 percent of that same amount. The General Fund's fund balance increased by \$653,769 during the current fiscal year. The original budget for the General Fund reflected an anticipated decrease in undesignated fund balance of \$1,490,927.

The General Debt Service Fund has a total fund balance of \$4,963,594. The decrease in fund balance during the current year in the General Debt Service Fund totaled \$1,112,851. This decrease was primarily from decreased investment income.

### General Fund Budgetary Highlights

During the fiscal year, there was an increase in appropriations from the original budget. Differences between the original budget and the final amended budget are summarized in the following table:

#### Net Change in Budget - Amended Over (Under) Original

|   | <u>2008</u>         | <u>2009</u>         |
|---|---------------------|---------------------|
| General Government                          | \$ 34,202           | \$ 118,378          |
| Finance                                     | (12,786)            | 41,448              |
| Administration of Justice                   | 17,817              | 13,303              |
| Public Safety                               | (107,012)           | 249,186             |
| Public Health and Welfare                   | 913,289             | 896,136             |
| Social, Cultural, and Recreational Services | 0                   | 0                   |
| Agriculture and Natural Resources           | 10,500              | 0                   |
| Other Operations                            | 79,385              | 108,733             |
| Capital Projects                            | <u>518,689</u>      | <u>0</u>            |
| Total                                       | <u>\$ 1,454,084</u> | <u>\$ 1,427,184</u> |

The largest increase to the original budget was noted in Public Health and Welfare. This was the result of a contribution to the Solid Waste Authority. The increase in General Government was the result on an increase in legal fees due to litigation and an increase in expenses of the election office. The increase in Finance was due to reclassifying a position. The increase in Public Safety was due to an increase in fuel and food costs. The increase in Other Operations resulted from an increase in employee benefits costs.

Variance of Actual Results with Final Budget - Positive (Negative)

|   | 2008              | 2009                |
|---|-------------------|---------------------|
| General Government                          | \$ 135,690        | \$ 148,272          |
| Finance                                     | 140,256           | 126,667             |
| Administration of Justice                   | 162,815           | 130,178             |
| Public Safety                               | 236,564           | 510,453             |
| Public Health and Welfare                   | 207,863           | 406,454             |
| Social, Cultural, and Recreational Services | 0                 | 0                   |
| Agriculture and Natural Resources           | 8,780             | 34,750              |
| Other Operations                            | (35,879)          | 36,744              |
| Capital Projects                            | 20,003            | 0                   |
| <b>Total</b>                                | <b>\$ 876,092</b> | <b>\$ 1,393,518</b> |

At the close of the fiscal year, actual expenditures and encumbrances were \$1,393,518, less than budgetary estimates. Most of the unspent appropriation is in the personnel and benefit line items. The county typically budgets all positions as being filled for the entire year. Because of turnovers, appropriations are normally left unspent in those cost categories. Since Public Safety and Public Health and Welfare have most of the full-time employment, these functions typically will have more unspent appropriations than the other functions.

**Capital Assets and Debt Administration**

**Capital assets.** Bedford County's investment in capital assets for its governmental funds as of June 30, 2009, amounts to \$30,256,679, (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, other capital assets (includes equipment), and infrastructure (roads, highways, and bridges). The increase in the governmental funds investment in capital assets for the current fiscal year totaled \$1,135,468, which represents a 3.9 percent increase over the prior year.

|                            | Governmental         |                      | Business-type       |                     | Total                |                      |
|----------------------------|----------------------|----------------------|---------------------|---------------------|----------------------|----------------------|
|                            | 2008                 | 2009                 | 2008                | 2009                | 2008                 | 2009                 |
| Land                       | \$ 1,075,718         | \$ 1,075,718         | \$ 150,149          | \$ 150,149          | \$ 1,225,867         | \$ 1,225,867         |
| Buildings and Improvements | 8,339,983            | 8,064,658            | 579,138             | 576,309             | 8,919,121            | 8,640,967            |
| Other Capital Assets       | 3,080,532            | 2,741,914            | 405,770             | 443,829             | 3,486,302            | 3,185,743            |
| Infrastructure             | 16,285,826           | 18,374,389           | 0                   | 0                   | 16,285,826           | 18,374,389           |
| Construction in Progress   | 339,152              | 0                    | 1,800               | 0                   | 340,952              | 0                    |
| <b>Total</b>               | <b>\$ 29,121,211</b> | <b>\$ 30,256,679</b> | <b>\$ 1,136,857</b> | <b>\$ 1,170,287</b> | <b>\$ 30,258,068</b> | <b>\$ 31,426,966</b> |

Additional information on Bedford County’s capital assets can be found in Note IV.B. of the notes to the financial statements.

**Long-term debt.** At the end of the current fiscal year, Bedford County Government had total bonded debt outstanding of \$71,390,000. All debt is backed by the full faith and credit of the government.

**Bedford County, Tennessee**  
**Outstanding Debt**  
As of June 30, 2009

|                          | Governmental<br>Activities |                      | Business-type<br>Activities |             | Total                |                      |
|--------------------------|----------------------------|----------------------|-----------------------------|-------------|----------------------|----------------------|
|                          | 2008                       | 2009                 | 2008                        | 2009        | 2008                 | 2009                 |
| General Obligation Bonds | \$ 74,310,000              | \$ 71,390,000        | \$ 0                        | \$ 0        | \$ 74,310,000        | \$ 71,390,000        |
| Notes Payable            | 3,388,791                  | 6,505,405            | 0                           | 0           | 3,388,791            | 6,505,405            |
| Other Debt Payable       | 5,046,000                  | 4,194,000            | 7,360                       | 0           | 5,053,360            | 4,194,000            |
| <b>Total</b>             | <b>\$ 82,744,791</b>       | <b>\$ 82,089,405</b> | <b>\$ 7,360</b>             | <b>\$ 0</b> | <b>\$ 82,752,151</b> | <b>\$ 82,089,405</b> |

Bedford County’s total debt decreased by \$662,746 (.8 percent) during the current fiscal year.

Currently, state statutes do not limit the amount of general obligation debt a government entity may issue. On May 7, 2008, the county obtained ratings from Moody’s and Standard and Poor’s for the \$3,435,000 general obligation school refunding bond issue. Bedford County Government maintains an “Aaa” from Moody’s for general obligation debt.

Additional information on Bedford County Government’s long-term debt can be found in Exhibits L-1, L-2, and Note IV.E. of this report.

**Economic Factors and Next Year’s Budget and Rates**

Bedford County adopted a budget for the fiscal year ended June 30, 2010, on June 30, 2009. Many factors were considered when adopting this budget, including an increased unemployment rate, a slowdown in the housing market, which affects several revenue items including excess fees from the register of deeds, development tax, building related permit fees, and a decrease in local option sales tax collections.

At the end of the 2008-2009 fiscal year, unreserved fund balance in the General Fund increased to \$3,990,325. Bedford County has appropriated \$1,740,900, of this amount for spending in the 2009-2010 fiscal year. Unreserved fund balance in the General Fund is estimated to be 12.7 percent of appropriations.

Unreserved fund balance in the General Debt Service Fund also increased to \$4,332,615. Of this amount, \$1,156,705, has been appropriated for spending in the 2009-2010 fiscal year. Unreserved fund balance in the General Debt Service Fund as of June 30, 2009, is estimated to be 43.05 percent of budgeted debt service expenditures.

| <b>Fund</b>               | <b>2008 Rate</b> | <b>Change</b>  | <b>2009 Rate</b> |
|---------------------------|------------------|----------------|------------------|
| General                   | \$ 1.11          | \$ 0.00        | \$ 1.11          |
| Highway/Public Works      | 0.04             | 0.00           | 0.04             |
| General Purpose School    | 1.02             | 0.00           | 1.02             |
| General Debt Service      | 0.10             | 0.00           | 0.10             |
| Total County Property Tax | <u>\$ 2.27</u>   | <u>\$ 0.00</u> | <u>\$ 2.27</u>   |

### **Request for Information**

This financial report is designed to provide a general overview of the Bedford County Government's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Bedford County Director of Finance, 500 Madison Street, Shelbyville, TN 37160.

---

---

# **BASIC FINANCIAL STATEMENTS**

---

---

This page is left blank intentionally.

Exhibit A

Bedford County, Tennessee  
Statement of Net Assets  
June 30, 2009

|  | Primary Government      |            |                          | Component Units |                   |                       |                |             |                                   |         |    |           |
|--|-------------------------|------------|--------------------------|-----------------|-------------------|-----------------------|----------------|-------------|-----------------------------------|---------|----|-----------|
|  | Governmental Activities |            | Business-type Activities | Total           | Bedford County    |                       | Bedford County |             | Emergency Communications District |         |    |           |
|  |                         |            |                          |                 | School Department | Solid Waste Authority |                |             |                                   |         |    |           |
| Cash                                       | \$                      | 365        | \$                       | 375,371         | \$                | 7,251                 | \$             | 187,700     | \$                                | 453,925 |    |           |
| Equity in Pooled Cash and Investments      |                         | 15,379,544 |                          | 15,379,544      |                   | 14,172,711            |                | 0           |                                   | 0       |    |           |
| Inventories                                |                         | 0          |                          | 8,056           |                   | 0                     |                | 0           |                                   | 0       |    |           |
| Accounts Receivable                        |                         | 2,264,301  |                          | 862,446         |                   | 76,111                |                | 12,680      |                                   | 33,041  |    |           |
| Allowance for Uncollectibles               |                         | (727,851)  |                          | (201,963)       |                   | 0                     |                | 0           |                                   | 0       |    |           |
| Due from Other Governments                 |                         | 1,488,506  |                          | 0               |                   | 1,960,908             |                | 0           |                                   | 54,965  |    |           |
| Internal Balances                          |                         | 243,004    |                          | (243,004)       |                   | 0                     |                | 0           |                                   | 0       |    |           |
| Due from Component Units                   |                         | 57,708     |                          | 0               |                   | 0                     |                | 0           |                                   | 0       |    |           |
| Property Taxes Receivable                  |                         | 10,422,853 |                          | 0               |                   | 8,505,048             |                | 0           |                                   | 0       |    |           |
| Allowance for Uncollectible Property Taxes |                         | (389,023)  |                          | 0               |                   | (317,443)             |                | 0           |                                   | 0       |    |           |
| Prepaid Items                              |                         | 13,267     |                          | 86,892          |                   | 0                     |                | 0           |                                   | 2,789   |    |           |
| Third-party Payor Settlements              |                         | 0          |                          | 63,163          |                   | 0                     |                | 0           |                                   | 0       |    |           |
| Deferred Charges - Debt Issuance Costs     |                         | 862,282    |                          | 0               |                   | 0                     |                | 0           |                                   | 0       |    |           |
| Restricted Assets                          |                         | 0          |                          | 71,617          |                   | 0                     |                | 0           |                                   | 100     |    |           |
| Capital Assets:                            |                         |            |                          |                 |                   |                       |                |             |                                   |         |    |           |
| Assets Not Depreciated:                    |                         |            |                          |                 |                   |                       |                |             |                                   |         |    |           |
| Land                                       |                         | 1,075,718  |                          | 150,149         |                   | 2,785,691             |                | 10,200      |                                   | 0       |    |           |
| Construction in Progress                   |                         | 0          |                          | 0               |                   | 50,461,120            |                | 0           |                                   | 0       |    |           |
| Assets Net of Accumulated Depreciation:    |                         |            |                          |                 |                   |                       |                |             |                                   |         |    |           |
| Buildings and Improvements                 |                         | 8,064,658  |                          | 576,309         |                   | 44,934,226            |                | 189,139     |                                   | 50,989  |    |           |
| Other Capital Assets                       |                         | 2,741,914  |                          | 443,829         |                   | 3,654,732             |                | 387,905     |                                   | 826,747 |    |           |
| Infrastructure                             |                         | 18,374,389 |                          | 0               |                   | 0                     |                | 0           |                                   | 0       |    |           |
| Total Assets                               | \$                      | 59,871,635 | \$                       | 2,192,500       | \$                | 62,064,135            | \$             | 126,240,355 | \$                                | 787,624 | \$ | 1,422,556 |

(Continued)

Exhibit A

Bedford County, Tennessee  
Statement of Net Assets (Cont.)

|   | Primary Government         |                             |               | Component Units                           |                                       |   |  |  |
|---|----------------------------|-----------------------------|---------------|---|---------------------------------------|---|--|--|
|   | Governmental<br>Activities | Business-type<br>Activities | Total         | Bedford                                   |                                       |   |  |  |
|   |                            |                             |               | Bedford<br>County<br>School<br>Department | County<br>Solid<br>Waste<br>Authority | Emergency<br>Communications<br>District |  |  |
| Accounts Payable  | \$ 205,342                 | \$ 182,694                  | \$ 388,036    | \$ 121,046                                | \$ 43,921                             | \$ 4,148                                |  |  |
| Accrued Payroll   | 0                          | 151,675                     | 151,675       | 0   | 0                                     | 0                                       |  |  |
| Accrued Interest Payable  | 241,383                    | 0                           | 241,383       | 0   | 0                                     | 0                                       |  |  |
| Payroll Deductions Payable  | 16,460                     | 7,481                       | 23,941        | 653,447                                   | 527                                   | 94                                      |  |  |
| Contracts Payable   | 0                          | 0                           | 0             | 561,227                                   | 0                                     | 0                                       |  |  |
| Retainage Payable   | 0                          | 0                           | 0             | 12,657                                    | 0                                     | 0                                       |  |  |
| Due to Primary Government   | 0                          | 0                           | 0             | 0   | 0                                     | 57,708                                  |  |  |
| Due to State of Tennessee   | 657                        | 0                           | 657           | 0   | 0                                     | 0                                       |  |  |
| Deferred Revenues - Current Property Taxes  | 9,578,788                  | 0                           | 9,578,788     | 7,816,291                                 | 0                                     | 0                                       |  |  |
| Patients' Funds Held in Trust   | 0                          | 34,255                      | 34,255        | 0   | 0                                     | 0                                       |  |  |
| Other Liabilities   | 0                          | 1,811                       | 1,811         | 0   | 15                                    | 0                                       |  |  |
| Noncurrent Liabilities:   |                            |                             |               |   |                                       |   |  |  |
| Due Within One Year   | 5,256,166                  | 0                           | 5,256,166     | 0   | 9,433                                 | 103,464                                 |  |  |
| Due in More Than One Year (net of deferred amount on refunding and unamortized premium on debt) |                            |                             |               |   |                                       |   |  |  |
| Total Liabilities   | \$ 77,597,842              | \$ 377,916                  | \$ 77,975,758 | \$ 357,219                                | \$ 807                                | \$ 259,057                              |  |  |
|   | \$ 92,896,638              | \$ 377,916                  | \$ 93,274,554 | \$ 9,521,887                              | \$ 54,703                             | \$ 424,471                              |  |  |

LIABILITIES

(Continued)

Exhibit A

Bedford County, Tennessee  
Statement of Net Assets (Cont.)

|   | Primary Government         |                             | Component Units |                      |                                       |                                       |   |
|---|----------------------------|-----------------------------|-----------------|----------------------|---------------------------------------|---------------------------------------|---|
|   | Governmental<br>Activities | Business-type<br>Activities | Total           | Bedford              |                                       |                                       |   |
|   |                            |                             |                 | School<br>Department | County<br>Solid<br>Waste<br>Authority | County<br>Solid<br>Waste<br>Authority | Emergency<br>Communications<br>District |
|   | \$                         | \$                          | \$              | \$                   | \$                                    | \$                                    | \$                                      |
| Invested in Capital Assets, Net of Related Debt | 21,868,974                 | 0                           | 21,868,974      | 0                    | 0                                     | 515,215                               | 0                                       |
| Invested in Capital Assets                      | 0                          | 1,170,287                   | 1,170,287       | 101,835,769          | 587,244                               | 0                                     | 0                                       |
| Restricted for:                                 |                            |                             |                 |                      |                                       |                                       |   |
| Capital Projects                                | 51,146                     | 0                           | 51,146          | 2,074,079            | 0                                     | 0                                     | 0                                       |
| Debt Service                                    | 5,328,740                  | 0                           | 5,328,740       | 0                    | 0                                     | 0                                     | 0                                       |
| Highway   | 1,065,101                  | 0                           | 1,065,101       | 0                    | 0                                     | 0                                     | 0                                       |
| Special Purpose                                 | 386,620                    | 0                           | 386,620         | 0                    | 0                                     | 0                                     | 0                                       |
| Agriculture Center                              | 39,193                     | 0                           | 39,193          | 0                    | 0                                     | 0                                     | 0                                       |
| Special Education                               | 0                          | 0                           | 0               | 307,988              | 0                                     | 0                                     | 0                                       |
| Courtroom Security                              | 73,711                     | 0                           | 73,711          | 0                    | 0                                     | 0                                     | 0                                       |
| Jail, Workhouse, and Courthouse                 | 70,737                     | 0                           | 70,737          | 0                    | 0                                     | 0                                     | 0                                       |
| Nursing Home Projects                           | 13,393                     | 0                           | 13,393          | 0                    | 0                                     | 0                                     | 0                                       |
| Alcohol and Drug Treatment                      | 49,480                     | 0                           | 49,480          | 0                    | 0                                     | 0                                     | 0                                       |
| Courthouse and Jail Maintenance                 | 18,566                     | 0                           | 18,566          | 0                    | 0                                     | 0                                     | 0                                       |
| Register Computer Systems                       | 13,091                     | 0                           | 13,091          | 0                    | 0                                     | 0                                     | 0                                       |
| Drug Control                                    | 10,314                     | 0                           | 10,314          | 0                    | 0                                     | 0                                     | 0                                       |
| Central Cafeteria                               | 0                          | 0                           | 0               | 1,244,820            | 0                                     | 0                                     | 0                                       |
| Basic Education Program                         | 0                          | 0                           | 0               | 2,338,906            | 0                                     | 0                                     | 0                                       |
| Extended School Program                         | 0                          | 0                           | 0               | 148,928              | 0                                     | 0                                     | 0                                       |
| Title II, Part D Orbit                          | 0                          | 0                           | 0               | 113,481              | 0                                     | 0                                     | 0                                       |
| Title III, English Language Acquisition         | 0                          | 0                           | 0               | 55,759               | 0                                     | 0                                     | 0                                       |
| Title I, Part A                                 | 0                          | 0                           | 0               | 26,511               | 0                                     | 0                                     | 0                                       |
| Carl Perkins                                    | 0                          | 0                           | 0               | 25,860               | 0                                     | 0                                     | 0                                       |
| Other Purposes                                  | 6,924                      | 0                           | 6,924           | 10,113               | 0                                     | 0                                     | 0                                       |
| Unrestricted                                    | (62,020,993)               | 644,297                     | (61,376,696)    | 8,536,254            | 145,677                               | 482,870                               | 0                                       |
| Total Net Assets (Deficit)                      | \$ (33,025,003)            | \$ 1,814,584                | \$ (31,210,419) | \$ 116,718,468       | \$ 732,921                            | \$ 998,085                            | \$ 0                                    |

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

Exhibit B

Bedford County, Tennessee  
Statement of Activities  
For the Year Ended June 30, 2009

| 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 |                 | Bedford County School Department | Bedford County Solid Waste Authority | Emergency Communications District |           |           |
| Primary Government:                         |   |                      |                                    |                                  |                 |                                  |                                      |                                   |           |           |
| Governmental Activities:                    |   |                      |                                    |                                  |                 |                                  |                                      |                                   |           |           |
| General Government                          | \$ 1,744,838                                    | \$ 708,695           | \$ 33,126                          | \$ 27,500                        | \$ (975,517)    | \$ 0                             | \$ 0                                 | \$ 0                              | \$ 0      | \$ 0      |
| Finance                                     | 1,587,046                                       | 970,181              | 13,080                             | 0                                | (603,785)       | 0                                | 0                                    | 0                                 | 0         | 0         |
| Administration of Justice                   | 1,614,768                                       | 1,482,066            | 9,000                              | 0                                | (123,702)       | 0                                | 0                                    | 0                                 | 0         | 0         |
| Public Safety                               | 7,305,080                                       | 1,122,738            | 269,365                            | 0                                | (5,912,977)     | 0                                | 0                                    | 0                                 | 0         | 0         |
| Public Health and Welfare                   | 5,276,550                                       | 1,616,900            | 400,715                            | 500,000                          | (2,758,935)     | 0                                | 0                                    | 0                                 | 0         | 0         |
| Social, Cultural, and Recreational Services | 156,662   | 0                    | 0                                  | 0                                | (156,662)       | 0                                | 0                                    | 0                                 | 0         | 0         |
| Agriculture and Natural Resources           | 212,999   | 0                    | 0                                  | 0                                | (212,999)       | 0                                | 0                                    | 0                                 | 0         | 0         |
| Other Operations                            | 92,789  | 0                    | 0                                  | 0                                | (92,789)        | 0                                | 0                                    | 0                                 | 0         | 0         |
| Highways/Public Works                       | 1,195,559                                       | 97,222               | 1,834,844                          | 142,765                          | 879,272         | 0                                | 0                                    | 0                                 | 0         | 0         |
| Education                                   | 4,700,000                                       | 0                    | 1,038,693                          | 0                                | (3,661,307)     | 0                                | 0                                    | 0                                 | 0         | 0         |
| Interest on Long-term Debt                  | 3,400,659                                       | 0                    | 0                                  | 0                                | (3,400,659)     | 0                                | 0                                    | 0                                 | 0         | 0         |
| Other Debt Service                          | 156,002   | 0                    | 0                                  | 0                                | (156,002)       | 0                                | 0                                    | 0                                 | 0         | 0         |
| Total Governmental Activities               | \$ 27,442,952                                   | \$ 5,997,802         | \$ 3,598,823                       | \$ 670,265                       | \$ (17,176,062) | \$ 0                             | \$ 0                                 | \$ 0                              | \$ 0      | \$ 0      |
| Business-type Activities                    |   |                      |                                    |                                  |                 |                                  |                                      |                                   |           |           |
| Nursing Home                                | \$ 7,025,043                                    | \$ 7,112,743         | \$ 0                               | \$ 0                             | \$ 0            | \$ 87,700                        | \$ 0                                 | \$ 0                              | \$ 0      | \$ 0      |
| Total Business-type Activities              | \$ 7,025,043                                    | \$ 7,112,743         | \$ 0                               | \$ 0                             | \$ 0            | \$ 87,700                        | \$ 0                                 | \$ 0                              | \$ 0      | \$ 0      |
| Total Primary Government                    | \$ 34,467,995                                   | \$ 13,110,545        | \$ 3,598,823                       | \$ 670,265                       | \$ (17,176,062) | \$ 87,700                        | \$ (17,088,362)                      | \$ 0                              | \$ 0      | \$ 0      |
| Component Units:                            |   |                      |                                    |                                  |                 |                                  |                                      |                                   |           |           |
| Bedford County School Department            | \$ 54,009,406                                   | \$ 1,851,467         | \$ 6,095,074                       | \$ 4,693,000                     | \$ 0            | \$ 0                             | \$ 0                                 | \$ 0                              | \$ 0      | \$ 0      |
| Bedford County Solid Waste Authority        | 939,126   | 0                    | 925,493                            | 0                                | 0               | 0                                | (13,633)                             | 0                                 | 0         | 0         |
| Emergency Communications District           | 488,318   | 371,281              | 205,108                            | 0                                | 0               | 0                                | 0                                    | 0                                 | 88,071    | 0         |
| Total Component Units                       | \$ 55,436,850                                   | \$ 2,222,748         | \$ 7,225,675                       | \$ 4,693,000                     | \$ 0            | \$ 0                             | \$ (13,633)                          | \$ 0                              | \$ 88,071 | \$ 88,071 |

(Continued)

Exhibit B

Bedford County, Tennessee  
Statement of Activities (Cont.)

| Functions/Programs   | Net (Expense) Revenue and Changes in Net Assets |   |   |                 |                            |                             |               |   |  |   |
|--|---|---|---|-----------------|----------------------------|-----------------------------|---------------|---|--|---|
|  | Program Revenues                                |   |   |                 | Primary Government         |                             |               | Component Units                           |  |   |
|  | Charges<br>for<br>Services                      | Operating<br>Grants<br>and<br>Contributions | Capital<br>Grants<br>and<br>Contributions | Total           | Governmental<br>Activities | Business-type<br>Activities | Total         | Bedford<br>County<br>School<br>Department | Bedford<br>County<br>Solid<br>Waste<br>Authority | Emergency<br>Communications<br>District |
| General Revenues:  |   |   |   |                 |                            |                             |               |   |  |   |
| Taxes:   |   |   |   |                 |                            |                             |               |   |  |   |
| Property Taxes Levied for General Purposes                   |   |   |   | \$ 9,014,715    | \$ 0                       | \$ 0                        | \$ 9,014,715  | \$ 7,964,843                              | \$ 0   | \$ 0                                    |
| Property Taxes Levied for Debt Service                       |   |   |   | 784,311         | 0                          | 0                           | 784,311       | 0   | 0  | 0                                       |
| Local Option Sales Taxes                                     |   |   |   | 4,814,308       | 0                          | 0                           | 4,814,308     | 1,773,676                                 | 0  | 0                                       |
| Litigation Taxes   |   |   |   | 276,344         | 0                          | 0                           | 276,344       | 0   | 0  | 0                                       |
| Business Taxes   |   |   |   | 311,258         | 0                          | 0                           | 311,258       | 0   | 0  | 0                                       |
| Mineral Severance Taxes                                      |   |   |   | 86,380          | 0                          | 0                           | 86,380        | 0   | 0  | 0                                       |
| Adequate Facilities Taxes                                    |   |   |   | 238,606         | 0                          | 0                           | 238,606       | 0   | 0  | 0                                       |
| Wholesale Beer Taxes   |   |   |   | 181,799         | 0                          | 0                           | 181,799       | 0   | 0  | 0                                       |
| Other Local Taxes  |   |   |   | 32,132          | 0                          | 0                           | 32,132        | 5,029                                     | 0  | 0                                       |
| Grants and Contributions Not Restricted to Specific Programs |   |   |   | 698,500         | 0                          | 0                           | 698,500       | 34,893,374                                | 0  | 146,061                                 |
| Unrestricted Investment Earnings                             |   |   |   | 713,713         | 59                         | 59                          | 713,772       | 14,496                                    | 0  | 532                                     |
| Miscellaneous  |   |   |   | 190,650         | 0                          | 0                           | 190,650       | 158,916                                   | 2,933  | 0                                       |
| Gain on Disposal of Capital Assets                           |   |   |   | 0               | 0                          | 0                           | 0             | 0   | 699  | 0                                       |
| Total General Revenues                                       |   |   |   | \$ 17,342,716   | \$ 59                      | \$ 59                       | \$ 17,342,775 | \$ 44,810,334                             | \$ 3,632   | \$ 146,593                              |
| Change in Net Assets   |   |   |   | \$ 166,654      | \$ 87,759                  | \$ 254,413                  |               | \$ 3,440,469                              | \$ (10,001)                                      | \$ 234,664                              |
| Net Assets, July 1, 2008                                     |   |   |   | (33,191,657)    | 1,726,825                  | (31,464,832)                |               | 113,277,999                               | 742,922  | 763,421                                 |
| Net Assets, June 30, 2009                                    |   |   |   | \$ (33,025,003) | \$ 1,814,584               | \$ (31,210,419)             |               | \$ 116,718,468                            | \$ 732,921                                       | \$ 998,085                              |

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

Exhibit C-1

Bedford County, Tennessee  
Balance Sheet  
Governmental Funds  
June 30, 2009

|  | Major Funds          |                     |                     | Nonmajor            | Total                |
|--|----------------------|---------------------|---------------------|---------------------|----------------------|
|  | General              | Other               | General             | Other               |                      |
|  |                      | Special             | Debt                | Govern-             |                      |
|  | Revenue              | Service             | Funds               | Funds               |                      |
| <u>ASSETS</u>  |                      |                     |                     |                     |                      |
| Cash   | \$ 255               | \$ 0                | \$ 0                | \$ 110              | \$ 365               |
| Equity in Pooled Cash and Investments                        | 3,594,318            | 6,372,933           | 4,127,972           | 1,284,321           | 15,379,544           |
| Accounts Receivable  | 1,824,234            | 2,861               | 433,397             | 3,809               | 2,264,301            |
| Allowance for Uncollectibles                                 | (717,832)            | 0                   | (10,019)            | 0                   | (727,851)            |
| Due from Other Governments                                   | 346,998              | 0                   | 760,812             | 380,696             | 1,488,506            |
| Due from Other Funds   | 36,970               | 0                   | 163,517             | 246,218             | 446,705              |
| Due from Component Units                                     | 57,708               | 0                   | 0                   | 0                   | 57,708               |
| Property Taxes Receivable                                    | 9,245,116            | 0                   | 844,206             | 333,531             | 10,422,853           |
| Allowance for Uncollectible Property Taxes                   | (342,356)            | 0                   | (34,218)            | (12,449)            | (389,023)            |
| Prepaid Items  | 0                    | 0                   | 0                   | 13,267              | 13,267               |
| Total Assets   | <u>\$ 14,045,411</u> | <u>\$ 6,375,794</u> | <u>\$ 6,285,667</u> | <u>\$ 2,249,503</u> | <u>\$ 28,956,375</u> |
| <u>LIABILITIES AND FUND BALANCES</u>                         |                      |                     |                     |                     |                      |
| <u>Liabilities</u>   |                      |                     |                     |                     |                      |
| Accounts Payable   | \$ 74,640            | \$ 192              | \$ 0                | \$ 130,510          | \$ 205,342           |
| Payroll Deductions Payable                                   | 16,067               | 0                   | 0                   | 393                 | 16,460               |
| Due to Other Funds   | 0                    | 4,767               | 0                   | 198,934             | 203,701              |
| Due to State of Tennessee                                    | 0                    | 0                   | 0                   | 657                 | 657                  |
| Deferred Revenue - Current Property Taxes                    | 8,505,964            | 0                   | 766,303             | 306,521             | 9,578,788            |
| Deferred Revenue - Delinquent Property Taxes                 | 381,665              | 0                   | 42,018              | 14,006              | 437,689              |
| Other Deferred Revenues                                      | 793,946              | 0                   | 513,752             | 428,065             | 1,735,763            |
| Total Liabilities  | <u>\$ 9,772,282</u>  | <u>\$ 4,959</u>     | <u>\$ 1,322,073</u> | <u>\$ 1,079,086</u> | <u>\$ 12,178,400</u> |
| <u>Fund Balances</u>   |                      |                     |                     |                     |                      |
| Reserved for Encumbrances                                    | \$ 50,295            | \$ 0                | \$ 0                | \$ 24,145           | \$ 74,440            |
| Reserved for Alcohol and Drug Treatment                      | 49,480               | 0                   | 0                   | 0                   | 49,480               |
| Reserved for Litigation Tax - Jail, Workhouse, or Courthouse | 70,737               | 0                   | 0                   | 0                   | 70,737               |
| Reserved for Courtroom Security                              | 73,711               | 0                   | 0                   | 0                   | 73,711               |
| Reserved for Courthouse and Jail Maintenance                 | 18,566               | 0                   | 0                   | 0                   | 18,566               |
| Reserved for Computer System - Register                      | 13,091               | 0                   | 0                   | 0                   | 13,091               |
| Reserved for Automation Purposes - Sheriff                   | 3,132                | 0                   | 0                   | 0                   | 3,132                |
| Reserved for Automation Purposes - County Clerk              | 3,792                | 0                   | 0                   | 0                   | 3,792                |
| Other Local Education Reserves                               | 0                    | 0                   | 630,979             | 0                   | 630,979              |
| Reserved for Other General Purposes                          | 0                    | 0                   | 0                   | 11,577              | 11,577               |
| Unreserved, Reported In:                                     |                      |                     |                     |                     |                      |
| General Fund   | 3,990,325            | 0                   | 0                   | 0                   | 3,990,325            |
| Special Revenue Funds  | 0                    | 6,370,835           | 0                   | 1,070,156           | 7,440,991            |
| Debt Service Funds   | 0                    | 0                   | 4,332,615           | 0                   | 4,332,615            |
| Capital Projects Funds                                       | 0                    | 0                   | 0                   | 64,539              | 64,539               |
| Total Fund Balances  | <u>\$ 4,273,129</u>  | <u>\$ 6,370,835</u> | <u>\$ 4,963,594</u> | <u>\$ 1,170,417</u> | <u>\$ 16,777,975</u> |
| Total Liabilities and Fund Balances                          | <u>\$ 14,045,411</u> | <u>\$ 6,375,794</u> | <u>\$ 6,285,667</u> | <u>\$ 2,249,503</u> | <u>\$ 28,956,375</u> |

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

Exhibit C-2

Bedford County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds to  
the Statement of Net Assets  
June 30, 2009

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)  |                  | \$ 16,777,975          |
| (1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.  |                  |                        |
| Add: land   | \$ 1,075,718     |                        |
| Add: infrastructure net of accumulated depreciation   | 18,374,389       |                        |
| Add: buildings and improvements net of accumulated depreciation   | 8,064,658        |                        |
| Add: other capital assets net of accumulated depreciation   | <u>2,741,914</u> | 30,256,679             |
| (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   | \$ (6,505,405)   |                        |
| Less: other loans payable   | (4,194,000)      |                        |
| Less: bonds payable   | (71,390,000)     |                        |
| Add: deferred amount on refunding   | 50,759           |                        |
| Add: deferred charges - debt issuance costs   | 862,282          |                        |
| Less: compensated absences payable  | (280,782)        |                        |
| Less: other postemployment benefits liability   | (12,426)         |                        |
| Less: accrued interest on bonds and notes   | (241,383)        |                        |
| Less: other deferred revenue - premium on debt  | <u>(522,154)</u> | (82,233,109)           |
| (3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds. |                  | <u>2,173,452</u>       |
| Net assets (deficit) of governmental activities (Exhibit A)   |                  | <u>\$ (33,025,003)</u> |

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

Exhibit C-3

Bedford County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2009

|   | Major Funds   |                 |                |                |                            | Nonmajor Funds |                    | Total Governmental Funds |
|---|---------------|-----------------|----------------|----------------|----------------------------|----------------|--------------------|--------------------------|
|   | General       | Other           | General        |                | Education Capital Projects | Other          | Governmental Funds |                          |
|   |               | Special Revenue | Debt Service   | Debt Service   |                            |                |                    |                          |
| <u>Revenues</u>                                   |               |                 |                |                |                            |                |                    |                          |
| Local Taxes                                       | \$ 9,602,610  | \$ 0            | \$ 5,781,601   | \$ 0           | \$ 0                       | \$ 590,593     | \$ 15,974,804      |                          |
| Licenses and Permits                              | 162,490       | 0               | 0              | 0              | 0                          | 0              | 162,490            |                          |
| Fines, Forfeitures, and Penalties                 | 379,122       | 0               | 0              | 0              | 0                          | 29,455         | 408,577            |                          |
| Charges for Current Services                      | 1,680,247     | 0               | 0              | 0              | 0                          | 7,383          | 1,687,630          |                          |
| Other Local Revenues                              | 288,015       | 213,088         | 665,854        | 0              | 0                          | 243,537        | 1,410,494          |                          |
| Fees Received from County Officials               | 1,878,701     | 0               | 0              | 0              | 0                          | 0              | 1,878,701          |                          |
| State of Tennessee                                | 2,260,520     | 0               | 27,012         | 0              | 0                          | 1,978,247      | 4,265,779          |                          |
| Federal Government                                | 119,997       | 0               | 0              | 0              | 0                          | 500,000        | 619,997            |                          |
| Other Governments and Citizens Groups             | 0             | 0               | 1,038,693      | 0              | 0                          | 154,806        | 1,193,499          |                          |
| Total Revenues                                    | \$ 16,371,702 | \$ 213,088      | \$ 7,513,160   | \$ 0           | \$ 0                       | \$ 3,504,021   | \$ 27,601,971      |                          |
| <u>Expenditures</u>                               |               |                 |                |                |                            |                |                    |                          |
| Current:  |               |                 |                |                |                            |                |                    |                          |
| General Government                                | \$ 1,132,685  | \$ 0            | \$ 0           | \$ 0           | \$ 0                       | \$ 0           | \$ 1,132,685       |                          |
| Finance   | 1,575,772     | 0               | 0              | 0              | 0                          | 0              | 1,575,772          |                          |
| Administration of Justice                         | 1,614,346     | 0               | 0              | 0              | 0                          | 147            | 1,614,493          |                          |
| Public Safety                                     | 5,989,551     | 0               | 0              | 0              | 0                          | 31,255         | 6,020,806          |                          |
| Public Health and Welfare                         | 3,510,488     | 425,435         | 0              | 0              | 0                          | 173,506        | 4,109,429          |                          |
| Social, Cultural, and Recreational Services       | 156,662       | 0               | 0              | 0              | 0                          | 0              | 156,662            |                          |
| Agriculture and Natural Resources                 | 176,550       | 0               | 0              | 0              | 0                          | 21,806         | 198,356            |                          |
| Other Operations                                  | 1,561,263     | 3,497           | 0              | 0              | 0                          | 38,271         | 1,603,031          |                          |
| Highways  | 0             | 0               | 0              | 0              | 0                          | 2,872,158      | 2,872,158          |                          |
| Debt Service:                                     |               |                 |                |                |                            |                |                    |                          |
| Principal on Debt                                 | 0             | 0               | 5,402,469      | 0              | 0                          | 145,917        | 5,548,386          |                          |
| Interest on Debt                                  | 0             | 0               | 3,380,826      | 0              | 0                          | 32,296         | 3,413,122          |                          |
| Other Debt Service                                | 0             | 0               | 103,312        | 0              | 0                          | 0              | 103,312            |                          |
| Capital Projects                                  | 20,000        | 0               | 0              | 4,700,000      | 0                          | 994,988        | 5,714,988          |                          |
| Total Expenditures                                | \$ 15,737,317 | \$ 428,932      | \$ 8,886,607   | \$ 4,700,000   | \$ 0                       | \$ 4,310,344   | \$ 34,063,200      |                          |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 634,385    | \$ (215,844)    | \$ (1,373,447) | \$ (4,700,000) | \$ 0                       | \$ (806,323)   | \$ (6,461,229)     |                          |

(Continued)

Exhibit C-3

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

|                                       | Major Funds  |                       |                      |                            | Nonmajor Funds           |                | Total Governmental Funds |
|---------------------------------------|--------------|-----------------------|----------------------|----------------------------|--------------------------|----------------|--------------------------|
|                                       | General      | Other Special Revenue | General Debt Service | Education Capital Projects | Other Governmental Funds |                |                          |
| <u>Other Financing Sources (Uses)</u> |              |                       |                      |                            |                          |                |                          |
| Notes Issued                          | \$ 0         | \$ 0                  | \$ 0                 | \$ 4,700,000               | \$ 193,000               | \$ 4,893,000   |                          |
| Transfers In                          | 19,384       | 0                     | 260,596              | 0                          | 230,000                  | 509,980        |                          |
| Transfers Out                         | 0            | (230,000)             | 0                    | 0                          | (279,980)                | (509,980)      |                          |
| Total Other Financing Sources (Uses)  | \$ 19,384    | \$ (230,000)          | \$ 260,596           | \$ 4,700,000               | \$ 143,020               | \$ 4,893,000   |                          |
| Net Change in Fund Balances           | \$ 653,769   | \$ (445,844)          | \$ (1,112,851)       | \$ 0                       | \$ (663,303)             | \$ (1,568,229) |                          |
| Fund Balance, July 1, 2008            | 3,619,360    | 6,816,679             | 6,076,445            | 0                          | 1,833,720                | 18,346,204     |                          |
| Fund Balance, June 30, 2009           | \$ 4,273,129 | \$ 6,370,835          | \$ 4,963,594         | \$ 0                       | \$ 1,170,417             | \$ 16,777,975  |                          |

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

Exhibit C-4

Bedford 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, 2009

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)  |                    | \$ (1,568,229)    |
| (1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:   |                    |                   |
| Add: capital assets purchased in the current period   | \$ 2,488,541       |                   |
| Less: current year depreciation expense   | <u>(1,353,073)</u> | 1,135,468         |
| (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, 2009  | \$ 2,173,452       |                   |
| Less: deferred delinquent property taxes and other deferred June 30, 2008   | <u>(2,203,510)</u> | (30,058)          |
| (3) The issuance of long-term debt (e.g., bonds, notes, and other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. 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: note proceeds   | \$ (4,893,000)     |                   |
| Add: change in premium on debt issuances  | 37,693             |                   |
| Less: change in deferred debt issuance costs  | (42,370)           |                   |
| Add: principal payments on bonds  | 2,920,000          |                   |
| Add: principal payments on notes  | 1,776,386          |                   |
| Add: principal payments on other loans  | 852,000            |                   |
| Less: change in deferred amount on refunding debt   | <u>(10,320)</u>    | 640,389           |
| (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  | \$ 12,463          |                   |
| Change in compensated absences payable  | (10,953)           |                   |
| Change in other postemployment benefits liability   | <u>(12,426)</u>    | <u>(10,916)</u>   |
| Change in net assets of governmental activities (Exhibit B)   |                    | <u>\$ 166,654</u> |

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

Exhibit D-1

Bedford County, Tennessee  
Statement of Net Assets  
Proprietary Fund  
June 30, 2009

|   | <u>Major Fund</u><br><u>Business-type</u><br><u>Activities -</u><br><u>Enterprise Fund</u><br><u>Bedford</u><br><u>County</u><br><u>Nursing</u><br><u>Home</u> |
|---|--|
| <u>ASSETS</u>                           |  |
| Current Assets:                         |  |
| Cash                                    | \$ 375,006   |
| Inventories                             | 8,056  |
| Accounts Receivable                     | 862,446  |
| Allowance for Uncollectibles            | (201,963)  |
| Internal Balances                       | (243,004)  |
| Prepaid Items                           | 86,892   |
| Third-party Payor Settlements           | 63,163   |
| Restricted Assets                       | 71,617   |
| Total Current Assets                    | <u>\$ 1,022,213</u>  |
| Noncurrent Assets:                      |  |
| Capital Assets:                         |  |
| Assets Not Depreciated:                 |  |
| Land                                    | \$ 150,149   |
| Assets Net of Accumulated Depreciation: |  |
| Buildings and Improvements              | 576,309  |
| Other Capital Assets                    | 443,829  |
| Total Noncurrent Assets                 | <u>\$ 1,170,287</u>  |
| Total Assets                            | <u>\$ 2,192,500</u>  |
| <u>LIABILITIES</u>                      |  |
| Current Liabilities:                    |  |
| Accounts Payable                        | \$ 182,694   |
| Accrued Payroll                         | 151,675  |
| Payroll Deductions Payable              | 7,481  |
| Other Liabilities                       | 1,811  |
| Patients' Funds Held in Trust           | 34,255   |
| Total Current Liabilities               | <u>\$ 377,916</u>  |
| <u>NET ASSETS</u>                       |  |
| Invested in Capital Assets              | \$ 1,170,287   |
| Unrestricted                            | <u>644,297</u>   |
| Total Net Assets                        | <u>\$ 1,814,584</u>  |

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

Exhibit D-2

Bedford County, Tennessee  
Statement of Revenues, Expenses, and  
Changes in Net Assets  
Proprietary Fund  
For the Year Ended June 30, 2009

|   | <u>Major Fund</u><br><u>Business-type</u><br><u>Activities -</u><br><u>Enterprise Fund</u><br><u>Bedford</u><br><u>County</u><br><u>Nursing</u><br><u>Home</u> |
|---|--|
| <u>Operating Revenues</u>                 |  |
| Patient Service Revenue                   | \$ 7,016,426   |
| Net Allowance for Contractual Adjustments | 91,681   |
| Other Revenue                             | 4,636  |
| Total Operating Revenues                  | <u>\$ 7,112,743</u>  |
| <u>Operating Expenses</u>                 |  |
| Medical and Nursing                       | \$ 3,018,542   |
| Employee Benefits                         | 813,781  |
| Therapy and Ancillary Services            | 734,342  |
| Administrative and General                | 638,818  |
| Dietary Services                          | 616,058  |
| Plant Operation and Maintenance           | 368,246  |
| Bed License Fees                          | 239,076  |
| Housekeeping Services                     | 173,666  |
| Laundry and Linen                         | 137,615  |
| Depreciation                              | 120,418  |
| Medical Records                           | 57,155   |
| Social Services                           | 47,095   |
| Recreational Activities                   | 42,941   |
| Other Operating Expenses                  | 17,015   |
| Total Operating Expenses                  | <u>\$ 7,024,768</u>  |
| Operating Income (Loss)                   | <u>\$ 87,975</u>   |
| <u>Nonoperating Revenues (Expenses)</u>   |  |
| Investment Income                         | \$ 59  |
| Interest Expense                          | (275)  |
| Total Nonoperating Revenues (Expenses)    | <u>\$ (216)</u>  |
| Change in Net Assets                      | \$ 87,759  |
| Net Assets, July 1, 2008                  | <u>1,726,825</u>   |
| Nets Assets, June 30, 2009                | <u><u>\$ 1,814,584</u></u>   |

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

Exhibit D-3

Bedford County, Tennessee  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2009

|   | <u>Major Fund</u><br><u>Business-type</u><br><u>Activities -</u><br><u>Enterprise Fund</u><br>Bedford<br>County<br>Nursing<br>Home |
|---|--|
| <u>CASH FLOWS FROM OPERATING ACTIVITIES</u>   |  |
| Receipts from Residents and Third-party Payors  | \$ 6,693,782   |
| Received from Others  | 4,636  |
| Payments to Suppliers   | (3,296,706)  |
| Payments to Employees   | (3,668,393)  |
| Net Cash Provided By (Used In) Operating Activities   | <u>\$ (266,681)</u>  |
| <u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>   |  |
| Principal Payments on Capital Lease Obligations   | \$ (7,360)   |
| Interest Paid on Capital Lease Obligations  | (275)  |
| Purchase of Equipment and Building Improvements   | (78,515)   |
| Net Cash Provided By (Used In) Capital and Related Financing Activities   | <u>\$ (86,150)</u>   |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u>   |  |
| Investment Income   | <u>\$ 59</u>   |
| Net Cash Provided By (Used In) Investing Activities   | <u>\$ 59</u>   |
| Net Increase (Decrease) in Cash   | \$ (352,772)   |
| Cash, July 1, 2008  | <u>765,140</u>   |
| Cash, June 30, 2009   | <u><u>\$ 412,368</u></u>   |
| <u>RECONCILIATION OF OPERATING INCOME (LOSS)</u><br><u>TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</u> |  |
| Operating Income (Loss)   | \$ 87,975  |
| Adjustments to Reconcile Net Operating Income (Loss) to<br>Net Cash Provided By (Used In) Operating Activities:   |  |
| Depreciation  | 120,418  |
| Provision for Bad Debts   | 151,085  |
| (Increase) Decrease in Accounts Receivable  | (404,886)  |
| (Increase) Decrease in Third-party Payor Settlement   | (9,439)  |
| (Increase) Decrease in Prepaid Expenses   | 12,005   |
| Increase (Decrease) in Accounts Payable   | (173,969)  |

(Continued)

Exhibit D-3

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

|  | <u>Major Fund</u><br><u>Business-type</u><br><u>Activities -</u><br><u>Enterprise Fund</u><br><u>Bedford</u><br><u>County</u><br><u>Nursing</u><br><u>Home</u> |
|--|--|
| <u>RECONCILIATION OF OPERATING INCOME (LOSS)</u>                       |  |
| <u>TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES (Cont.)</u>  |  |
| Increase (Decrease) in Accrued Salaries and Wages Payable              | \$ (10,407)  |
| Increase (Decrease) in Accrued Expenses                                | 572  |
| Increase (Decrease) in Accrued Payroll Taxes and Employee Withholdings | <u>(40,035)</u>  |
| Net Cash Provided By (Used In) Operating Activities                    | <u>\$ (266,681)</u>  |
| <u>RECONCILIATION OF CASH</u>  |  |
| Cash   | \$ 375,006   |
| Cash in Memorial Fund  | <u>37,362</u>  |
| Cash, June 30, 2009  | <u>\$ 412,368</u>  |
| <u>NONCASH CAPITAL AND FINANCING ACTIVITIES</u>                        |  |
| Equipment Costs Included in Accounts Payable                           | \$ 1,333   |
| Contribution of Equipment from Primary Government                      | 74,000   |

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

Exhibit E

Bedford County, Tennessee  
Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2009

|                                     | <u>Agency<br/>Funds</u>    |
|-------------------------------------|----------------------------|
| <u>ASSETS</u>                       |                            |
| Cash                                | \$ 2,553,521               |
| Accounts Receivable                 | 4,048                      |
| Due from Other Governments          | <u>524,165</u>             |
| Total Assets                        | <u><u>\$ 3,081,734</u></u> |
| <u>LIABILITIES</u>                  |                            |
| Due to Other Taxing Units           | \$ 524,165                 |
| Due to Litigants, Heirs, and Others | <u>2,557,569</u>           |
| Total Liabilities                   | <u><u>\$ 3,081,734</u></u> |

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

This page is left blank intentionally.

**BEDFORD COUNTY, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2009**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Bedford 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 Bedford County:

**A. Reporting Entity**

Bedford County is a public municipal corporation governed by an elected 18-member board. As required by GAAP, these financial statements present Bedford 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 relationship with the county.

**Discretely Presented Component Units** – The following entities meet the criteria for discretely presented component units of the county. They are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the county.

The Bedford County School Department operates the public school system in the county, and the voters of Bedford County elect its board. The School Department is fiscally dependent on the county because it may not issue debt without county approval, and its budget and property tax levy are subject to the County Commission's approval. The School Department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

The Bedford County Solid Waste Authority provides convenience center waste collection services and landfill monitoring services, and the Bedford County Commission appoints its governing body. The major funding source for the Bedford County Solid Waste Authority is contributions from the primary government. The Bedford County highway superintendent and two other Highway Department employees provide administrative services to the Bedford County Solid Waste Authority. The Bedford County Solid Waste Authority compensates these individuals for these services.

The Emergency Communications District of Bedford County provides a simplified means of securing emergency services through a uniform emergency number for the residents of Bedford County, and the Bedford County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the

issuance of most debt instruments, the district must obtain the County Commission's approval.

The Bedford County School Department and the Bedford County Solid Waste Authority do not issue separate financial statements from those of the county. Therefore, basic financial statements of the Bedford County School Department and the Bedford County Solid Waste Authority are included in this report as listed in the table of contents. Complete financial statements of the Emergency Communications District of Bedford County can be obtained from its administrative office at the following address:

Administrative Office:

Emergency Communications District of Bedford County  
843 Union Street  
Shelbyville, TN 37160

**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 Bedford County School Department and the Bedford County Solid Waste Authority (discretely presented component units) only report 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.

Bedford County issues most debt for the discretely presented Bedford County School Department. Net debt issues of \$4,693,000 were contributed by the county to the School Department during the year ended June 30, 2009.

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

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

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

Fund financial statements of Bedford 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. Bedford County only reports one proprietary fund, a major enterprise fund.

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

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

due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to accrual and have been recognized as revenues of the current period. Applicable business taxes, litigation taxes, state-shared excise taxes, fines, forfeitures, and penalties are not susceptible to accrual since they are not measurable (reasonably estimable). All other revenue items are considered to be measurable and available only when the county receives cash.

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.

Bedford 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.

**Other Special Revenue Fund** – This fund accounts for the net proceeds generated from the sale of the Bedford County Hospital and related liabilities.

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

**Education Capital Projects Fund** – This fund accounts for debt issued by Bedford County that is subsequently contributed to the discretely presented Bedford County School Department for construction and renovations projects.

Bedford County reports the following major enterprise fund:

**Bedford County Nursing Home Fund** – This fund provides nursing care to the citizens of Bedford County.

Additionally, Bedford County reports the following fund type:

**Agency Funds** – These funds account for amounts collected in an agency capacity by the constitutional officers and local sales taxes received by the state to be forwarded to the various cities in Bedford County. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do,

however, use the accrual basis of accounting to recognize receivables and payables.

The discretely presented Bedford County School Department reports the following major governmental funds:

**General Purpose School Fund** – This fund is the primary operating fund for the School Department. It is used to account for general operations of the School Department.

**Education Capital Projects Fund** – This fund accounts for School Department construction and renovations.

Additionally, the School Department reports the following fund type:

**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.

The discretely presented Bedford County Solid Waste Authority reports the following major governmental fund:

**Solid Waste/Sanitation Fund** – This is the authority's only operating fund. It accounts for all financial resources of the authority.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

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.

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**

**1. Deposits and Investments**

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit accounts at state and federal chartered banks and savings and

loan associations; repurchase agreements; the State Treasurer's Investment Pool; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes.

The county trustee maintains a cash and internal investment pool that is used by all funds (excluding the Bedford County Nursing Home and the discretely presented Bedford County Solid Waste Authority) and the discretely presented Bedford County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Purpose School and General Debt Service funds. Bedford 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.

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.

Retainage payable in the discretely presented School Department's Education Capital Projects Fund represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held by the county trustee as Equity in Pooled Cash and Investments.

**3. Prepaid Items**

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

**4. Capital Assets**

**Primary Government and Discretely Presented School Department**

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

Capital assets (excluding the Bedford County Nursing Home), which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental

column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$10,000 or more (\$25,000 infrastructure) and an estimated useful life of more than three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

Property, plant, equipment, and infrastructure of the primary government (excluding the Bedford County Nursing Home) 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> |
|----------------------------|--------------|
| Buildings and Improvements | 10-40        |
| Other Capital Assets       | 5-30         |
| Infrastructure:            |              |
| Roads                      | 40-50        |
| Bridges                    | 20-40        |

**Discretely Presented Bedford County Solid Waste Authority**

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, and equipment are reported in the government-wide financial statements. Capital assets are defined by the authority as assets with an initial, individual cost of \$1,000 or more and an estimated useful life of more than three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

Property, plant, and equipment of the authority are depreciated using the straight-line method over the following estimated useful lives:

| <u>Assets</u>              | <u>Years</u> |
|----------------------------|--------------|
| Buildings and Improvements | 30-50        |
| Other Capital Assets       | 5-25         |

**5. Compensated Absences**

**Primary Government and the Discretely Presented Solid Waste Authority**

It is the county's policy (excluding the Bedford County Nursing Home) and the authority's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since Bedford County and the discretely presented Bedford County Solid Waste Authority do not have policies to pay any amounts when employees separate from service with the government. Personnel of the Highway Department and the Solid Waste Authority are compensated for any unused sick leave days at year end. All vacation pay is accrued when incurred in the government-wide financial statements for the county. Liabilities for vacation pay are reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

**Discretely Presented Bedford County School Department**

General policy of the School Department for all professional personnel (teachers) permits the unlimited accumulation of unused sick leave days. The granting of sick leave for professional personnel has no guaranteed payment attached and therefore requires no accrual or recording. Noncertificated personnel of the School Department are compensated for any unused sick leave days at year end.

**6. Long-term Obligations**

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

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

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

## **7. Net Assets**

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

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

As of June 30, 2009, Bedford County had \$73,608,275 in outstanding debt for capital purposes for the discretely presented Bedford County School Department. This debt is a liability of Bedford County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Bedford County has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county's capital assets.

In the fund financial statements, governmental funds report 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 on June 30, 2009:

| <u>Fund/Purpose</u>     | <u>Amount</u> |
|-------------------------|---------------|
| General Purpose School: |               |
| Drivers Education       | \$ 152,320    |
| Summer School           | 42,331        |
| Safe Schools            | 40,686        |

**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 Bedford 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.

**Discretely Presented Bedford County Solid Waste Authority**

Exhibit K-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.

**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 Bedford 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.

### **Discretely Presented Bedford County Solid Waste Authority**

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

## **III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

### **A. Budgetary Information**

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

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

The budgetary level of control is at the major category level established by the State Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, Beer Board, Budget and Finance Committee, 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. Cash Shortage – Prior Year**

We reported a cash shortage of at least \$117,603.09 in the Bedford County Emergency Management Agency at June 30, 2007. The details of this cash

shortage were disclosed in the county's Comprehensive Annual Financial Report in Finding 08.01 for the year ended June 30, 2008. The defendant pled guilty on May 27, 2009, and was ordered to pay restitution of \$60,000. The defendant had not paid anything toward liquidating the restitution during the current year.

#### **IV. DETAILED NOTES ON ALL FUNDS**

##### **A. Deposits and Investments**

Bedford County (excluding the Bedford County Nursing Home and the discretely presented Solid Waste Authority) and the Bedford County School Department participate in an internal cash and investment pool through the Office of Trustee. The county trustee is the treasurer of the county and in this capacity is responsible for receiving, disbursing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Cash reflected on the balance sheets or statements of net assets represents nonpooled amounts held separately by individual funds.

##### **Deposits**

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

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

##### **Investments**

**Legal Provisions.** Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any

state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool and in repurchase agreements. Repurchase agreements must be approved by the state 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, 2009, Bedford County had the following investments carried at cost. All investments are in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Bedford County (excluding the Bedford County Nursing Home) and the Bedford County School Department since both pool their deposits and investments through the county trustee.

| <u>Investment</u>                 | <u>Maturities</u> | <u>Cost</u>   |
|-----------------------------------|-------------------|---------------|
| State Treasurer's Investment Pool | Daily             | \$ 23,959,665 |

**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. Bedford 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. Bedford County has no investment policy that would further limit its investment choices. As of June 30, 2009, Bedford County's investment in the State Treasurer's Investment Pool was unrated.

**B. Capital Assets**

Capital assets activity for the year ended June 30, 2009, was as follows:

**Primary Government (excluding the Bedford County Nursing Home)**

**Governmental Activities:**

|  | Balance<br>7-1-08    | Increases           | Decreases           | Balance<br>6-30-09   |
|--|----------------------|---------------------|---------------------|----------------------|
| Capital Assets Not<br>Depreciated:                     |                      |                     |                     |                      |
| Land   | \$ 1,075,718         | \$ 0                | \$ 0                | \$ 1,075,718         |
| Construction in<br>Progress                            | 339,152              | 0                   | (339,152)           | 0                    |
| <b>Total Capital Assets<br/>Not Depreciated</b>        | <b>\$ 1,414,870</b>  | <b>\$ 0</b>         | <b>\$ (339,152)</b> | <b>\$ 1,075,718</b>  |
| Capital Assets Depreciated:                            |                      |                     |                     |                      |
| Buildings and<br>Improvements                          | \$ 12,408,147        | \$ 40,840           | \$ 0                | \$ 12,448,987        |
| Roads and Bridges                                      | 20,008,278           | 2,616,394           | 0                   | 22,624,672           |
| Other Capital Assets                                   | 6,253,712            | 170,459             | (105,264)           | 6,318,907            |
| <b>Total Capital Assets<br/>Depreciated</b>            | <b>\$ 38,670,137</b> | <b>\$ 2,827,693</b> | <b>\$ (105,264)</b> | <b>\$ 41,392,566</b> |
| Less Accumulated<br>Depreciation For:                  |                      |                     |                     |                      |
| Buildings and<br>Improvements                          | \$ 4,068,164         | \$ 316,165          | \$ 0                | \$ 4,384,329         |
| Roads and Bridges                                      | 3,722,452            | 527,831             | 0                   | 4,250,283            |
| Other Capital Assets                                   | 3,173,180            | 509,077             | (105,264)           | 3,576,993            |
| <b>Total Accumulated<br/>Depreciation</b>              | <b>\$ 10,963,796</b> | <b>\$ 1,353,073</b> | <b>\$ (105,264)</b> | <b>\$ 12,211,605</b> |
| <b>Total Capital Assets<br/>Depreciated, Net</b>       | <b>\$ 27,706,341</b> | <b>\$ 1,474,620</b> | <b>\$ 0</b>         | <b>\$ 29,180,961</b> |
| <b>Governmental Activities<br/>Capital Assets, Net</b> | <b>\$ 29,121,211</b> | <b>\$ 1,474,620</b> | <b>\$ (339,152)</b> | <b>\$ 30,256,679</b> |

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

**Governmental Activities:**

|  |    |                         |
|--|----|-------------------------|
| General Government                                   | \$ | 55,175                  |
| Public Safety  |    | 380,351                 |
| Public Health and Welfare                            |    | 272,902                 |
| Agriculture and Natural Resources                    |    | 14,643                  |
| Highway/Public Works                                 |    | <u>630,002</u>          |
| Total Depreciation Expense - Governmental Activities | \$ | <u><u>1,353,073</u></u> |

**Discretely Presented Bedford County School Department**

**Governmental Activities:**

|  | Balance<br>7-1-08           | Increases                   | Decreases                | Balance<br>6-30-09           |
|--|-----------------------------|-----------------------------|--------------------------|------------------------------|
| Capital Assets Not<br>Depreciated:             |                             |                             |                          |                              |
| Land   | \$ 2,785,691                | \$ 0                        | \$ 0                     | \$ 2,785,691                 |
| Construction in<br>Progress                    | <u>26,870,803</u>           | <u>23,590,317</u>           | <u>0</u>                 | <u>50,461,120</u>            |
| Total Capital Assets<br>Not Depreciated        | <u>\$ 29,656,494</u>        | <u>\$ 23,590,317</u>        | <u>\$ 0</u>              | <u>\$ 53,246,811</u>         |
| Capital Assets<br>Depreciated:                 |                             |                             |                          |                              |
| Buildings and<br>Improvements                  | \$ 65,716,152               | \$ 339,472                  | \$ 0                     | \$ 66,055,624                |
| Other Capital Assets                           | <u>7,147,532</u>            | <u>352,571</u>              | <u>(161,956)</u>         | <u>7,338,147</u>             |
| Total Capital Assets<br>Depreciated            | <u>\$ 72,863,684</u>        | <u>\$ 692,043</u>           | <u>\$ (161,956)</u>      | <u>\$ 73,393,771</u>         |
| Less Accumulated<br>Depreciation For:          |                             |                             |                          |                              |
| Buildings and<br>Improvements                  | \$ 19,565,122               | \$ 1,556,276                | \$ 0                     | \$ 21,121,398                |
| Other Capital Assets                           | <u>3,377,133</u>            | <u>461,021</u>              | <u>(154,739)</u>         | <u>3,683,415</u>             |
| Total Accumulated<br>Depreciation              | <u>\$ 22,942,255</u>        | <u>\$ 2,017,297</u>         | <u>\$ (154,739)</u>      | <u>\$ 24,804,813</u>         |
| Total Capital Assets<br>Depreciated, Net       | <u>\$ 49,921,429</u>        | <u>\$ (1,325,254)</u>       | <u>\$ (7,217)</u>        | <u>\$ 48,588,958</u>         |
| Governmental Activities<br>Capital Assets, Net | <u><u>\$ 79,577,923</u></u> | <u><u>\$ 22,265,063</u></u> | <u><u>\$ (7,217)</u></u> | <u><u>\$ 101,835,769</u></u> |

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

**Governmental Activities:**

|   |                                |
|---|--------------------------------|
| Instruction   | \$ 1,482,948                   |
| Support Services  | 491,191                        |
| Operation of Non-Instructional Services                     | <u>43,158</u>                  |
| <br>Total Depreciation Expense -<br>Governmental Activities | <br><u><u>\$ 2,017,297</u></u> |

**Discretely Presented Bedford County Solid Waste Authority**

**Governmental Activities**

|  | Balance<br>7-1-08        | Increases                 | Decreases              | Balance<br>6-30-09       |
|--|--------------------------|---------------------------|------------------------|--------------------------|
| Capital Assets Not<br>Depreciated:             |                          |                           |                        |                          |
| Land   | \$ 10,200                | \$ 0                      | \$ 0                   | \$ 10,200                |
| Total Capital Assets<br>Not Depreciated        | <u>\$ 10,200</u>         | <u>\$ 0</u>               | <u>\$ 0</u>            | <u>\$ 10,200</u>         |
| Capital Assets<br>Depreciated:                 |                          |                           |                        |                          |
| Buildings and<br>Improvements                  | \$ 298,246               | \$ 0                      | \$ 0                   | \$ 298,246               |
| Other Capital Assets                           | 809,299                  | 0                         | (16,409)               | 792,890                  |
| Total Capital Assets<br>Depreciated            | <u>\$ 1,107,545</u>      | <u>\$ 0</u>               | <u>\$ (16,409)</u>     | <u>\$ 1,091,136</u>      |
| Less Accumulated<br>Depreciation For:          |                          |                           |                        |                          |
| Buildings and<br>Improvements                  | \$ 102,012               | \$ 7,095                  | \$ 0                   | \$ 109,107               |
| Other Capital Assets                           | 383,105                  | 37,688                    | (15,808)               | 404,985                  |
| Total Accumulated<br>Depreciation              | <u>\$ 485,117</u>        | <u>\$ 44,783</u>          | <u>\$ (15,808)</u>     | <u>\$ 514,092</u>        |
| Total Capital Assets<br>Depreciated, Net       | <u>\$ 622,428</u>        | <u>\$ (44,783)</u>        | <u>\$ (601)</u>        | <u>\$ 577,044</u>        |
| Governmental Activities<br>Capital Assets, Net | <u><u>\$ 632,628</u></u> | <u><u>\$ (44,783)</u></u> | <u><u>\$ (601)</u></u> | <u><u>\$ 587,244</u></u> |

Depreciation expense of \$44,783 was charged to the convenience center function of the authority.

**C. Construction Commitments**

At June 30, 2009, the School Department’s Education Capital Projects Fund had uncompleted school construction contracts of approximately \$993,588. Funding has been received for these future expenditures.

**D. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2009, is as follows:

**Due to/from Other Funds:**

| Receivable Fund       | Payable Fund          | Amount    |
|-----------------------|-----------------------|-----------|
| Primary Government:   |                       |           |
| General               | Nonmajor governmental | \$ 35,417 |
| General               | Other Special Revenue | 1,553     |
| General Debt Service  | Nonmajor governmental | 163,517   |
| Nonmajor governmental | Other Special Revenue | 3,214     |
| Nonmajor governmental | Nursing Home          | 243,004   |

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 Unit:**

| Receivable Fund     | Payable Fund             | Amount    |
|---------------------|--------------------------|-----------|
| Primary Government: |                          |           |
| General             | Component Unit:          |           |
|                     | Emergency Communications |           |
|                     | District                 | \$ 57,708 |

**Interfund Transfers:**

Interfund transfers for the year ended June 30, 2009, consisted of the following amounts:

**Primary Government**

| Transfers Out               | Transfers In     |                           |                             |
|-----------------------------|------------------|---------------------------|-----------------------------|
|                             | General Fund     | General Debt Service Fund | Nonmajor Governmental Funds |
| Nonmajor governmental funds | \$ 19,384        | \$ 260,596                | \$ 0                        |
| Other Special Revenue Fund  | 0                | 0                         | 230,000                     |
| <b>Total</b>                | <b>\$ 19,384</b> | <b>\$ 260,596</b>         | <b>\$ 230,000</b>           |

**Discretely Presented Bedford County School Department**

| Transfer Out                | Transfer In                 |
|-----------------------------|-----------------------------|
|                             | General Purpose School Fund |
| Nonmajor governmental funds | \$ 25,149                   |

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.

**E. 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 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 30 years for bonds, up to ten years for notes, and up to 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. All bonds, notes, and other loans included in long-term debt as of June 30, 2009, will be retired from the

General Debt Service, Special Purpose, or Other Capital Projects funds.

General obligation bonds, capital outlay notes, and other loans outstanding as of June 30, 2009, are as follows:

| Type                                 | Interest Rate | Original Amount of Issue | Balance 6-30-09 |
|--------------------------------------|---------------|--------------------------|-----------------|
| General Obligation Bonds             | 2 to 5%       | \$ 68,790,000            | \$ 64,030,000   |
| General Obligation Bonds - Refunding | 2 to 4.55     | 8,565,000                | 7,360,000       |
| Capital Outlay Notes                 | 2.75 to 4.14  | 9,859,100                | 6,505,405       |
| Other Loans                          | variable      | 8,000,000                | 4,194,000       |

In prior years, Bedford County entered into a loan agreement with the Montgomery County Public Building Authority. This loan agreement provided for the authority to make \$8,000,000 available for loan to Bedford County on an as-needed basis for various renovation and construction projects. Bedford County had borrowed the entire amount of the loan. The loan is repayable at an interest rate that 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, letter of credit, and debt remarketing) in connection with this loan. At June 30, 2009, the variable interest rate was .58 percent, and other fees totaled approximately .25 percent (letter of credit), .08 percent (remarketing), and \$85 per month (trustee) of the outstanding loan principal.

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2009, including interest payments and other loan fees, are presented in the following tables:

| Year Ending<br>June 30 | Notes        |            |              |
|------------------------|--------------|------------|--------------|
|                        | Principal    | Interest   | Total        |
| 2010                   | \$ 1,802,127 | \$ 227,318 | \$ 2,029,445 |
| 2011                   | 1,783,148    | 165,119    | 1,948,267    |
| 2012                   | 1,528,589    | 101,679    | 1,630,268    |
| 2013                   | 1,100,185    | 47,417     | 1,147,602    |
| 2014                   | 162,356      | 10,999     | 173,355      |
| 2015                   | 129,000      | 4,837      | 133,837      |
| Total                  | \$ 6,505,405 | \$ 557,369 | \$ 7,062,774 |

| Year Ending<br>June 30 | Other Loans  |            |            |              |
|------------------------|--------------|------------|------------|--------------|
|                        | Principal    | Interest   | Other Fees | Total        |
| 2010                   | \$ 435,000   | \$ 23,992  | \$ 14,860  | \$ 473,852   |
| 2011                   | 458,000      | 21,504     | 13,425     | 492,929      |
| 2012                   | 482,000      | 18,884     | 11,913     | 512,797      |
| 2013                   | 508,000      | 16,126     | 10,323     | 534,449      |
| 2014                   | 534,000      | 13,220     | 8,646      | 555,866      |
| 2015-2017              | 1,777,000    | 20,679     | 14,905     | 1,812,584    |
| Total                  | \$ 4,194,000 | \$ 114,405 | \$ 74,072  | \$ 4,382,477 |

| Year Ending<br>June 30 | Bonds         |               |                |
|------------------------|---------------|---------------|----------------|
|                        | Principal     | Interest      | Total          |
| 2010                   | \$ 3,005,000  | \$ 3,016,049  | \$ 6,021,049   |
| 2011                   | 3,120,000     | 2,904,089     | 6,024,089      |
| 2012                   | 3,230,000     | 2,788,836     | 6,018,836      |
| 2013                   | 3,350,000     | 2,661,312     | 6,011,312      |
| 2014                   | 3,470,000     | 2,526,851     | 5,996,851      |
| 2015-2019              | 13,605,000    | 10,770,339    | 24,375,339     |
| 2020-2024              | 13,780,000    | 8,028,805     | 21,808,805     |
| 2025-2029              | 10,010,000    | 5,361,297     | 15,371,297     |
| 2030-2034              | 10,405,000    | 3,113,550     | 13,518,550     |
| 2035-2037              | 7,415,000     | 677,024       | 8,092,024      |
| Total                  | \$ 71,390,000 | \$ 41,848,152 | \$ 113,238,152 |

There is \$4,963,594 available in the General Debt Service Fund to service long-term debt; however, \$630,979 of that amount is reserved for the retirement of school debt. Bonded debt per capita totaled \$1,899, based on the 2000 federal census. Debt per capita, including bonds, notes, and other loans, totaled \$2,184, based on the 2000 federal census.

#### Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2009, was as follows:

Governmental Activities:

|                             | Bonds                | Notes               | Other<br>Loans      |
|-----------------------------|----------------------|---------------------|---------------------|
| Balance, July 1, 2008       | \$ 74,310,000        | \$ 3,388,791        | \$ 5,046,000        |
| Additions                   | 0                    | 4,893,000           | 0                   |
| Deductions                  | (2,920,000)          | (1,776,386)         | (852,000)           |
| Balance, June 30, 2009      | <u>\$ 71,390,000</u> | <u>\$ 6,505,405</u> | <u>\$ 4,194,000</u> |
| Balance Due Within One Year | <u>\$ 3,005,000</u>  | <u>\$ 1,802,127</u> | <u>\$ 435,000</u>   |

|                             | Compensated<br>Absences | Other<br>Postemployment<br>Benefits |
|-----------------------------|-------------------------|-------------------------------------|
| Balance, July 1, 2008       | \$ 269,829              | \$ 0                                |
| Additions                   | 446,863                 | 45,998                              |
| Deductions                  | (435,910)               | (33,572)                            |
| Balance, June 30, 2009      | <u>\$ 280,782</u>       | <u>\$ 12,426</u>                    |
| Balance Due Within One Year | <u>\$ 14,039</u>        | <u>\$ 0</u>                         |

Analysis of Noncurrent Liabilities Presented on Exhibit A:

|   |                      |
|---|----------------------|
| Total Noncurrent Liabilities, June 30, 2009                       | \$ 82,382,613        |
| Less: Balance Due Within One Year                                 | (5,256,166)          |
| Add: Unamortized Premium on Debt                                  | 522,154              |
| Less: Deferred Amount on Refunding                                | <u>(50,759)</u>      |
| Noncurrent Liabilities - Due in<br>More Than One Year - Exhibit A | <u>\$ 77,597,842</u> |

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

**Discretely Presented Bedford County School Department**

Changes in Long-term Liabilities

Long-term liability activity for the discretely presented Bedford County School Department for the year ended June 30, 2009, was as follows:

Governmental Activities:

|                             |    | Other<br>Postemployment<br>Benefits |
|-----------------------------|----|-------------------------------------|
| Balance, July 1, 2008       | \$ | 0                                   |
| Additions                   |    | 459,284                             |
| Deductions                  |    | <u>(102,065)</u>                    |
| Balance, June 30, 2009      | \$ | <u>357,219</u>                      |
| Balance Due Within One Year | \$ | <u>0</u>                            |

**Discretely Presented Bedford County Solid Waste Authority**

Changes in Long-term Liabilities

Long-term liability activity for the discretely presented Bedford County Solid Waste Authority for the year ended June 30, 2009, was as follows:

Governmental Activities:

|                             | Compensated<br>Absences | Other<br>Postemployment<br>Benefits |
|-----------------------------|-------------------------|-------------------------------------|
| Balance, July 1, 2008       | \$ 9,300                | \$ 0                                |
| Additions                   | 8,134                   | 1,906                               |
| Deductions                  | <u>(8,001)</u>          | <u>(1,099)</u>                      |
| Balance, June 30, 2009      | <u>\$ 9,433</u>         | <u>\$ 807</u>                       |
| Balance Due Within One Year | <u>\$ 9,433</u>         | <u>\$ 0</u>                         |

Analysis of Noncurrent Liabilities Presented on Exhibit A:

|   |                |
|---|----------------|
| Total Noncurrent Liabilities, June 30, 2009                       | \$ 10,240      |
| Less: Balance Due Within One Year                                 | <u>(9,433)</u> |
| Noncurrent Liabilities - Due in<br>More Than One Year - Exhibit A | <u>\$ 807</u>  |

**F. On-Behalf Payments – Discretely Presented Bedford County School Department**

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Bedford 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, 2009, were \$82,793 and \$23,801, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

**V. OTHER INFORMATION**

**A. Risk Management**

Bedford County, the discretely presented Bedford County School Department, and the discretely presented Bedford County Solid Waste Authority are exposed to various risks related to general liability, property, casualty, and workers' compensation losses. Bedford County (excluding the nursing home), the School Department, and the Solid Waste Authority decided it was more economically feasible to join a public entity risk pool instead of purchasing commercial insurance for general liability, property, casualty, and workers' compensation coverage. Bedford County, the School Department, and the Solid Waste Authority 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. Bedford County, the School Department, and the Solid Waste Authority pay an annual premium to the TN-RMT for their general liability, property, casualty, and workers' compensation insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

**Employee Health Insurance**

Bedford County (excluding the nursing home) and the discretely presented Bedford County Solid Waste Authority participate in the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and quasi-governmental entities that was established for the primary purpose of providing services for or on behalf of state and local governments. In accordance with Section 8-27-207, Tennessee Code Annotated (TCA), all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the

state does not retain any risk for losses by this fund. The state statute provides for the LGGIF to be self-sustaining through member premiums.

The discretely presented Bedford 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, TCA, all local education agencies are eligible to participate. The LEGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, TCA, provides for the LEGIF to be self-sustaining through member premiums.

## **B. Accounting Changes**

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions; Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations; and Statement No. 52, Land and Other Real Estate Held as Investments by Endowments became effective for the year ended June 30, 2009.

GASB Statement No. 45 establishes reporting requirements for Other Postemployment Benefits (OPEB). OPEB includes postemployment healthcare, as well as other forms of postemployment benefits (for example, life insurance) when provided separately from a pension plan. This statement establishes standards for the measurement, recognition, and display of OPEB expenses/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information in the county's financial statements. In previous years, Bedford County, the Bedford County School Department, and the Bedford County Solid Waste Authority were only required to recognize the current year cost (expense) of these benefits. GASB Statement No. 45 was implemented prospectively with a zero net OPEB obligation at transition.

GASB Statement No. 49 requires county governments to measure and report their pollution remediation liabilities. A county has a pollution remediation problem if one of five obligating events occurs. The statement requires governments to restate beginning net assets in government-wide and proprietary fund financial statements for pollution remediation liabilities that existed as of July 1, 2008. Previous to Statement No. 49, counties were not required to measure and record pollution remediation liabilities. GASB Statement No. 49 had no effect on the financial statements of Bedford County for the year ended June 30, 2009, since the county had none of the obligating events. However, it is reasonably expected that Bedford County could have pollution remediation liabilities in subsequent years.

GASB Statement No. 52 requires endowments to report land and other real estate investments at fair value. Previous to Statement No. 52, land and

other real estate held by endowments were reported at historical cost. Changes in fair value between years will be reported as investment income (loss). GASB Statement No. 52 had no effect on the financial statements of Bedford County for the year ended June 30, 2009, since the county had no endowment investments. However, it is reasonably expected that Bedford County could have endowment investments in subsequent years.

**C. Related Party Transactions**

The discretely presented Bedford County Solid Waste Authority conducts its operations in portions of buildings owned by the Bedford County primary government, which donates their use for these purposes. The authority's administrative functions are provided by the Bedford County highway superintendent and two other Highway Department employees.

**D. Subsequent Event**

On July 6, 2009, the nursing home building and the related operations were leased to Christian Care Management, LLC. Therefore, during the term of this lease, the nursing home will no longer be operated by Bedford County. The initial lease is for a period of five years.

**E. Contingent Liabilities**

The county is involved in several pending lawsuits. The county attorney has not responded to requests to provide estimates of the potential claims not covered by insurance. However, management believes that any claims resulting from such litigation would not materially affect the county's financial statements.

On December 12, 2006, the Bedford County Commission authorized a contribution of \$1,000,000 to the Argie Cooper Public Library. This contribution is contingent upon the library entering into a binding construction contract in an amount not less than \$3,000,000 and the library receiving funds (including the county's contribution) sufficient to complete the project.

**F. Change in Administration**

On June 30, 2009, Patricia Finney left the Office of Clerk and Master and was succeeded by Curt Cobb.

**G. Joint Ventures**

**Primary Government**

The Argie Cooper Public Library is jointly owned by Bedford County and the City of Shelbyville and is operated under Tennessee state law and the rules and regulations of the Highland Rim Regional Library. The library is

governed by a voluntary, 14-member board of directors, seven appointed by the county and seven by the city. Bedford County has control over budgeting and financing of the joint venture only to the extent of representation by the seven board members appointed. Bedford County contributed \$131,962 to the operations of the library during the year ended June 30, 2009. As discussed in note V.E. above, the Bedford County Commission has authorized a contribution of \$1,000,000 to the Argie Cooper Public Library. This contribution is contingent upon the library entering into a binding construction contract in an amount not less than \$3,000,000 and the library receiving funds (including the county's contribution) sufficient to complete the project.

The Joint Economic Development Board is a joint venture between Bedford County and the cities of Bell Buckle, Normandy, Shelbyville, and Wartrace. The board comprises the city mayor or city manager, if so designated by the city's governing board of each member's municipality, the Bedford County mayor, three members of the City of Shelbyville Industrial Development Board, two residents of the unincorporated area of Bedford County, and a private citizen who owns greenbelt property. The purpose of the board is to foster communication and facilitate economic and community development between and among governmental entities, industry, and private citizens. The cities and county will provide the majority of funding for the board based on the percentage of their population compared to the total census of the county. Bedford County did not contribute to the Joint Economic Development Board for the year ended June 30, 2009.

The Seventeenth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Seventeenth Judicial District, Marshall, Lincoln, Moore, and Bedford counties, and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors, including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within the judicial district. Bedford County did not contribute to the DTF for the year ended June 30, 2009.

Bedford County does not retain an equity interest in any of the above-noted joint ventures.

Complete financial statements for the Argie Cooper Public Library, the Joint Economic Development Board, and the Seventeenth Judicial District Drug Task Force can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Argie Cooper Public Library  
100 South Main Street  
Shelbyville, TN 37160

Joint Economic Development Board  
c/o City Hall  
201 North Spring Street  
Shelbyville, TN 37160

Office of District Attorney General  
Seventeenth Judicial District Drug Task Force  
P.O. Box 878  
Fayetteville, TN 37334

**Discretely Presented Bedford County School Department**

The discretely presented School Department participates in the Volunteer State Cooperative (VOLCO), which represents a cost-sharing arrangement. The cooperative was established through a contractual agreement between the Boards of Education of Bedford County, Coffee County, Dickson County, Fayetteville City, Humphreys County, Manchester City, Maury County, Marshall County, Robertson County, and Stewart County. The cooperative was authorized through Chapter 49 of Tennessee Code Annotated. The cooperative was established to obtain lower prices for food supplies, materials, equipment, and services by combining the purchasing requirements of each member's school food service systems. The cooperative has contracted with a coordinating district (Stewart County School Department) and a service provider to provide these services. The cooperative is governed by a Representative Committee, comprising one representative from each of the member districts; and an Executive Council, consisting of the chair, vice chair, secretary, treasurer, and a member-at-large from the Representative Committee.

Complete financial statements for the Volunteer State Cooperative can be obtained from its administrative office at the following address:

Administrative Office:

Volunteer State Cooperative  
P.O. Box 433  
110 Natcor Drive  
Dover, TN 37058

## **H. Jointly Governed Organization**

The Bedford Railroad Authority was created November 22, 1984, pursuant to Section 7-56-201 et seq., Tennessee Code Annotated, to provide for the continuation of rail service on a section of existing rail spur line located within Bedford County between the cities of Shelbyville and Wartrace. The authority's board includes the mayor of Shelbyville, a city councilman, the county mayor, a county commissioner, the mayor of Wartrace, and a citizen residing in Wartrace; however, the county and cities do not have any ongoing financial interest or responsibility for the entity.

## **I. Retirement Commitments**

### **Employees**

#### **Plan Description**

Employees of Bedford 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 the Tennessee Code Annotated. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Bedford County participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at [www.tn.gov/treasury/tcrs](http://www.tn.gov/treasury/tcrs).

#### **Funding Policy**

Bedford 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, 2009, was 5.31 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Bedford County is established and may be amended by the TCRS Board of Trustees.

**Annual Pension Cost**

For the year ended June 30, 2009, Bedford County’s annual pension cost of \$866,701 to TCRS was equal to the county’s required and actual contributions. The required contribution was determined as part of the July 1, 2007, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected post retirement increases of three percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. Bedford 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, 2007, was eight 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 |
|-------------------|---------------------------|-------------------------------|------------------------|
| 6-30-09           | \$866,701                 | 100%                          | \$0                    |
| 6-30-08           | 875,051                   | 100                           | 0                      |
| 6-30-07           | 810,477                   | 100                           | 0                      |

**Funded Status and Funding Progress**

As of July 1, 2007, the most recent actuarial valuation date, the plan was 97.61 percent funded. The actuarial accrued liability for benefits was \$34.63 million, and the actuarial value of assets was \$33.8 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$.83 million. The covered payroll (annual payroll of active employees covered by the plan) was \$13 million, and the ratio of the UAAL to the covered payroll was 6.58 percent.

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

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the SETHEEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at [www.tn.gov/treasury/tcrs](http://www.tn.gov/treasury/tcrs).

## **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 Bedford County School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2009, was 6.42 percent of annual covered payroll. The employer contribution requirement for the Bedford County 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, 2009, 2008, and 2007, were \$1,590,979, \$1,473,095, and \$1,365,971, respectively, equal to the required contributions for each year.

### **J. Other Postemployment Benefits (OPEB)**

#### Plan Description

Bedford County (excluding the Nursing Home) and the Bedford County Solid Waste Authority participate in the state-administered Local Government Group Insurance Plan for healthcare benefits. The Bedford County School Department participates in the state-administered Local Education Group Insurance Plan for healthcare benefits. For accounting purposes, the plans are agent multiple-employer defined benefit OPEB plans. Benefits are established and amended by an insurance committee created by Section 8-27-302, Tennessee Code Annotated (TCA), for local education employees, and Section 8-27-207, TCA for local governments. Prior to reaching the age of 65, all members have the option of choosing a preferred provider organization (PPO), point of service (POS), or health maintenance organization (HMO) plan for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://tn.gov/finance/act/cafr.html>.

#### Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop a contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants; however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 members in the Medicare Supplement Plan. Retirees' contributions vary depending on the insurance options they select, ranging from \$347 to \$1,345 per month. Bedford County, the Bedford County Solid Waste Authority, and

the Bedford County School Department recognized expenditures of \$33,572, \$1,099, and \$102,065, respectively, for postemployment health care during the year ended June 30, 2009.

Annual OPEB Cost and Net OPEB Obligation

|                              | Local<br>Education<br>Group<br>Plan | (County)<br>Local<br>Government<br>Group<br>Plan | (SWA)<br>Local<br>Government<br>Group<br>Plan |
|------------------------------|-------------------------------------|--|---|
| ARC                          | \$ 459,284                          | \$ 45,998  | \$ 1,906                                      |
| Interest on the NPO          | 0                                   | 0  | 0   |
| Adjustment to the ARC        | 0                                   | 0  | 0   |
| Annual OPEB cost             | \$ 459,284                          | \$ 45,998  | \$ 1,906                                      |
| Amount of contribution       | (102,065)                           | (33,572)   | (1,099)                                       |
| Increase/decrease in NPO     | \$ 357,219                          | \$ 12,426  | \$ 807  |
| Net OPEB obligation, 7-1-08  | 0                                   | 0  | 0   |
| Net OPEB obligation, 6-30-09 | <u>\$ 357,219</u>                   | <u>\$ 12,426</u>                                 | <u>\$ 807</u>                                 |

| Fiscal<br>Year<br>Ended | Plan                            | Annual<br>OPEB<br>Cost | Percentage<br>of Annual<br>OPEB Cost<br>Contributed | Net OPEB<br>Obligation<br>at Year End |
|-------------------------|---------------------------------|------------------------|---|---------------------------------------|
| 6-30-09                 | Local Education Group           | \$ 459,284             | 22 %  | \$ 357,219                            |
| 6-30-09                 | Local Government Group (County) | 45,998                 | 73  | 12,426                                |
| 6-30-09                 | Local Government Group (SWA)    | 1,906                  | 58  | 807                                   |

\* Data only available for current year.

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2009, was as follows:

|   | Local<br>Education<br>Group<br>Plan | (County)<br>Local<br>Government<br>Group<br>Plan |
|---|-------------------------------------|--|
|   | <hr/>                               | <hr/>  |
| Actuarial valuation date                    | 7-1-07                              | 7-1-07   |
| Actuarial accrued liability (AAL)           | \$ 4,221,987                        | \$ 304,996                                       |
| Actuarial value of plan assets              | \$ 0                                | \$ 0   |
| Unfunded actuarial accrued liability (UAAL) | \$ 4,221,987                        | \$ 304,996                                       |
| Actuarial value of assets as a % of the AAL | 0%                                  | 0%   |
| Covered payroll (active plan members)       | \$ 31,598,000                       | \$ 9,129,000                                     |
| UAAL as a % of covered payroll              | 13%                                 | 3%   |
|   |                                     | (SWA)<br>Local<br>Government<br>Group<br>Plan    |
|   |                                     | <hr/>  |
| Actuarial valuation date                    |                                     | 7-1-07   |
| Actuarial accrued liability (AAL)           |                                     | \$ 12,642  |
| Actuarial value of plan assets              |                                     | \$ 0   |
| Unfunded actuarial accrued liability (UAAL) |                                     | \$ 12,642  |
| Actuarial value of assets as a % of the AAL |                                     | 0%   |
| Covered payroll (active plan members)       |                                     | \$ 321,000                                       |
| UAAL as a % of covered payroll              |                                     | 4%   |

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

Actuarial Methods and Assumptions

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point.

Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the July 1, 2007, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 11 percent initially, reduced by decrements to an ultimate rate of six percent after ten years. Both rates include a three percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with June 30, 2008.

**K. Office of Central Accounting, Budgeting, and Purchasing**

Office of Director of Finance

Bedford County operates under provisions of the County Financial Management System of 1981. This act provides for a central system of accounting, budgeting, and purchasing covering all county departments. The act provides for the creation of a Finance Department operated under the direction of the finance director.

**L. Purchasing Laws**

Office of Director of Finance

The County Financial Management System of 1981 provides for the finance director or a deputy appointed by him to serve as the county purchasing agent. The finance director serves as the purchasing agent for Bedford County. All purchase orders are issued by the Finance Department. Purchases exceeding \$10,000 for the Office of County Mayor, the Office of Highway Superintendent, and the discretely presented School Department are required to be competitively bid.

Office of Solid Waste Authority

The authority has a policy of requiring all purchases exceeding \$10,000 to be made after public advertisement and solicitation of competitive bids.

**VI. OTHER NOTES – BEDFORD COUNTY NURSING HOME (ENTERPRISE FUND)**

**A. Summary of Significant Accounting Policies**

This summary of significant accounting policies of the Bedford County Nursing Home is presented to assist in understanding the nursing home's

financial statements. The financial statements and notes are representations of the nursing home's management who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles.

Financial Reporting Entity – The Bedford County Nursing Home was organized by the Bedford County Board of Commissioners and is a separately reported fund of Bedford County, Tennessee. The nursing home is managed by a Board of Trustees appointed by the Bedford County Commission. The nursing home may not issue bonded debt without the county's approval. The nursing home is not a legal entity separate and apart from the county and, accordingly, it is considered an enterprise fund of the county.

At June 30, 2009, there were related receivables or payables between Bedford County and the nursing home as described in Note VI.I.

Basis of Presentation – The financial statements are presented on the full accrual basis of accounting and conform to accounting principles generally accepted in the United States of America. The nursing home has elected, under Governmental Accounting Standards Board Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Funds that Use Proprietary Fund Accounting, to apply all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements.

The accounting and financial reporting treatment applied to the nursing home is determined by its measurement focus. The transactions of the nursing home are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the balance sheet. Net assets (i.e. total assets net of total liabilities) are segregated into invested in capital assets, net of related debt and unrestricted components.

Cash Flow – Cash and Cash Equivalents – The Bedford County Nursing Home presents its cash flow statement using the direct method. For purposes of cash flow presentation, the nursing home considers cash in operating bank accounts, cash on hand, and certificates of deposit, which have original maturities of three months or less, as cash and cash equivalents. There were no cash equivalents at June 30, 2009.

Patient Service Revenue and Accounts Receivable – Patient service revenue is reported at the estimated net realizable amounts from residents, third-party payors, and others for services rendered. Revenue under third-party payor agreements is subject to audit and retroactive adjustment. Provisions for estimated third-party payor settlements are provided in the period the related services are rendered. Differences between the estimated amounts accrued and interim and final settlements are reported in operations in the year of settlement. The nursing home does not have a formal policy regarding accrual of interest income on past due receivables.

Allowance for Doubtful Accounts – The nursing home uses the allowance method to account for uncollectible accounts receivable. The allowance for doubtful accounts was \$201,963 at June 30, 2009. Management considers the following factors when determining the collectability of specific patient accounts: patient's credit-worthiness, past transaction history with the patient, current economic and industry trends, and changes in the patient's payment terms. If the financial condition of the nursing home's patients was to deteriorate, adversely affecting their ability to make payments, additional allowances would be required. Accounts receivable are continually evaluated to identify amounts that are uncollectible and those amounts are written off when all collection attempts have been exhausted.

Inventories – Inventories are stated at the lower of cost (first-in, first-out) or market.

Property and Equipment – Property and equipment are stated at cost. Generally, purchases in excess of \$500 are capitalized. For financial statement purposes, depreciation of property and equipment is provided using the straight-line method. Equipment under capital lease obligations is amortized on the straight-line method over the estimated useful life of the equipment. Such amortization is included in depreciation in the financial statements. The general range of useful lives estimated for property and equipment is three to 50 years. Maintenance and repairs are charged to operations when incurred. The nursing home eliminates the costs and related allowances from the accounts for properties sold or retired, and any resulting gains or losses are included in income.

Compensated Absences – Nursing home employees accrue vacation, sick and holiday time, or compensated absences by a prescribed formula based on length of service. Compensated absences related to the nursing home employees are recorded within the period earned.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes – The nursing home, as a separately reported fund of Bedford County, is an exempt organization as described in section 501(a) of the United States Internal Revenue Code. Accordingly, the financial statements do not reflect a provision for income taxes.

Operating Revenues and Expenses – The nursing home's operating revenues and expenses consist of revenues earned and expenses incurred relating to the operation and maintenance of its facility. All other revenues and expenses are reported as nonoperating revenues and expenses and consist of those revenues and expenses that are related to financing and investing type of activities and result from non-exchange transactions or ancillary activities.

## B. Cash and Cash Equivalents

**Interest Rate Risk and Concentration of Credit Risk.** The nursing home does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. The nursing home places no limit on the amount it may invest in any one issuer.

**Credit Risk.** The nursing home is authorized to make investments in bonds, notes or treasury bills of the United States, Federal Loan Bank bonds, Federal Home Loan Bank notes and bonds, Federal National Mortgage Association notes and debentures, banks or cooperative debentures, or any of its other agencies, or obligations guaranteed as to principal and interest by the United States or any of its agencies with a maturity not greater than one year, or in the pooled investment fund established under Tennessee law.

During the year ended June 30, 2009, the board of trustees chose to limit the investment of funds to deposits at banking institutions.

At June 30, 2009, the carrying amount of cash deposits, including patient funds, was \$446,623, and the bank balance was \$736,886. At June 30, 2009, the entire bank balance was covered by federal depository insurance, or by collateral held in the Tennessee Bank Collateral Pool. The Tennessee Bank Collateral Pool is a multiple financial institution collateral pool in which member financial institutions holding public funds pledge collateral securities. In the event any member financial institution fails, the entire collateral pool becomes available to satisfy the claims of governmental entities. The pool also has the ability to make additional assessments on a pro rata basis to the members of the pool if the value of collateral is inadequate to cover a loss.

## C. Capital Assets

Capital assets are summarized as follows:

Business-type Activities:

|                                 | Balance<br>7-1-08 | Additions   | Deletions   | Balance<br>6-30-09 |
|---------------------------------|-------------------|-------------|-------------|--------------------|
| Capital Assets Not Depreciated: |                   |             |             |                    |
| Land                            | \$ 150,149        | \$ 0        | \$ 0        | \$ 150,149         |
| Construction in Progress        | 1,800             | 0           | (1,800)     | 0                  |
| Subtotal                        | <u>\$ 151,949</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 150,149</u>  |
| Capital Assets Depreciated:     |                   |             |             |                    |
| Land Improvements               | \$ 24,547         | \$ 0        | \$ 0        | \$ 24,547          |
| Building and Improvements       | 1,340,699         | 40,557      | 0           | 1,381,256          |

Business-type Activities (Cont.):

|                                     | Balance<br>7-1-08          | Additions               | Deletions          | Balance<br>6-30-09         |
|-------------------------------------|----------------------------|-------------------------|--------------------|----------------------------|
| Capital Assets Depreciated (Cont.): |                            |                         |                    |                            |
| Departmental Equipment              | 609,208                    | 115,091                 | 0                  | 724,299                    |
| Capital Equipment                   | 430,147                    | 0                       | 0                  | 430,147                    |
| Subtotal                            | <u>\$ 2,404,601</u>        | <u>\$ 155,648</u>       | <u>\$ 0</u>        | <u>\$ 2,560,249</u>        |
| Less Accumulated Depreciation:      |                            |                         |                    |                            |
| Land Improvements                   | \$ (24,547)                | \$ 0                    | \$ 0               | \$ (24,547)                |
| Building and Improvements           | (761,561)                  | (43,386)                | 0                  | (804,947)                  |
| Departmental Equipment              | (360,072)                  | (48,457)                | 0                  | (408,529)                  |
| Capital Equipment                   | (273,513)                  | (28,575)                | 0                  | (302,088)                  |
| Subtotal                            | <u>\$ (1,419,693)</u>      | <u>\$ (120,418)</u>     | <u>\$ 0</u>        | <u>\$ (1,540,111)</u>      |
| Capital Assets<br>Depreciated, Net  | <u>\$ 984,908</u>          | <u>\$ 35,230</u>        | <u>\$ 0</u>        | <u>\$ 1,020,138</u>        |
| Total Capital Assets, Net           | <u><u>\$ 1,136,857</u></u> | <u><u>\$ 35,230</u></u> | <u><u>\$ 0</u></u> | <u><u>\$ 1,170,287</u></u> |

Depreciation expense for the year ended June 30, 2009, was \$120,418.

**D. Patient Funds Held in Trust**

At June 30, 2009, the nursing home had a fiduciary responsibility for funds totaling \$34,255 held on behalf of the residents.

The nursing home is required to maintain a cash account as a depository for patient funds. The fund is restricted in use and can be used only for providing spending money for patients, purchasing supplies for patients with cash in the fund, or paying amounts due to the nursing home for patient care, provided the amount does not include monies stipulated for patients' use only. All funds in excess of \$100 per recipient are required to be placed in an insured interest-bearing account.

**E. Pension Plan**

Plan Description - Employees of Bedford 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 age 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 is in the performance of duty. Members joining the system on or 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 Bedford 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, 10<sup>th</sup> Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at [www.tn.gov/treasury/tcrs](http://www.tn.gov/treasury/tcrs).

The retirement plan for Bedford County Nursing Home is included in the total retirement program for Bedford County. Therefore, separate retirement information for the nursing home is not available. Details relative to the funding status and progress, actuarially determined contribution requirements and contribution made, and trend information regarding the retirement plan can be found in the Comprehensive Annual Financial Report for Bedford County. Contributions to the plan by the nursing home for the year ended June 30, 2009, totaled \$118,391. Bedford County requires employees to contribute five percent of earnable compensation and Bedford County is required to contribute at an actuarially determined rate. The rate for the fiscal year ended June 30, 2009, was 5.31 percent of annual covered payroll.

**F. Concentration of Credit Risk**

The nursing home grants credits without collateral to its patients, most of who are insured under third-party payor agreements. Approximately 76 percent of net patient revenue is derived from third-party payors. The mix of receivables from patients and third-party payors are as follows:

|           |      |
|-----------|------|
| Medicaid  | 40 % |
| Medicare  | 24   |
| Private   | 24   |
| Insurance | 12   |

**G. Risk Management**

Risks related to the operation of the nursing home are managed through the purchases of commercial insurance policies. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. Information related to insurance coverage is as follows:

Workers' Compensation Coverage – The nursing home's workers' compensation policy was issued with liability limits of \$100,000 per individual per accident with a policy limit of \$500,000. This is a retrospectively rated policy, a policy, in which the initial premium is adjusted, based on actual experience during the period of coverage.

Comprehensive Liability Coverage – The nursing home's liability policy was issued by various casualty companies. The policies provide general and professional liability coverage of \$1,000,000 per occurrence with a maximum liability limit of \$3,000,000.

Property Coverage – The nursing home's property insurance coverage had liability limits of \$6,803,000 for buildings and personal property, \$1,000,000 for auto, and \$554,000 for blanket business income.

#### **H. Health Care Regulations**

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as repayments for patient services previously billed. Management believes that the nursing home is in compliance with fraud and abuse statutes as well as other applicable government laws and regulations. Compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.

#### **I. Related Party Transactions**

In a prior year, certain improvements were made to the facility that were financed through an advance from Bedford County. The remaining balance of \$243,004 is due the county as of June 30, 2009.

#### **J. Capital Leases**

During the fiscal year ended June 30, 2006, the nursing home entered into various lease agreements as lessee for financing the acquisition of equipment. These lease agreements are treated as capital leases for accounting purposes and, therefore, have been reported at the present value of the future minimum lease payments.

The assets acquired through capital leases are as follows:

|                                 |                  |
|---------------------------------|------------------|
| Copier                          | \$ 22,935        |
| Telephone System                | 32,745           |
| Less: Accumulated Amortization  | <u>(19,653)</u>  |
| Total Capital Lease Assets, Net | <u>\$ 36,027</u> |

Changes in long-term obligations for the year ended June 30, 2009, are as follows:

|                | Balance<br>7-1-08 | Decreases  | Balance<br>6-30-09 |
|----------------|-------------------|------------|--------------------|
| Capital Leases | \$ 7,360          | \$ (7,360) | \$ 0               |

**K. Litigation**

The nursing home is subject to claims and suits, which arise in the ordinary course of business. In November 2008, a resident died as a result of falls and alleged acts of negligence. Subsequent to the end of the fiscal year, a complaint was filed by the resident's estate. In the opinion of management, the ultimate resolution of such pending legal proceedings has been adequately provided for through commercial insurance.

**L. Restricted Assets**

Certain asset amounts have been presented in the financial statements as limited as to their use. The details of these amounts are as follows:

|                             |                  |
|-----------------------------|------------------|
| Cash in Memorial Fund       | \$ 37,362        |
| Patient Funds Held in Trust | <u>\$ 34,255</u> |
| Total Restricted Assets     | <u>\$ 71,617</u> |

**M. Designated Unrestricted Net Assets**

Certain asset amounts have been internally designated by the board of directors. The details of these amounts are as follows:

|                                      |                          |
|--------------------------------------|--------------------------|
| Cash in Memorial Fund                | \$ 37,362                |
| Designated Unrestricted Net Assets   | <u>\$ 37,362</u>         |
| Undesignated Unrestricted Net Assets | <u>606,935</u>           |
| Unrestricted Net Assets              | <u><u>\$ 644,297</u></u> |

**N. Subsequent Event**

Subsequent to year end, the nursing home building and the related operations were leased to Christian Care Management, LLC. Therefore, during the term of this lease, the nursing home will no longer be operated by Bedford County. The initial lease is for a period of five years.

**VII. OTHER NOTES – DISCRETELY PRESENTED EMERGENCY COMMUNICATIONS DISTRICT OF BEDFORD COUNTY**

**A. Summary of Significant Accounting Policies**

General Information – On May 15, 1984, the Tennessee state legislature approved the “Tennessee Emergency Communications District Law” (Acts 1984, ch. 867), which enables a county, upon approval by voters, to create a district to provide local emergency telephone service. Subsequently, in July 1987, the county legislative body of Bedford County, Tennessee, approved the establishment of a district for their county, the Emergency Communications District of Bedford County. As provided by the Act, the district operates as a governmental organization through the directives of a nine-member board of directors and provides enhanced 9-1-1 emergency telephone service for its service area. The directors serve without compensation for terms of three to four years.

Financial Reporting Entity – Component Unit – As specified and described by Statement No. 14 of the Governmental Accounting Standards Board (GASB), the district is a component unit of the primary government of Bedford County, Tennessee. The district reports its financial information separately from Bedford County; however, the district’s financial information should also be discretely presented by the county in its financial report.

Legally, the district is a separate governmental entity that has considerable legal, financial and administrative autonomy. However, as the governing board is not elected but instead is entirely appointed by the Bedford County mayor and approved by the Bedford County Commission, the district cannot be a primary government. Instead it qualifies as a component unit according to the directives of GASB.

GASB Statement No. 14 specifies that component units must be legally separate organizations that have financial accountability to a primary government. Financial accountability exists prima facie if a special-purpose government is not fiscally independent. GASB states that to be fiscally

independent, the government has to have the authority to do all of three activities. Two of these are to issue bonded debt without approval by another government and to levy taxes or set rates or charges without approval by another government. According to Section 7-86-114, Tennessee Code Annotated, before issuing negotiable bonds, the district must have approval of the legislative body of a county wherein a district is established. It also must have approval before making purchase contracts, lease agreements, and notes payable of over five years' duration. In addition, the Bedford County Commission has the ability to adjust the district's service charges. Because the district is both a legal entity and financially accountable to the primary government of Bedford County as the County Commission approves all members of the governing board and by the nature of its fiscal dependence on Bedford County as described above, it is a component unit of Bedford County.

At June 30, 2009, there was a payable to Bedford County by the district of \$57,708. The district did not engage in any activities that were subject to the approval of Bedford County.

Basis of Presentation and Accounting – As a governmental entity, the district abides by the accounting rules and regulations issued by the Governmental Accounting Standards Board (GASB) as well as the Financial Accounting Standards Board issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements. After November 30, 1989, the district follows GASB guidance only and does not follow any FASB guidance issued after that date. Promulgations of that board require that the accrual method of accounting be used for governmental units that operate in a manner similar to a private business.

The district does not have the authority to levy or collect taxes but is supported instead by the fees collected from telephone subscribers who benefit from the availability of its service. It recovers the cost of providing its services from its customers. Consequently, the district functions in a manner similar to a private business enterprise and utilizes the accrual method of accounting. Income is recognized as it is earned and expenses are recognized as they are incurred whether or not cash is received or paid out at that time.

The accounts of the district are organized on the basis of a proprietary fund type, specifically an enterprise fund. The activities of this fund are accounted for with a separate set of self-balancing accounts that comprise the district's assets, liabilities, net assets, revenues and expenses. Enterprise funds accounting for activities (i) that are financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity; or (ii) that are required by laws or regulations that the activity's costs of providing services, including capital costs (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenue; or (iii) that the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service).

The accounting and financial reporting treatment applied to the district is determined by its measurement focus. The transactions of the district are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the statements of net assets. Net assets (i.e., total assets net of total liabilities) are segregated into invested in capital assets, net of related debt; restricted for debt service; and unrestricted components. As of June 30, 2009, the district had an outstanding balance on a capital lease, amounts due the primary government, and accounts payable for vendor services.

Budgetary Law and Practice – The treasurer of the district files an annual budget with the mayor of Bedford County in accordance with Tennessee Code Annotated, Title 7, Chapter 86, Part 1. In March of each year, the treasurer presents a preliminary budget to the board of directors. The budget is then discussed and amended as necessary for approval by the board.

The budget for operations is prepared on the modified cash receipts and disbursements basis by line-item accounts. Revenues are budgeted in the year receipts are expected, and disbursements are budgeted in the year that the disbursements are expected to occur. Capital lease payments are budgeted in total; however, depreciation and amortization expenses are not budgeted.

Capital Assets – Capital assets are stated at cost or estimated historical cost if actual cost is not available and depreciated five years-transportation equipment, ten years-equipment, and 40 years-buildings by the straight-line method of depreciation. The district defines capital assets as assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of one year. Maintenance and repairs are charged to operations when incurred. Major renewals and betterments are capitalized. When items of property are sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is included as non-operating revenue or loss.

Use of Estimates – The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Cash Flow – Cash and Cash Equivalents – The district presents its cash flow statement using the direct method. For purposes of cash flow presentation, the district considers cash in operating bank accounts, cash on hand, and certificates of deposit with an original maturity of 90 days or less to be cash and cash equivalents. At June 30, 2009, the district did not hold any certificates of deposit.

Use of Facilities – The district conducts its operations in a building owned by Bedford County at no cost to the district. The measurement of the contribution from Bedford County is not considered material for disclosure as in-kind support and as expense in the accompanying statements of revenue, expenses, and changes in net assets.

Operating Revenues and Expenses – The district’s operating revenues and expenses consist of revenues earned and expenses incurred relating to the operation and maintenance of its system. Nonoperating revenues and expenses consist of those revenues and expenses that are related to financing and investing type of activities and result from nonexchange transactions or ancillary activities. When an expense is incurred for purposes for which there are both restricted and unrestricted net assets available, it is the district’s policy to apply those expenses to restricted net assets to the extent such are available and then to unrestricted net assets.

**B. Cash and Cash Equivalents**

The district is authorized to make investments in bonds, notes or treasury bills of the United States, Federal Land Bank bonds, Federal Home Loan Bank notes and bonds, Federal National Mortgage Association notes and debentures, banks for cooperative debentures, or any of its other agencies, or obligations guaranteed as to principal and interest by the United States or any of its agencies with a maturity not greater than one year, or in the pooled investment fund established under Tennessee law. During the year ended June 30, 2009, the board of directors chose to limit the investment of funds to deposits at banks.

Cash – At June 30, 2009, the carrying amount of cash deposits was \$453,925 and the bank balance was \$493,834. At June 30, 2009, the entire bank balance was covered by federal depository insurance or by collateral held in the Tennessee Bank Collateral Pool. The Tennessee Bank Collateral Pool is a multiple financial institution collateral pool to which member financial institutions holding public funds pledge collateral securities. In the event any member financial institution fails, the entire collateral pool becomes available to satisfy the claims of governmental entities. The pool also has the ability to make additional assessments on a pro rata basis to the members of the pool if the value of collateral is inadequate to cover a loss.

| <u>Cash Accounts</u>      | <u>Interest Rate</u> | <u>June 30, 2009</u>   |                     |
|---------------------------|----------------------|------------------------|---------------------|
|                           |                      | <u>Carrying Amount</u> | <u>Bank Balance</u> |
| Regions Bank checking     | N/A                  | \$ 259,445             | \$ 299,355          |
| Regions Bank money market | .6%                  | 194,480                | 194,479             |
| <b>Total</b>              |                      | <b>\$ 453,925</b>      | <b>\$ 493,834</b>   |

**C. Accounts Receivable**

The district receives the majority of its revenue from the telephone subscribers residing within Bedford County. As provided in the Act, telephone companies collect the 911 fees from the subscribers and remit the funds on a not longer than bi-monthly basis to the district. The policy of the telephone companies has been to remit based upon their billings rather than on their collections. Accordingly, the financial statements do not include a provision for bad debts.

The following is the detail of the receivables at June 30, 2009:

|                   |    |               |
|-------------------|----|---------------|
| AT&T              | \$ | 20,807        |
| United Telephone  |    | 4,576         |
| Charter Fiberlink |    | 1,692         |
| Others            |    | 5,966         |
|                   |    | <hr/>         |
| Total             | \$ | <u>33,041</u> |

**D. Capital Assets**

Capital assets are summarized as follows:

|   | Balance<br>7-1-08   | Additions        | Balance<br>6-30-09  |
|---|---------------------|------------------|---------------------|
|   | <hr/>               |                  |                     |
| <u>Capital Assets Being Depreciated</u> |                     |                  |                     |
| Building and Improvements               | \$ 50,573           | \$ 6,890         | \$ 57,463           |
| Furniture and Fixtures                  | 86,922              | 3,421            | 90,343              |
| Office Equipment                        | 68,981              | 0                | 68,981              |
| Communications Equipment                | 1,139,427           | 26,060           | 1,165,487           |
| Vehicle                                 | 16,414              | 0                | 16,414              |
| Other Capital Assets                    | 143,564             | 0                | 143,564             |
| Subtotal                                | <u>\$ 1,505,881</u> | <u>\$ 36,371</u> | <u>\$ 1,542,252</u> |

Less Accumulated Depreciation and Amortization

|                           |            |            |            |
|---------------------------|------------|------------|------------|
| Building and Improvements | \$ (4,552) | \$ (1,922) | \$ (6,474) |
| Furniture and Fixtures    | (7,330)    | (8,629)    | (15,959)   |
| Office Equipment          | (34,167)   | (5,897)    | (40,064)   |
| Communications Equipment  | (419,905)  | (107,218)  | (527,123)  |
| Vehicle                   | (13,132)   | (3,282)    | (16,414)   |

|   | Balance<br>7-1-08   | Additions           | Balance<br>6-30-09  |
|---|---------------------|---------------------|---------------------|
| <u>Less Accumulated Depreciation and Amortization (Cont.)</u> |                     |                     |                     |
| Other Capital Assets  | \$ (44,599)         | \$ (13,883)         | \$ (58,482)         |
| Subtotal  | <u>\$ (523,685)</u> | <u>\$ (140,831)</u> | <u>\$ (664,516)</u> |
| Capital Assets, Being Depreciated, Net                        | <u>\$ 982,196</u>   | <u>\$ (104,460)</u> | <u>\$ 877,736</u>   |

Additions to depreciation are reported in the financial statements as \$126,948 depreciation expense and \$13,883 amortization expense for a total of \$140,831 as presented in the above schedule.

**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 is covered under insurance policies maintained by Bedford County. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

**F. Accounts Payable**

Accounts payable includes amounts due vendors totaling \$4,148 at June 30, 2009.

**G. Capital Lease Obligations**

The district has entered into lease agreements as lessee for financing the acquisition of capital assets including communications equipment. These lease agreements are capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date.

The assets acquired through capital leases for the governmental activities are as follows:

|                                |           |                 |
|--------------------------------|-----------|-----------------|
| Assets:                        |           |                 |
| Communication Equipment        | \$        | 604,591         |
| Less: Accumulated Depreciation |           | <u>(95,727)</u> |
| Total, Net                     | <u>\$</u> | <u>508,864</u>  |

The future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2009, are as follows:

June 30 Year Ending

|   |                          |
|---|--------------------------|
| 2010                                    | \$ 124,140               |
| 2011                                    | 124,140                  |
| 2012                                    | 124,140                  |
| 2013                                    | <u>31,035</u>            |
| Total minimum lease payments            | \$ 403,455               |
| Less: amount representing interest      | <u>(40,934)</u>          |
| Present value of minimum lease payments | <u><u>\$ 362,521</u></u> |

The amortization of capital assets acquired through capital leases is included in depreciation expense.

**H. Long-term Debt**

Long-term liability activity for capital leases for the year ended June 30, 2009, was as follows:

| Balance<br>7-1-08 | Payments  | Balance<br>6-30-09 | Due Within<br>One Year |
|-------------------|-----------|--------------------|------------------------|
| \$ 459,443        | \$ 96,922 | \$ 362,521         | \$ 103,464             |

**I. Related Party Transactions**

Bedford County provides administrative and dispatch employees and certain services to the district. The expenses, which are primarily salaries, employee benefits, and services, are billed to the district on an "as needed" basis. Amounts paid to Bedford County for fiscal year 2009 totaled \$162,307.

This page is left blank intentionally.

---

---

**REQUIRED SUPPLEMENTARY  
INFORMATION**

---

---

This page is left blank intentionally.

Exhibit F-1

Bedford County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
General Fund  
For the Year Ended June 30, 2009

|                                     | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2008 | Add:<br>Encumbrances<br>6/30/2009 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |               | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|-------------------------------------|---------------------------|-----------------------------------|-----------------------------------|---|------------------|---------------|--|
|                                     |                           |                                   |                                   |   | Original         | Final         |  |
|                                     |                           |                                   |                                   |   |                  |               |  |
| <u>Revenues</u>                     |                           |                                   |                                   |   |                  |               |  |
| Local Taxes                         | \$ 9,602,610              | \$ 0                              | 0                                 | \$ 9,602,610  | \$ 9,238,000     | \$ 9,238,000  | \$ 364,610   |
| Licenses and Permits                | 162,490                   | 0                                 | 0                                 | 162,490   | 142,000          | 142,000       | 20,490   |
| Fines, Forfeitures, and Penalties   | 379,122                   | 0                                 | 0                                 | 379,122   | 519,600          | 520,540       | (141,418)  |
| Charges for Current Services        | 1,680,247                 | 0                                 | 0                                 | 1,680,247   | 1,503,400        | 1,509,960     | 170,287  |
| Other Local Revenues                | 288,015                   | 0                                 | 0                                 | 288,015   | 141,000          | 326,361       | (38,346)   |
| Fees Received from County Officials | 1,878,701                 | 0                                 | 0                                 | 1,878,701   | 1,919,260        | 1,919,260     | (40,559)   |
| State of Tennessee                  | 2,260,520                 | 0                                 | 0                                 | 2,260,520   | 1,185,260        | 1,309,395     | 951,125  |
| Federal Government                  | 119,997                   | 0                                 | 0                                 | 119,997   | 302,394          | 302,394       | (182,397)  |
| Total Revenues                      | \$ 16,371,702             | \$ 0                              | 0                                 | \$ 16,371,702   | \$ 14,950,914    | \$ 15,267,910 | \$ 1,103,792   |
| <u>Expenditures</u>                 |                           |                                   |                                   |   |                  |               |  |
| <u>General Government</u>           |                           |                                   |                                   |   |                  |               |  |
| County Commission                   | \$ 105,032                | \$ 0                              | 571                               | \$ 105,603  | \$ 92,254        | \$ 106,914    | \$ 1,311   |
| Board of Equalization               | 1,260                     | 0                                 | 0                                 | 1,260   | 3,090            | 3,090         | 1,830  |
| Beer Board                          | 225                       | 0                                 | 0                                 | 225   | 1,000            | 1,000         | 775  |
| Budget and Finance Committee        | 3,143                     | 0                                 | 0                                 | 3,143   | 3,300            | 3,300         | 157  |
| Other Boards and Committees         | 0                         | 0                                 | 0                                 | 0   | 12,375           | 12,375        | 12,375   |
| County Mayor/Executive              | 196,752                   | (2,312)                           | 9,450                             | 203,890   | 221,811          | 252,311       | 48,421   |
| County Attorney                     | 63,907                    | 0                                 | 0                                 | 63,907  | 38,000           | 68,000        | 4,093  |
| Election Commission                 | 194,294                   | (2,382)                           | 0                                 | 191,912   | 176,826          | 207,126       | 15,214   |
| Register of Deeds                   | 308,444                   | 0                                 | 0                                 | 308,444   | 323,473          | 322,873       | 14,429   |
| Planning                            | 61,174                    | 0                                 | 50                                | 61,224  | 72,563           | 72,564        | 11,340   |
| Codes Compliance                    | 51,704                    | (355)                             | 0                                 | 51,349  | 59,371           | 59,371        | 8,022  |
| County Buildings                    | 146,750                   | (3,594)                           | 100                               | 143,256   | 160,044          | 173,561       | 30,305   |

(Continued)

Exhibit F-1

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

|                                  | Actual<br>(GAAP<br>Basis) | Less:        |           | Add:<br>Encumbrances<br>6/30/2009 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |           | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|----------------------------------|---------------------------|--------------|-----------|-----------------------------------|---|------------------|-----------|--|
|                                  |                           | Encumbrances |           |                                   |   | Original         | Final     |  |
|                                  |                           | 7/1/2008     | 6/30/2009 |                                   |   |                  |           |  |
| <u>Expenditures (Cont.)</u>      |                           |              |           |                                   |   |                  |           |  |
| <u>Finance</u>                   |                           |              |           |                                   |   |                  |           |  |
| Accounting and Budgeting         | \$ 447,577                | \$ (12,503)  | \$ 5,106  | \$ 440,180                        | \$ 471,510  | \$ 474,374       | \$ 34,194 |  |
| Property Assessor's Office       | 357,586                   | (496)        | 2,000     | 359,090                           | 355,124   | 378,332          | 19,242    |  |
| Reappraisal Program              | 72,380                    | 0            | 0         | 72,380                            | 91,258  | 91,258           | 18,878    |  |
| County Trustee's Office          | 299,619                   | (5,873)      | 0         | 293,746                           | 329,017   | 343,772          | 50,026    |  |
| County Clerk's Office            | 398,610                   | (180)        | 0         | 398,430                           | 402,136   | 402,757          | 4,327     |  |
| <u>Administration of Justice</u> |                           |              |           |                                   |   |                  |           |  |
| Circuit Court                    | 486,190                   | (1,534)      | 0         | 484,656                           | 508,962   | 515,837          | 31,181    |  |
| General Sessions Court           | 187,689                   | 0            | 0         | 187,689                           | 190,087   | 190,087          | 2,398     |  |
| Chancery Court                   | 216,182                   | (1,114)      | 0         | 215,068                           | 259,292   | 265,720          | 50,652    |  |
| Juvenile Court                   | 199,472                   | (478)        | 330       | 199,324                           | 216,255   | 216,255          | 16,931    |  |
| Judicial Commissioners           | 159,326                   | 0            | 0         | 159,326                           | 169,185   | 169,185          | 9,859     |  |
| Other Administration of Justice  | 107,023                   | 0            | 0         | 107,023                           | 115,266   | 115,266          | 8,243     |  |
| Probation Services               | 258,464                   | (285)        | 0         | 258,179                           | 269,093   | 269,093          | 10,914    |  |
| <u>Public Safety</u>             |                           |              |           |                                   |   |                  |           |  |
| Sheriff's Department             | 2,319,938                 | (24,375)     | 4,227     | 2,299,790                         | 2,339,839   | 2,399,151        | 99,361    |  |
| Traffic Control                  | 29,431                    | 0            | 0         | 29,431                            | 29,319  | 29,433           | 2         |  |
| Jail                             | 1,706,825                 | (19,352)     | 202       | 1,687,675                         | 1,654,047   | 1,785,091        | 97,416    |  |
| Workhouse                        | 880,447                   | (4,978)      | 97        | 875,566                           | 912,073   | 912,073          | 36,507    |  |
| Juvenile Services                | 498,317                   | (2,730)      | 0         | 495,587                           | 518,756   | 535,597          | 40,010    |  |
| Other Emergency Management       | 226,795                   | (4,627)      | 17,752    | 239,920                           | 270,390   | 296,828          | 56,908    |  |
| County Coroner/Medical Examiner  | 15,825                    | 0            | 0         | 15,825                            | 20,000  | 20,000           | 4,175     |  |
| Other Public Safety              | 311,973                   | 0            | 0         | 311,973                           | 472,610   | 488,047          | 176,074   |  |
| <u>Public Health and Welfare</u> |                           |              |           |                                   |   |                  |           |  |
| Local Health Center              | 447,746                   | (6,364)      | 504       | 441,886                           | 662,029   | 679,772          | 237,886   |  |

(Continued)

Exhibit F-1

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

|  | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2008 | Add:<br>Encumbrances<br>6/30/2009 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |               | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|---------------|--|
|  |                           |                                   |                                   |   | Original         | Final         |  |
|  |                           |                                   |                                   |   | Original         | Final         |  |
| <u>Expenditures (Cont.)</u>                        |                           |                                   |                                   |   |                  |               |  |
| <u>Public Health and Welfare (Cont.)</u>           |                           |                                   |                                   |   |                  |               |  |
| Ambulance/Emergency Medical Services               | \$ 2,005,386              | \$ (8,777)                        | \$ 4,802                          | \$ 2,001,411  | \$ 2,128,996     | \$ 2,142,569  | \$ 141,158   |
| Other Local Health Services                        | 40,701                    | 0                                 | 0                                 | 40,701  | 38,201           | 40,701        | 0  |
| Regional Mental Health Center                      | 12,920                    | 0                                 | 0                                 | 12,920  | 12,920           | 12,920        | 0  |
| Appropriation to State                             | 54,000                    | 0                                 | 0                                 | 54,000  | 46,680           | 54,000        | 0  |
| General Welfare Assistance                         | 94,735                    | 0                                 | 0                                 | 94,735  | 95,335           | 95,335        | 600  |
| Sanitation Management                              | 855,000                   | 0                                 | 0                                 | 855,000   | 0                | 855,000       | 0  |
| <u>Social, Cultural, and Recreational Services</u> |                           |                                   |                                   |   |                  |               |  |
| Adult Activities                                   | 9,500                     | 0                                 | 0                                 | 9,500   | 9,500            | 9,500         | 0  |
| Senior Citizens Assistance                         | 15,200                    | 0                                 | 0                                 | 15,200  | 15,200           | 15,200        | 0  |
| Libraries  | 131,962                   | 0                                 | 0                                 | 131,962   | 131,962          | 131,962       | 0  |
| <u>Agriculture and Natural Resources</u>           |                           |                                   |                                   |   |                  |               |  |
| Agriculture Extension Service                      | 88,646                    | 0                                 | 0                                 | 88,646  | 121,185          | 121,185       | 32,539   |
| Soil Conservation                                  | 30,400                    | 0                                 | 0                                 | 30,400  | 30,400           | 30,400        | 0  |
| Other Agriculture and Natural Resources            | 57,504                    | (1,184)                           | 0                                 | 56,320  | 58,531           | 58,531        | 2,211  |
| <u>Other Operations</u>                            |                           |                                   |                                   |   |                  |               |  |
| Tourism  | 3,948                     | 0                                 | 0                                 | 3,948   | 3,948            | 3,948         | 0  |
| Other Economic and Community Development           | 3,403                     | 0                                 | 0                                 | 3,403   | 0                | 13,395        | 9,992  |
| Veterans' Services                                 | 26,093                    | (30)                              | 0                                 | 26,063  | 28,070           | 28,271        | 2,208  |
| Other Charges                                      | 202,252                   | 0                                 | 0                                 | 202,252   | 166,306          | 207,031       | 4,779  |
| Contributions to Other Agencies                    | 927,638                   | 0                                 | 0                                 | 927,638   | 932,610          | 932,610       | 4,972  |
| Employee Benefits                                  | 24,990                    | 0                                 | 0                                 | 24,990  | 3,500            | 29,435        | 4,445  |
| Miscellaneous                                      | 372,939                   | 0                                 | 5,104                             | 378,043   | 359,914          | 388,391       | 10,348   |
| <u>Capital Projects</u>                            |                           |                                   |                                   |   |                  |               |  |
| Other General Government Projects                  | 20,000                    | 0                                 | 0                                 | 20,000  | 20,000           | 20,000        | 0  |
| Total Expenditures                                 | \$ 15,737,317             | \$ (103,523)                      | \$ 50,295                         | \$ 15,684,089   | \$ 15,623,613    | \$ 17,050,797 | \$ 1,366,708   |

(Continued)

Exhibit F-1

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

|  | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2008 | Add:<br>Encumbrances<br>6/30/2009 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |                | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|----------------|--|
|  |                           |                                   |                                   |   | Original         | Final          |  |
| Excess (Deficiency) of Revenues<br>Over Expenditures | \$ 634,385                | \$ 103,523                        | \$ (50,295)                       | \$ 687,613  | \$ (672,699)     | \$ (1,782,887) | \$ 2,470,500   |
| <u>Other Financing Sources (Uses)</u>                |                           |                                   |                                   |   |                  |                |  |
| Transfers In   | \$ 19,384                 | \$ 0                              | \$ 0                              | \$ 19,384   | \$ 36,772        | \$ 36,772      | \$ (17,388)  |
| Transfers Out  | 0                         | 0                                 | 0                                 | 0   | (855,000)        | 0              | 0  |
| Total Other Financing Sources (Uses)                 | \$ 19,384                 | \$ 0                              | \$ 0                              | \$ 19,384   | \$ (818,228)     | \$ 36,772      | \$ (17,388)  |
| Net Change in Fund Balance                           | \$ 653,769                | \$ 103,523                        | \$ (50,295)                       | \$ 706,997  | \$ (1,490,927)   | \$ (1,746,115) | \$ 2,453,112   |
| Fund Balance, July 1, 2008                           | 3,619,360                 | (103,523)                         | 0                                 | 3,515,837   | 1,872,543        | 1,872,543      | 1,643,294  |
| Fund Balance, June 30, 2009                          | \$ 4,273,129              | \$ 0                              | \$ (50,295)                       | \$ 4,222,834  | \$ 381,616       | \$ 126,428     | \$ 4,096,406   |

Exhibit F-2

Bedford County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Other Special Revenue Fund  
For the Year Ended June 30, 2009

|  | Actual       | Budgeted Amounts |              | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|--------------|------------------|--------------|--|
|  |              | Original         | Final        |  |
| <u>Revenues</u>                                      |              |                  |              |  |
| Other Local Revenues                                 | \$ 213,088   | \$ 487,000       | \$ 487,000   | \$ (273,912)   |
| Total Revenues                                       | \$ 213,088   | \$ 487,000       | \$ 487,000   | \$ (273,912)   |
| <u>Expenditures</u>                                  |              |                  |              |  |
| <u>Public Health and Welfare</u>                     |              |                  |              |  |
| Local Health Center                                  | \$ 425,435   | \$ 0             | \$ 570,842   | \$ 145,407   |
| <u>Other Operations</u>                              |              |                  |              |  |
| Miscellaneous  | 3,497        | 2,500            | 5,000        | 1,503  |
| Total Expenditures                                   | \$ 428,932   | \$ 2,500         | \$ 575,842   | \$ 146,910   |
| Excess (Deficiency) of Revenues<br>Over Expenditures | \$ (215,844) | \$ 484,500       | \$ (88,842)  | \$ (127,002)   |
| <u>Other Financing Sources (Uses)</u>                |              |                  |              |  |
| Transfers Out  | \$ (230,000) | \$ (405,000)     | \$ (399,082) | \$ 169,082   |
| Total Other Financing Sources (Uses)                 | \$ (230,000) | \$ (405,000)     | \$ (399,082) | \$ 169,082   |
| Net Change in Fund Balance                           | \$ (445,844) | \$ 79,500        | \$ (487,924) | \$ 42,080  |
| Fund Balance, July 1, 2008                           | 6,816,679    | 6,829,909        | 6,829,909    | (13,230)   |
| Fund Balance, June 30, 2009                          | \$ 6,370,835 | \$ 6,909,409     | \$ 6,341,985 | \$ 28,850  |

Exhibit F-3

Bedford County, Tennessee  
Primary Government, Discretely Presented Bedford County School Department,  
and Discretely Presented Bedford County Solid Waste Authority  
Schedule of Funding Progress – Pension Plan  
June 30, 2009

(Dollar amounts in thousands)

| Fiscal Year Ended | 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) |
|-------------------|--------------------------|------------------------------------|---|-----------------------------|--------------------|---------------------|---|
| 6-30-09           | 7-1-07                   | \$ 33,805                          | \$ 34,633                                       | \$ 828                      | 97.61 %            | \$ 12,583           | 6.58 %  |
| 6-30-08           | 7-1-07                   | 33,805                             | 34,633  | 828                         | 97.61              | 12,583              | 6.58  |

The Governmental Accounting Standards Board requires the plan to prepare the Schedule of Funding Progress using the frozen entry age actuarial cost method. The requirement to present the Schedule of Funding Progress using the frozen entry age actuarial cost method was a change made during the 2007-08 year; therefore, data is only presented for two years.

Exhibit F-4

Bedford County, Tennessee  
Schedule of Funding Progress – Other Postemployment Benefits Plans  
Primary Government, Discretely Presented Bedford County School Department,  
and Discretely Presented Bedford County Solid Waste Authority  
June 30, 2009

(Dollar amounts in thousands)

| Fiscal Year Ended*   | Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial                   |                     | Unfunded AAL (UAAAL) (b)-(a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAAL as a Percentage of Covered Payroll ((b-a)/c) |
|--|--------------------------|-------------------------------|-----------------------------|---------------------|------------------------------|--------------------|---------------------|--|
|  |                          |                               | Accrued Liability (AAL) (b) | Liability (AAL) (b) |                              |                    |                     |  |
| <u>PRIMARY GOVERNMENT</u>  |                          |                               |                             |                     |                              |                    |                     |  |
| Local Government Group Plan                                      | 6-30-09                  | \$ 0                          | \$ 305                      | \$ 305              | \$ 305                       | 0%                 | \$ 9,129            | 3%   |
| <u>DISCRETELY PRESENTED BEDFORD COUNTY SCHOOL DEPARTMENT</u>     |                          |                               |                             |                     |                              |                    |                     |  |
| Local Education Group Plan                                       | 6-30-09                  | 0                             | 4,222                       | 4,222               | 4,222                        | 0                  | 31,598              | 13   |
| <u>DISCRETELY PRESENTED BEDFORD COUNTY SOLID WASTE AUTHORITY</u> |                          |                               |                             |                     |                              |                    |                     |  |
| Local Government Group Plan                                      | 6-30-09                  | 0                             | 13                          | 13                  | 13                           | 0                  | 321                 | 4  |

\*Data only available for one year.

This page is left blank intentionally.

**BEDFORD COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2009**

**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 Bedford 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, Beer Board, Budget and Finance Committee, etc.). Management may make revisions within major categories, but only the Bedford County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

This page is left blank intentionally.

---

---

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

---

---

This page is left blank intentionally.

# 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.

---

Special Purpose Fund – The Special Purpose Fund is used to accumulate resources for future projects.

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

Agriculture Center Fund – The Agriculture Center Fund is used to account for the rental fees and contributions for the Agriculture Center.

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

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

# Capital Projects Funds

---

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 general capital expenditures of the county.

Community Development/Industrial Park Fund – The Community Development/Industrial Park Fund is used to account for grant proceeds to extend water lines in the county.

Emergency Management Agency Projects Fund – The Emergency Management Agency Projects Fund is used to account for general capital expenditures of the emergency management agency.

Nursing Home Projects Fund – The Nursing Home Projects Fund is used to account for general capital expenditures of the nursing home.

Emergency Management Services Projects Fund – The Emergency Management Services Projects Fund is used to account for general capital expenditures of the emergency management services.

Fire Prevention and Control Projects Fund – The Fire Prevention and Control Projects Fund is used to purchase fire trucks.

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for expenditures to construct the Vocational Rehabilitation Center.

Exhibit G-1

Bedford County, Tennessee  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2009

|  | Special Revenue Funds |                  |                       |                             | Capital Projects Funds |                             |                              | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|-----------------------|------------------|-----------------------|-----------------------------|------------------------|-----------------------------|------------------------------|--|
|  | Special<br>Purpose    | Drug<br>Control  | Agriculture<br>Center | Highway/<br>Public<br>Works | Total                  | Nursing<br>Home<br>Projects | Other<br>Capital<br>Projects |  |
| Cash                                       | \$ 100                | \$ 0             | \$ 0                  | \$ 10                       | \$ 110                 | \$ 0                        | \$ 0                         | \$ 110                                     |
| Equity in Pooled Cash and Investments      | 528,151               | 10,419           | 39,193                | 655,286                     | 1,233,049              | 13,393                      | 37,879                       | 1,284,321                                  |
| Accounts Receivable                        | 0                     | 0                | 0                     | 3,809                       | 3,809                  | 0                           | 0                            | 3,809                                      |
| Due from Other Governments                 | 30,173                | 0                | 0                     | 350,523                     | 380,696                | 0                           | 0                            | 380,696                                    |
| Due from Other Funds                       | 0                     | 0                | 0                     | 3,214                       | 3,214                  | 243,004                     | 0                            | 246,218                                    |
| Property Taxes Receivable                  | 0                     | 0                | 0                     | 333,531                     | 333,531                | 0                           | 0                            | 333,531                                    |
| Allowance for Uncollectible Property Taxes | 0                     | 0                | 0                     | (12,449)                    | (12,449)               | 0                           | 0                            | (12,449)                                   |
| Prepaid Items                              | 0                     | 0                | 0                     | 0                           | 0                      | 0                           | 13,267                       | 13,267                                     |
| <b>Total Assets</b>                        | <b>\$ 558,424</b>     | <b>\$ 10,419</b> | <b>\$ 39,193</b>      | <b>\$ 1,333,924</b>         | <b>\$ 1,941,960</b>    | <b>\$ 256,397</b>           | <b>\$ 51,146</b>             | <b>\$ 307,543</b>                          |

ASSETS

Cash  
 Equity in Pooled Cash and Investments  
 Accounts Receivable  
 Due from Other Governments  
 Due from Other Funds  
 Property Taxes Receivable  
 Allowance for Uncollectible Property Taxes  
 Prepaid Items

Total Assets

LIABILITIES AND FUND BALANCES

Liabilities  
 Accounts Payable  
 Payroll Deductions Payable  
 Due to Other Funds  
 Due to State of Tennessee  
 Deferred Revenue - Current Property Taxes  
 Deferred Revenue - Delinquent Property Taxes  
 Other Deferred Revenues  
 Total Liabilities

Fund Balances

Reserved for Encumbrances  
 Reserved for Other General Purposes  
 Unreserved  
 Total Fund Balances

Total Liabilities and Fund Balances

|                   |                  |                  |                     |                     |                   |                  |                   |                     |
|-------------------|------------------|------------------|---------------------|---------------------|-------------------|------------------|-------------------|---------------------|
| \$ 1,493          | \$ 105           | \$ 0             | \$ 128,912          | \$ 130,510          | \$ 0              | \$ 0             | \$ 0              | \$ 130,510          |
| 0                 | 0                | 0                | 393                 | 393                 | 0                 | 0                | 0                 | 393                 |
| 170,311           | 0                | 0                | 28,623              | 198,934             | 0                 | 0                | 0                 | 198,934             |
| 0                 | 0                | 0                | 657                 | 657                 | 0                 | 0                | 0                 | 657                 |
| 0                 | 0                | 0                | 306,521             | 306,521             | 0                 | 0                | 0                 | 306,521             |
| 0                 | 0                | 0                | 14,006              | 14,006              | 0                 | 0                | 0                 | 14,006              |
| 15,086            | 0                | 0                | 169,975             | 185,061             | 243,004           | 0                | 243,004           | 428,065             |
| <b>\$ 186,890</b> | <b>\$ 105</b>    | <b>\$ 0</b>      | <b>\$ 649,087</b>   | <b>\$ 836,082</b>   | <b>\$ 243,004</b> | <b>\$ 0</b>      | <b>\$ 243,004</b> | <b>\$ 1,079,086</b> |
| \$ 3,399          | \$ 0             | \$ 0             | 20,746              | 24,145              | \$ 0              | \$ 0             | \$ 0              | 24,145              |
| 11,577            | 0                | 0                | 0                   | 11,577              | 0                 | 0                | 0                 | 11,577              |
| 356,558           | 10,314           | 39,193           | 664,091             | 1,070,156           | 13,393            | 51,146           | 64,539            | 1,134,695           |
| <b>\$ 371,534</b> | <b>\$ 10,314</b> | <b>\$ 39,193</b> | <b>\$ 684,837</b>   | <b>\$ 1,105,878</b> | <b>\$ 13,393</b>  | <b>\$ 51,146</b> | <b>\$ 64,539</b>  | <b>\$ 1,170,417</b> |
| <b>\$ 558,424</b> | <b>\$ 10,419</b> | <b>\$ 39,193</b> | <b>\$ 1,333,924</b> | <b>\$ 1,941,960</b> | <b>\$ 256,397</b> | <b>\$ 51,146</b> | <b>\$ 307,543</b> | <b>\$ 2,249,503</b> |

Bedford County, Tennessee  
 Combining Statement of Revenues, Expenditures,  
 and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 For the Year Ended June 30, 2009

|   | Special Revenue Funds |                   |                    |                                |                        |                     | Total |
|---|-----------------------|-------------------|--------------------|--------------------------------|------------------------|---------------------|-------|
|   | Special Purpose       | Drug Control      | Agriculture Center | Constitutional Officers - Fees | Highway / Public Works |                     |       |
| <b>Revenues</b>   |                       |                   |                    |                                |                        |                     |       |
| Local Taxes   | \$ 193,205            | \$ 0              | \$ 0               | \$ 0                           | \$ 397,388             | \$ 590,593          |       |
| Fines, Forfeitures, and Penalties                             | 325                   | 29,130            | 0                  | 0                              | 0                      | 29,455              |       |
| Charges for Current Services                                  | 7,185                 | 0                 | 0                  | 198                            | 0                      | 7,383               |       |
| Other Local Revenues  | 55,190                | 500               | 10,949             | 0                              | 20,364                 | 87,003              |       |
| State of Tennessee  | 0                     | 0                 | 0                  | 0                              | 1,978,247              | 1,978,247           |       |
| Federal Government  | 0                     | 0                 | 0                  | 0                              | 0                      | 0                   |       |
| Other Governments and Citizens Groups                         | 44,645                | 0                 | 0                  | 0                              | 110,161                | 154,806             |       |
| <b>Total Revenues</b>   | <b>\$ 300,550</b>     | <b>\$ 29,630</b>  | <b>\$ 10,949</b>   | <b>\$ 198</b>                  | <b>\$ 2,506,160</b>    | <b>\$ 2,847,487</b> |       |
| <b>Expenditures</b>   |                       |                   |                    |                                |                        |                     |       |
| Current:  |                       |                   |                    |                                |                        |                     |       |
| Administration of Justice                                     | \$ 0                  | \$ 0              | \$ 0               | \$ 147                         | \$ 0                   | \$ 147              |       |
| Public Safety   | 0                     | 31,204            | 0                  | 51                             | 0                      | 31,255              |       |
| Public Health and Welfare                                     | 173,506               | 0                 | 0                  | 0                              | 0                      | 173,506             |       |
| Agriculture and Natural Resources                             | 0                     | 0                 | 21,806             | 0                              | 0                      | 21,806              |       |
| Other Operations  | 9,110                 | 117               | 0                  | 0                              | 7,000                  | 16,227              |       |
| Highways  | 0                     | 0                 | 0                  | 0                              | 2,872,158              | 2,872,158           |       |
| Debt Service:   |                       |                   |                    |                                |                        |                     |       |
| Principal on Debt   | 41,917                | 0                 | 0                  | 0                              | 0                      | 41,917              |       |
| Interest on Debt  | 2,728                 | 0                 | 0                  | 0                              | 0                      | 2,728               |       |
| Capital Projects  | 0                     | 0                 | 0                  | 0                              | 0                      | 0                   |       |
| <b>Total Expenditures</b>                                     | <b>\$ 227,261</b>     | <b>\$ 31,321</b>  | <b>\$ 21,806</b>   | <b>\$ 198</b>                  | <b>\$ 2,879,158</b>    | <b>\$ 3,159,744</b> |       |
| <b>Excess (Deficiency) of Revenues Over Expenditures</b>      | <b>\$ 73,289</b>      | <b>\$ (1,691)</b> | <b>\$ (10,857)</b> | <b>\$ 0</b>                    | <b>\$ (372,998)</b>    | <b>\$ (312,257)</b> |       |
| <b>Other Financing Sources (Uses)</b>                         |                       |                   |                    |                                |                        |                     |       |
| Notes Issued  | \$ 0                  | \$ 0              | \$ 0               | \$ 0                           | \$ 0                   | \$ 0                |       |
| Transfers In  | 230,000               | 0                 | 0                  | 0                              | 0                      | 230,000             |       |
| Transfers Out   | (220,712)             | 0                 | 0                  | 0                              | (19,384)               | (240,096)           |       |
| <b>Total Other Financing Sources (Uses)</b>                   | <b>\$ 9,288</b>       | <b>\$ 0</b>       | <b>\$ 0</b>        | <b>\$ 0</b>                    | <b>\$ (19,384)</b>     | <b>\$ (10,096)</b>  |       |
| <b>Net Change in Fund Balances Fund Balance, July 1, 2008</b> | <b>\$ 82,577</b>      | <b>\$ (1,691)</b> | <b>\$ (10,857)</b> | <b>\$ 0</b>                    | <b>\$ (392,382)</b>    | <b>\$ (322,353)</b> |       |
| <b>Fund Balance, July 1, 2008</b>                             | <b>288,957</b>        | <b>12,005</b>     | <b>50,050</b>      | <b>0</b>                       | <b>1,077,219</b>       | <b>1,428,231</b>    |       |
| <b>Fund Balance, June 30, 2009</b>                            | <b>\$ 371,534</b>     | <b>\$ 10,314</b>  | <b>\$ 39,193</b>   | <b>\$ 0</b>                    | <b>\$ 684,837</b>      | <b>\$ 1,105,878</b> |       |

(Continued)

Exhibit G-2

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

|  | Capital Projects Funds         |   |   |                             |   |   |                              | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|--------------------------------|---|---|-----------------------------|---|---|------------------------------|--|
|  | General<br>Capital<br>Projects | Community<br>Development/<br>Industrial<br>Park | Emergency<br>Management<br>Agency<br>Projects | Nursing<br>Home<br>Projects | Emergency<br>Management<br>Services<br>Projects | Fire<br>Prevention<br>and Control<br>Projects | Other<br>Capital<br>Projects |  |
| <b>Revenues</b>  |                                |   |   |                             |   |   |                              |  |
| Local Taxes  | \$ 0 \$                        | 0 \$  | 0 \$  | 0 \$                        | 0 \$  | 0 \$  | 0 \$                         | 590,593                                    |
| Fines, Forfeitures, and Penalties                            | 0                              | 0   | 0   | 0                           | 0   | 0   | 0                            | 29,455                                     |
| Charges for Current Services                                 | 0                              | 0   | 0   | 0                           | 0   | 0   | 0                            | 7,383                                      |
| Other Local Revenues   | 0                              | 0   | 0   | 600                         | 1,500   | 0   | 154,434                      | 243,537                                    |
| State of Tennessee   | 0                              | 0   | 0   | 0                           | 0   | 0   | 0                            | 1,978,247                                  |
| Federal Government   | 0                              | 500,000   | 0   | 0                           | 0   | 0   | 0                            | 500,000                                    |
| Other Governments and Citizens Groups                        | 0                              | 0   | 0   | 0                           | 0   | 0   | 0                            | 154,806                                    |
| <b>Total Revenues</b>  | \$ 0 \$                        | 500,000 \$                                      | 0 \$  | 600 \$                      | 1,500 \$  | 0 \$  | 154,434 \$                   | 656,534 \$                                 |
| <b>Expenditures</b>  |                                |   |   |                             |   |   |                              |  |
| Current:   |                                |   |   |                             |   |   |                              |  |
| Administration of Justice                                    | \$ 0 \$                        | 0 \$  | 0 \$  | 0 \$                        | 0 \$  | 0 \$  | 0 \$                         | 147  |
| Public Safety  | 0                              | 0   | 0   | 0                           | 0   | 0   | 0                            | 31,255                                     |
| Public Health and Welfare                                    | 0                              | 0   | 0   | 0                           | 0   | 0   | 0                            | 173,506                                    |
| Agriculture and Natural Resources                            | 0                              | 0   | 0   | 0                           | 0   | 0   | 0                            | 21,806                                     |
| Other Operations   | 0                              | 0   | 0   | 5                           | 0   | 0   | 22,039                       | 38,271                                     |
| Highways   | 0                              | 0   | 0   | 0                           | 0   | 0   | 0                            | 2,872,158                                  |
| Debt Service:  |                                |   |   |                             |   |   |                              |  |
| Principal on Debt  | 0                              | 0   | 0   | 0                           | 0   | 0   | 104,000                      | 145,917                                    |
| Interest on Debt   | 0                              | 0   | 0   | 0                           | 0   | 0   | 29,568                       | 32,296                                     |
| Capital Projects   | 0                              | 500,000   | 21,051  | 52,832                      | 364,743   | 56,362  | 0                            | 994,988                                    |
| <b>Total Expenditures</b>                                    | \$ 0 \$                        | 500,000 \$                                      | 21,051 \$                                     | 52,837 \$                   | 364,743 \$                                      | 56,362 \$                                     | 155,607 \$                   | 4,310,344                                  |
| <b>Excess (Deficiency) of Revenues<br/>Over Expenditures</b> | \$ 0 \$                        | 0 \$  | (21,051) \$                                   | (52,237) \$                 | (363,243) \$                                    | (56,362) \$                                   | (1,173) \$                   | (806,323)                                  |
| <b>Other Financing Sources (Uses)</b>                        |                                |   |   |                             |   |   |                              |  |
| Notes Issued   | \$ 0 \$                        | 0 \$  | 193,000 \$                                    | 0 \$                        | 0 \$  | 0 \$  | 0 \$                         | 193,000                                    |
| Transfers In   | 0                              | 0   | 0   | 0                           | 0   | 0   | 0                            | 230,000                                    |
| Transfers Out  | (29,990)                       | 0   | (7,149)                                       | 0                           | (2,745)   | 0   | 0                            | (39,884)                                   |
| <b>Total Other Financing Sources (Uses)</b>                  | \$ (29,990) \$                 | 0 \$  | 185,851 \$                                    | 0 \$                        | (2,745) \$                                      | 0 \$  | 0 \$                         | 143,020                                    |
| <b>Net Change in Fund Balances</b>                           | \$ (29,990) \$                 | 0 \$  | 164,800 \$                                    | (52,237) \$                 | (365,988) \$                                    | (56,362) \$                                   | (1,173) \$                   | (663,303)                                  |
| <b>Fund Balance, July 1, 2008</b>                            | 29,990                         | 0   | (164,800)                                     | 65,630                      | 365,988   | 56,362  | 52,319                       | 1,833,720                                  |
| <b>Fund Balance, June 30, 2009</b>                           | \$ 0 \$                        | 0 \$  | 0 \$  | 13,393 \$                   | 0 \$  | 0 \$  | 51,146 \$                    | 1,170,417                                  |

Exhibit G-3

Bedford County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Special Purpose Fund  
For the Year Ended June 30, 2009

|  | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2008 | Add:<br>Encumbrances<br>6/30/2009 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |            | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|------------|--|
|  |                           |                                   |                                   |   | Original         | Final      |  |
| <u>Revenues</u>  |                           |                                   |                                   |   |                  |            |  |
| Local Taxes  | \$ 193,205                | \$ 0                              | \$ 0                              | \$ 193,205  | \$ 211,818       | \$ 211,818 | \$ (18,613)  |
| Fines, Forfeitures, and Penalties                        | 325                       | 0                                 | 0                                 | 325   | 250              | 250        | 75   |
| Charges for Current Services                             | 7,185                     | 0                                 | 0                                 | 7,185   | 3,000            | 7,000      | 185  |
| Other Local Revenues                                     | 55,190                    | 0                                 | 0                                 | 55,190  | 6,500            | 55,806     | (616)  |
| Other Governments and Citizens Groups                    | 44,645                    | 0                                 | 0                                 | 44,645  | 44,645           | 44,645     | 0  |
| Total Revenues   | \$ 300,550                | \$ 0                              | \$ 0                              | \$ 300,550  | \$ 266,213       | \$ 319,519 | \$ (18,969)  |
| <u>Expenditures</u>                                      |                           |                                   |                                   |   |                  |            |  |
| <u>Public Health and Welfare</u>                         |                           |                                   |                                   |   |                  |            |  |
| Rabies and Animal Control                                | \$ 173,506                | (1,209)                           | 3,399                             | \$ 175,696  | \$ 140,563       | \$ 197,461 | \$ 21,765  |
| <u>Other Operations</u>                                  |                           |                                   |                                   |   |                  |            |  |
| Employee Benefits  | 7,175                     | 0                                 | 0                                 | 7,175   | 10,333           | 14,218     | 7,043  |
| Miscellaneous  | 1,935                     | 0                                 | 0                                 | 1,935   | 3,000            | 3,000      | 1,065  |
| <u>Principal on Debt</u>                                 |                           |                                   |                                   |   |                  |            |  |
| General Government                                       | 41,917                    | 0                                 | 0                                 | 41,917  | 0                | 42,029     | 112  |
| <u>Interest on Debt</u>                                  |                           |                                   |                                   |   |                  |            |  |
| General Government                                       | 2,728                     | 0                                 | 0                                 | 2,728   | 0                | 2,731      | 3  |
| <u>Other Debt Service</u>                                |                           |                                   |                                   |   |                  |            |  |
| General Government                                       | 0                         | 0                                 | 0                                 | 0   | 44,645           | 0          | 0  |
| Total Expenditures                                       | \$ 227,261                | (1,209)                           | 3,399                             | \$ 229,451  | \$ 198,541       | \$ 259,439 | \$ 29,988  |
| Excess (Deficiency) of Revenues<br>Over Expenditures     | \$ 73,289                 | 1,209                             | (3,399)                           | \$ 71,099   | \$ 67,672        | \$ 60,080  | \$ 11,019  |
| <u>Other Financing Sources (Uses)</u>                    |                           |                                   |                                   |   |                  |            |  |
| Transfers In   | \$ 230,000                | 0                                 | 0                                 | \$ 230,000  | \$ 230,000       | \$ 230,000 | \$ 0   |
| Transfers Out  | (220,712)                 | 0                                 | 0                                 | (220,712)   | (220,712)        | (220,712)  | 0  |
| Total Other Financing Sources (Uses)                     | \$ 9,288                  | 0                                 | 0                                 | \$ 9,288  | \$ 9,288         | \$ 9,288   | \$ 0   |
| Net Change in Fund Balance<br>Fund Balance, July 1, 2008 | \$ 82,577                 | 1,209                             | (3,399)                           | \$ 80,387   | \$ 76,960        | \$ 69,368  | \$ 11,019  |
| Fund Balance, June 30, 2009                              | 288,957                   | (1,209)                           | 0                                 | 287,748   | 307,290          | 478,752    | (191,004)  |
| Fund Balance, June 30, 2009                              | \$ 371,534                | 0                                 | (3,399)                           | \$ 368,135  | \$ 384,250       | \$ 548,120 | \$ (179,985)   |

Exhibit G-4

Bedford County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Drug Control Fund  
For the Year Ended June 30, 2009

|  | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2008 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |            | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|---|------------------|------------|--|
|  |                           |                                   |   | Original         | Final      |  |
| <u>Revenues</u>  |                           |                                   |   |                  |            |  |
| Fines, Forfeitures, and Penalties                        | \$ 29,130                 | 0 \$                              | 29,130 \$   | 11,500           | \$ 27,428  | \$ 1,702   |
| Other Local Revenues                                     | 500                       | 0                                 | 500   | 0                | 2,651      | (2,151)  |
| Total Revenues   | \$ 29,630                 | 0 \$                              | 29,630 \$   | 11,500           | \$ 30,079  | \$ (449)   |
| <u>Expenditures</u>                                      |                           |                                   |   |                  |            |  |
| <u>Public Safety</u>                                     |                           |                                   |   |                  |            |  |
| Drug Enforcement   | \$ 31,204                 | (1,305) \$                        | 29,899 \$   | 11,500           | \$ 35,779  | \$ 5,880   |
| Other Operations   | 117                       | 0                                 | 117   | 0                | 300        | 183  |
| Miscellaneous  |                           |                                   |   |                  |            |  |
| Total Expenditures                                       | \$ 31,321                 | (1,305) \$                        | 30,016 \$   | 11,500           | \$ 36,079  | \$ 6,063   |
| Excess (Deficiency) of Revenues<br>Over Expenditures     | \$ (1,691) \$             | 1,305 \$                          | (386) \$  | 0 \$             | (6,000) \$ | 5,614  |
| Net Change in Fund Balance<br>Fund Balance, July 1, 2008 | \$ (1,691) \$             | 1,305 \$                          | (386) \$  | 0 \$             | (6,000) \$ | 5,614  |
|  | 12,005                    | (1,305)                           | 10,700  | 5,391            | 13,355     | (2,655)  |
| Fund Balance, June 30, 2009                              | \$ 10,314 \$              | 0 \$                              | 10,314 \$   | 5,391 \$         | 7,355 \$   | 2,959  |

Exhibit G-5

Bedford County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Agriculture Center Fund  
For the Year Ended June 30, 2009

|   | Actual      | Budgeted Amounts |             | Variance with Final Budget - Positive (Negative) |
|---|-------------|------------------|-------------|--|
|   |             | Original         | Final       |  |
| <u>Revenues</u>                                   |             |                  |             |  |
| Other Local Revenues                              | \$ 10,949   | \$ 4,000         | \$ 4,000    | \$ 6,949   |
| Total Revenues                                    | \$ 10,949   | \$ 4,000         | \$ 4,000    | \$ 6,949   |
| <u>Expenditures</u>                               |             |                  |             |  |
| <u>Agriculture and Natural Resources</u>          |             |                  |             |  |
| Other Agriculture and Natural Resources           | \$ 21,806   | \$ 0             | \$ 33,590   | \$ 11,784  |
| <u>Other Operations</u>                           |             |                  |             |  |
| Miscellaneous                                     | 0           | 0                | 10          | 10   |
| Total Expenditures                                | \$ 21,806   | \$ 0             | \$ 33,600   | \$ 11,794  |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (10,857) | \$ 4,000         | \$ (29,600) | \$ 18,743  |
| Net Change in Fund Balance                        | \$ (10,857) | \$ 4,000         | \$ (29,600) | \$ 18,743  |
| Fund Balance, July 1, 2008                        | 50,050      | 42,419           | 37,450      | 12,600   |
| Fund Balance, June 30, 2009                       | \$ 39,193   | \$ 46,419        | \$ 7,850    | \$ 31,343  |

Exhibit G-6

Bedford County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Highway/Public Works Fund  
For the Year Ended June 30, 2009

|  | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2008 | Add:<br>Encumbrances<br>6/30/2009 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |              | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|--------------|--|
|  |                           |                                   |                                   |   | Original         | Final        |  |
| <u>Revenues</u>  |                           |                                   |                                   |   |                  |              |  |
| Local Taxes  | \$ 397,388                | \$ 0                              | \$ 0                              | \$ 397,388  | \$ 486,100       | \$ 486,100   | \$ (88,712)  |
| Charges for Current Services                             | 0                         | 0                                 | 0                                 | 0   | 1,250            | 1,250        | (1,250)  |
| Other Local Revenues                                     | 20,364                    | 0                                 | 0                                 | 20,364  | 24,000           | 29,000       | (8,636)  |
| State of Tennessee                                       | 1,978,247                 | 0                                 | 0                                 | 1,978,247   | 2,097,500        | 2,097,500    | (119,253)  |
| Other Governments and Citizens Groups                    | 110,161                   | 0                                 | 0                                 | 110,161   | 69,200           | 219,200      | (109,039)  |
| Total Revenues   | \$ 2,506,160              | \$ 0                              | \$ 0                              | \$ 2,506,160  | \$ 2,678,050     | \$ 2,833,050 | \$ (326,890)   |
| <u>Expenditures</u>                                      |                           |                                   |                                   |   |                  |              |  |
| <u>Other Operations</u>                                  |                           |                                   |                                   |   |                  |              |  |
| Contributions to Other Agencies                          | \$ 7,000                  | \$ 0                              | \$ 0                              | \$ 7,000  | \$ 7,000         | \$ 7,000     | \$ 0   |
| <u>Highways</u>  |                           |                                   |                                   |   |                  |              |  |
| Administration   | 183,722                   | (750)                             | 150                               | 183,122   | 195,586          | 205,586      | 22,464   |
| Highway and Bridge Maintenance                           | 1,031,655                 | (450)                             | 1,500                             | 1,032,705   | 1,387,078        | 1,312,078    | 279,373  |
| Operation and Maintenance of Equipment                   | 337,352                   | (6,236)                           | 15,421                            | 346,537   | 478,820          | 426,320      | 79,783   |
| Litter and Trash Collection                              | 53,390                    | (300)                             | 875                               | 53,965  | 57,305           | 57,305       | 3,340  |
| Other Charges  | 99,861                    | (200)                             | 300                               | 99,961  | 99,690           | 114,690      | 14,729   |
| Employee Benefits  | 266,771                   | 0                                 | 0                                 | 266,771   | 287,656          | 287,656      | 20,885   |
| Capital Outlay   | 899,407                   | 0                                 | 2,500                             | 901,907   | 547,417          | 1,004,917    | 103,010  |
| Total Expenditures                                       | \$ 2,879,158              | \$ (7,936)                        | \$ 20,746                         | \$ 2,891,968  | \$ 3,060,552     | \$ 3,415,552 | \$ 523,584   |
| Excess (Deficiency) of Revenues<br>Over Expenditures     | \$ (372,998)              | \$ 7,936                          | \$ (20,746)                       | \$ (385,808)  | \$ (382,502)     | \$ (582,502) | \$ 196,694   |
| <u>Other Financing Sources (Uses)</u>                    |                           |                                   |                                   |   |                  |              |  |
| Transfers Out  | \$ (19,384)               | \$ 0                              | \$ 0                              | \$ (19,384)   | \$ (19,384)      | \$ (19,384)  | \$ 0   |
| Total Other Financing Sources (Uses)                     | \$ (19,384)               | \$ 0                              | \$ 0                              | \$ (19,384)   | \$ (19,384)      | \$ (19,384)  | \$ 0   |
| Net Change in Fund Balance<br>Fund Balance, July 1, 2008 | \$ (392,382)              | \$ 7,936                          | \$ (20,746)                       | \$ (405,192)  | \$ (401,886)     | \$ (601,886) | \$ 196,694   |
|  | 1,077,219                 | (7,936)                           | 0                                 | 1,069,283   | 810,750          | 1,077,219    | (7,936)  |
| Fund Balance, June 30, 2009                              | \$ 684,837                | \$ 0                              | \$ (20,746)                       | \$ 664,091  | \$ 408,864       | \$ 475,333   | \$ 188,758   |

This page is left blank intentionally.

# **Major Governmental Fund**

## **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.

---

This page is left blank intentionally.

Exhibit H

Bedford County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
General Debt Service Fund  
For the Year Ended June 30, 2009

|   | Actual              | Budgeted Amounts    |                     | Variance with Final Budget - Positive (Negative) |
|---|---------------------|---------------------|---------------------|--|
|   |                     | Original            | Final               |  |
| <u>Revenues</u>                                   |                     |                     |                     |  |
| Local Taxes                                       | \$ 5,781,601        | \$ 5,421,986        | \$ 5,421,986        | \$ 359,615                                       |
| Other Local Revenues                              | 665,854             | 750,000             | 750,000             | (84,146)   |
| State of Tennessee                                | 27,012              | 3,540               | 3,540               | 23,472   |
| Other Governments and Citizens Groups             | 1,038,693           | 0                   | 1,038,693           | 0  |
| <b>Total Revenues</b>                             | <b>\$ 7,513,160</b> | <b>\$ 6,175,526</b> | <b>\$ 7,214,219</b> | <b>\$ 298,941</b>                                |
| <u>Expenditures</u>                               |                     |                     |                     |  |
| <u>Principal on Debt</u>                          |                     |                     |                     |  |
| General Government                                | \$ 398,439          | \$ 259,866          | \$ 562,718          | \$ 164,279                                       |
| Highways and Streets                              | 383,205             | 383,574             | 383,574             | 369  |
| Education   | 4,620,825           | 3,655,785           | 4,625,835           | 5,010  |
| <u>Interest on Debt</u>                           |                     |                     |                     |  |
| General Government                                | 246,141             | 221,917             | 294,305             | 48,164   |
| Highways and Streets                              | 68,603              | 77,068              | 68,659              | 56   |
| Education   | 3,066,082           | 3,062,841           | 3,155,810           | 89,728   |
| <u>Other Debt Service</u>                         |                     |                     |                     |  |
| General Government                                | 75,223              | 324,600             | 78,400              | 3,177  |
| Education   | 28,089              | 0                   | 28,124              | 35   |
| <b>Total Expenditures</b>                         | <b>\$ 8,886,607</b> | <b>\$ 7,985,651</b> | <b>\$ 9,197,425</b> | <b>\$ 310,818</b>                                |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (1,373,447)      | \$ (1,810,125)      | \$ (1,983,206)      | \$ 609,759                                       |
| <u>Other Financing Sources (Uses)</u>             |                     |                     |                     |  |
| Transfers In                                      | \$ 260,596          | \$ 220,712          | \$ 220,712          | \$ 39,884  |
| <b>Total Other Financing Sources (Uses)</b>       | <b>\$ 260,596</b>   | <b>\$ 220,712</b>   | <b>\$ 220,712</b>   | <b>\$ 39,884</b>                                 |
| Net Change in Fund Balance                        | \$ (1,112,851)      | \$ (1,589,413)      | \$ (1,762,494)      | \$ 649,643                                       |
| Fund Balance, July 1, 2008                        | 6,076,445           | 3,589,022           | 3,589,022           | 2,487,423  |
| <b>Fund Balance, June 30, 2009</b>                | <b>\$ 4,963,594</b> | <b>\$ 1,999,609</b> | <b>\$ 1,826,528</b> | <b>\$ 3,137,066</b>                              |

This page is left blank intentionally.

# Fiduciary Funds

---

Agency Funds are used to account for assets held by the county 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.

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, general sessions, and juvenile courts clerk; clerk and master; register; and sheriff. Such collections include amounts due the state, cities, other county funds, litigants, heirs, and others.

This page is left blank intentionally.

Exhibit I-1

Bedford County, Tennessee  
Combining Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2009

|                                     | <u>Agency Funds</u>      |   |                     |
|-------------------------------------|--------------------------|---|---------------------|
|                                     | Cities -<br>Sales<br>Tax | Constitu-<br>tional<br>Officers -<br>Agency | Total               |
| <b><u>ASSETS</u></b>                |                          |   |                     |
| Cash                                | \$ 0                     | \$ 2,553,521                                | \$ 2,553,521        |
| Accounts Receivable                 | 0                        | 4,048                                       | 4,048               |
| Due from Other Governments          | 524,165                  | 0   | 524,165             |
| <b>Total Assets</b>                 | <b>\$ 524,165</b>        | <b>\$ 2,557,569</b>                         | <b>\$ 3,081,734</b> |
| <b><u>LIABILITIES</u></b>           |                          |   |                     |
| Due to Other Taxing Units           | \$ 524,165               | \$ 0  | \$ 524,165          |
| Due to Litigants, Heirs, and Others | 0                        | 2,557,569                                   | 2,557,569           |
| <b>Total Liabilities</b>            | <b>\$ 524,165</b>        | <b>\$ 2,557,569</b>                         | <b>\$ 3,081,734</b> |

Exhibit I-2

Bedford County, Tennessee  
Combining Statement of Changes in Assets and  
Liabilities - All Agency Funds  
For the Year Ended June 30, 2009

|  | Beginning<br>Balance | Additions            | Deductions           | Ending<br>Balance   |
|--|----------------------|----------------------|----------------------|---------------------|
| <u>Cities - Sales Tax Fund</u>               |                      |                      |                      |                     |
| <u>Assets</u>                                |                      |                      |                      |                     |
| Equity in Pooled Cash and Investments        | \$ 0                 | \$ 3,218,477         | \$ 3,218,477         | \$ 0                |
| Due from Other Governments                   | 563,764              | 524,165              | 563,764              | 524,165             |
| <b>Total Assets</b>                          | <b>\$ 563,764</b>    | <b>\$ 3,742,642</b>  | <b>\$ 3,782,241</b>  | <b>\$ 524,165</b>   |
| <u>Liabilities</u>                           |                      |                      |                      |                     |
| Due to Other Taxing Units                    | \$ 563,764           | \$ 3,742,642         | \$ 3,782,241         | \$ 524,165          |
| <b>Total Liabilities</b>                     | <b>\$ 563,764</b>    | <b>\$ 3,742,642</b>  | <b>\$ 3,782,241</b>  | <b>\$ 524,165</b>   |
| <u>Constitutional Officers - Agency Fund</u> |                      |                      |                      |                     |
| <u>Assets</u>                                |                      |                      |                      |                     |
| Cash   | \$ 1,206,978         | \$ 14,518,576        | \$ 13,172,033        | \$ 2,553,521        |
| Accounts Receivable                          | 3,995                | 4,048                | 3,995                | 4,048               |
| <b>Total Assets</b>                          | <b>\$ 1,210,973</b>  | <b>\$ 14,522,624</b> | <b>\$ 13,176,028</b> | <b>\$ 2,557,569</b> |
| <u>Liabilities</u>                           |                      |                      |                      |                     |
| Due to Litigants, Heirs, and Others          | \$ 1,210,973         | \$ 14,522,624        | \$ 13,176,028        | \$ 2,557,569        |
| <b>Total Liabilities</b>                     | <b>\$ 1,210,973</b>  | <b>\$ 14,522,624</b> | <b>\$ 13,176,028</b> | <b>\$ 2,557,569</b> |
| <u>Totals - All Agency Funds</u>             |                      |                      |                      |                     |
| <u>Assets</u>                                |                      |                      |                      |                     |
| Cash   | \$ 1,206,978         | \$ 14,518,576        | \$ 13,172,033        | \$ 2,553,521        |
| Equity in Pooled Cash and Investments        | 0                    | 3,218,477            | 3,218,477            | 0                   |
| Accounts Receivable                          | 3,995                | 4,048                | 3,995                | 4,048               |
| Due from Other Governments                   | 563,764              | 524,165              | 563,764              | 524,165             |
| <b>Total Assets</b>                          | <b>\$ 1,774,737</b>  | <b>\$ 18,265,266</b> | <b>\$ 16,958,269</b> | <b>\$ 3,081,734</b> |
| <u>Liabilities</u>                           |                      |                      |                      |                     |
| Due to Other Taxing Units                    | \$ 563,764           | \$ 3,742,642         | \$ 3,782,241         | \$ 524,165          |
| Due to Litigants, Heirs, and Others          | 1,210,973            | 14,522,624           | 13,176,028           | 2,557,569           |
| <b>Total Liabilities</b>                     | <b>\$ 1,774,737</b>  | <b>\$ 18,265,266</b> | <b>\$ 16,958,269</b> | <b>\$ 3,081,734</b> |

# Bedford County School Department

---

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

Extended School Program Fund – The Extended School Program Fund is used to account for the after-school programs in the individual schools.

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

This page is left blank intentionally.

Exhibit J-1

Bedford County, Tennessee  
Statement of Activities  
Discretely Presented Bedford County School Department  
For the Year Ended June 30, 2009

| Functions/Programs   | Program Revenues |                      |                                    | Net (Expense) Revenue and Changes in Net Assets Total Governmental Activities |
|--|------------------|----------------------|------------------------------------|---|
|  | Expenses         | Charges for Services | Operating Grants and Contributions |   |
| Governmental Activities:                                     |                  |                      |                                    |   |
| Instruction  | \$ 33,114,514    | \$ 359,678           | \$ 3,299,485                       | \$ 4,693,000  |
| Support Services   | 16,766,858       | 181,878              | 0                                  | 0   |
| Operation of Non-Instructional Services                      | 4,128,034        | 1,309,911            | 2,795,589                          | 0   |
| Total Governmental Activities                                | \$ 54,009,406    | \$ 1,851,467         | \$ 6,095,074                       | \$ 4,693,000  |
| General Revenues:  |                  |                      |                                    |   |
| Taxes:   |                  |                      |                                    |   |
| Property Taxes Levied for General Purposes                   |                  |                      |                                    | \$ 7,964,843  |
| Local Option Sales Taxes                                     |                  |                      |                                    | 1,773,676   |
| Other Local Taxes  |                  |                      |                                    | 5,029   |
| Grants and Contributions Not Restricted to Specific Programs |                  |                      |                                    | 34,893,374  |
| Unrestricted Investment Earnings                             |                  |                      |                                    | 14,496  |
| Miscellaneous  |                  |                      |                                    | 158,916   |
| Total General Revenues                                       |                  |                      |                                    | \$ 44,810,334   |
| Change in Net Assets   |                  |                      |                                    | \$ 3,440,469  |
| Net Assets, July 1, 2008                                     |                  |                      |                                    | 113,277,999   |
| Net Assets, June 30, 2009                                    |                  |                      |                                    | \$ 116,718,468  |

Exhibit J-2

Bedford County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Bedford County School Department  
June 30, 2009

|  | <u>Major Funds</u>   |                     | <u>Nonmajor</u>     | <u>Total</u>         |
|--|----------------------|---------------------|---------------------|----------------------|
|  | <u>General</u>       | <u>Education</u>    | <u>Funds</u>        |                      |
|  | <u>Purpose</u>       | <u>Capital</u>      | <u>Other</u>        |                      |
|  | <u>School</u>        | <u>Projects</u>     | <u>Govern-</u>      | <u>mental</u>        |
|  |                      |                     | <u>Funds</u>        | <u>Funds</u>         |
| <u>ASSETS</u>  |                      |                     |                     |                      |
| Cash   | \$ 300               | \$ 0                | \$ 6,951            | \$ 7,251             |
| Equity in Pooled Cash and Investments                | 9,844,288            | 2,647,963           | 1,680,460           | 14,172,711           |
| Accounts Receivable                                  | 65,870               | 0                   | 10,241              | 76,111               |
| Due from Other Governments                           | 1,550,170            | 0                   | 410,738             | 1,960,908            |
| Property Taxes Receivable                            | 8,505,048            | 0                   | 0                   | 8,505,048            |
| Allowance for Uncollectible Property Taxes           | (317,443)            | 0                   | 0                   | (317,443)            |
| <b>Total Assets</b>                                  | <b>\$ 19,648,233</b> | <b>\$ 2,647,963</b> | <b>\$ 2,108,390</b> | <b>\$ 24,404,586</b> |
| <u>LIABILITIES AND FUND BALANCES</u>                 |                      |                     |                     |                      |
| <u>Liabilities</u>                                   |                      |                     |                     |                      |
| Accounts Payable                                     | \$ 33,775            | \$ 0                | \$ 87,271           | \$ 121,046           |
| Payroll Deductions Payable                           | 565,788              | 0                   | 87,659              | 653,447              |
| Contracts Payable                                    | 0                    | 561,227             | 0                   | 561,227              |
| Retainage Payable                                    | 0                    | 12,657              | 0                   | 12,657               |
| Deferred Revenue - Current Property Taxes            | 7,816,291            | 0                   | 0                   | 7,816,291            |
| Deferred Revenue - Delinquent Property Taxes         | 357,154              | 0                   | 0                   | 357,154              |
| Other Deferred Revenues                              | 146,130              | 0                   | 0                   | 146,130              |
| <b>Total Liabilities</b>                             | <b>\$ 8,919,138</b>  | <b>\$ 573,884</b>   | <b>\$ 174,930</b>   | <b>\$ 9,667,952</b>  |
| <u>Fund Balances</u>                                 |                      |                     |                     |                      |
| Reserved for Encumbrances                            | \$ 1,119,570         | \$ 993,588          | \$ 143,797          | \$ 2,256,955         |
| Reserved for Basic Education Program                 | 2,338,906            | 0                   | 0                   | 2,338,906            |
| Reserved for Innovative Education Program Strategies | 0                    | 0                   | 22                  | 22                   |
| Reserved for Special Education - Grants to States    | 0                    | 0                   | 307,805             | 307,805              |
| Other Federal Reserves                               | 0                    | 0                   | 132,358             | 132,358              |
| Unreserved, Reported In:                             |                      |                     |                     |                      |
| General Fund   | 7,270,619            | 0                   | 0                   | 7,270,619            |
| Special Revenue Funds                                | 0                    | 0                   | 1,349,478           | 1,349,478            |
| Capital Projects Funds                               | 0                    | 1,080,491           | 0                   | 1,080,491            |
| <b>Total Fund Balances</b>                           | <b>\$ 10,729,095</b> | <b>\$ 2,074,079</b> | <b>\$ 1,933,460</b> | <b>\$ 14,736,634</b> |
| <b>Total Liabilities and Fund Balances</b>           | <b>\$ 19,648,233</b> | <b>\$ 2,647,963</b> | <b>\$ 2,108,390</b> | <b>\$ 24,404,586</b> |

Exhibit J-3

Bedford County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds to  
the Statement of Net Asset  
Discretely Presented Bedford County School Department  
June 30, 2009

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)  |                  | \$ 14,736,634         |
| (1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.  |                  |                       |
| Add: land   | \$ 2,785,691     |                       |
| Add: construction in progress   | 50,461,120       |                       |
| Add: buildings and improvements net of accumulated depreciation   | 44,934,226       |                       |
| Add: other capital assets net of accumulated depreciation   | <u>3,654,732</u> | 101,835,769           |
| (2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.         |                  |                       |
| Less: other postemployment benefits liability   |                  | (357,219)             |
| (3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds. |                  | <u>503,284</u>        |
| Net assets of governmental activities (Exhibit A)   |                  | <u>\$ 116,718,468</u> |

Exhibit J-4

Bedford County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Governmental Funds  
Discretely Presented Bedford County School Department  
For the Year Ended June 30, 2009

|  | Major Funds                  |                                  | Nonmajor<br>Funds                   | Total<br>Governmental<br>Funds |
|--|------------------------------|----------------------------------|-------------------------------------|--------------------------------|
|  | General<br>Purpose<br>School | Education<br>Capital<br>Projects | Other<br>Govern-<br>mental<br>Funds |                                |
| <u>Revenues</u>                                      |                              |                                  |                                     |                                |
| Local Taxes  | \$ 9,816,402                 | \$ 0                             | \$ 0                                | \$ 9,816,402                   |
| Licenses and Permits                                 | 2,693                        | 0                                | 0                                   | 2,693                          |
| Charges for Current Services                         | 185,753                      | 0                                | 1,664,253                           | 1,850,006                      |
| Other Local Revenues                                 | 166,567                      | 9,718                            | 15,078                              | 191,363                        |
| State of Tennessee                                   | 34,631,558                   | 0                                | 0                                   | 34,631,558                     |
| Federal Government                                   | 175,789                      | 0                                | 5,895,402                           | 6,071,191                      |
| Other Governments and Citizens Groups                | 0                            | 4,693,000                        | 0                                   | 4,693,000                      |
| <b>Total Revenues</b>                                | <b>\$ 44,978,762</b>         | <b>\$ 4,702,718</b>              | <b>\$ 7,574,733</b>                 | <b>\$ 57,256,213</b>           |
| <u>Expenditures</u>                                  |                              |                                  |                                     |                                |
| Current:   |                              |                                  |                                     |                                |
| Instruction  | \$ 29,370,350                | \$ 0                             | \$ 2,263,420                        | \$ 31,633,770                  |
| Support Services                                     | 14,762,697                   | 0                                | 1,121,950                           | 15,884,647                     |
| Operation of Non-Instructional Services              | 98,473                       | 0                                | 3,797,178                           | 3,895,651                      |
| Capital Outlay                                       | 721,148                      | 0                                | 0                                   | 721,148                        |
| Capital Projects                                     | 0                            | 23,590,317                       | 0                                   | 23,590,317                     |
| <b>Total Expenditures</b>                            | <b>\$ 44,952,668</b>         | <b>\$ 23,590,317</b>             | <b>\$ 7,182,548</b>                 | <b>\$ 75,725,533</b>           |
| Excess (Deficiency) of Revenues<br>Over Expenditures | \$ 26,094                    | \$ (18,887,599)                  | \$ 392,185                          | \$ (18,469,320)                |
| <u>Other Financing Sources (Uses)</u>                |                              |                                  |                                     |                                |
| Transfers In   | \$ 25,149                    | \$ 0                             | \$ 0                                | \$ 25,149                      |
| Transfers Out  | 0                            | 0                                | (25,149)                            | (25,149)                       |
| <b>Total Other Financing Sources (Uses)</b>          | <b>\$ 25,149</b>             | <b>\$ 0</b>                      | <b>\$ (25,149)</b>                  | <b>\$ 0</b>                    |
| Net Change in Fund Balances                          | \$ 51,243                    | \$ (18,887,599)                  | \$ 367,036                          | \$ (18,469,320)                |
| Fund Balance, July 1, 2008                           | 10,677,852                   | 20,961,678                       | 1,566,424                           | 33,205,954                     |
| <b>Fund Balance, June 30, 2009</b>                   | <b>\$ 10,729,095</b>         | <b>\$ 2,074,079</b>              | <b>\$ 1,933,460</b>                 | <b>\$ 14,736,634</b>           |

Exhibit J-5

Bedford County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds to the  
Statement of Activities  
Discretely Presented Bedford County School Department  
For the Year Ended June 30, 2009

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)  |                    | \$ (18,469,320)     |
| (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   | \$ 24,282,360      |                     |
| Less: current year depreciation expense   | <u>(2,017,297)</u> | 22,265,063          |
| (2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.  |                    | (7,217)             |
| (3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.  |                    |                     |
| Add: deferred delinquent property taxes and other deferred June 30, 2009  | \$ 503,284         |                     |
| Less: deferred delinquent property taxes and other deferred June 30, 2008   | <u>(494,122)</u>   | 9,162               |
| (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 other postemployment benefits liability   |                    | <u>(357,219)</u>    |
| Change in net assets of governmental activities (Exhibit B)   |                    | <u>\$ 3,440,469</u> |

Exhibit J-6

Bedford County, Tennessee  
Combining Balance Sheet - Nonmajor Governmental Funds  
Discretely Presented Bedford County School Department  
June 30, 2009

|    | Special Revenue Funds         |                      |                               | Total<br>Nonmajor<br>Governmental<br>Funds |
|----|-------------------------------|----------------------|-------------------------------|--|
|    | School<br>Federal<br>Projects | Central<br>Cafeteria | Extended<br>School<br>Program |  |
| \$ | 0                             | 6,351                | 600                           | \$ 6,951                                   |
|    | 435,398                       | 1,106,234            | 138,828                       | 1,680,460                                  |
|    | 0                             | 0                    | 10,241                        | 10,241                                     |
|    | 191,952                       | 218,786              | 0                             | 410,738                                    |
| \$ | 627,350                       | 1,331,371            | 149,669                       | \$ 2,108,390                               |

ASSETS

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

Total Assets

LIABILITIES AND FUND BALANCES

Liabilities

Accounts Payable  
 Payroll Deductions Payable  
 Total Liabilities

Fund Balances

Reserved for Encumbrances  
 Reserved for Innovative Education Program Strategies  
 Reserved for Special Education - Grants to States  
 Other Federal Reserves  
 Unreserved  
 Total Fund Balances

Total Liabilities and Fund Balances

|    |         |           |         |              |
|----|---------|-----------|---------|--------------|
| \$ | 0       | 86,530    | 741     | \$ 87,271    |
|    | 87,638  | 21        | 0       | 87,659       |
| \$ | 87,638  | 86,551    | 741     | \$ 174,930   |
| \$ | 99,527  | 42,920    | 1,350   | \$ 143,797   |
|    | 22      | 0         | 0       | 22           |
|    | 307,805 | 0         | 0       | 307,805      |
|    | 132,358 | 0         | 0       | 132,358      |
|    | 0       | 1,201,900 | 147,578 | 1,349,478    |
| \$ | 539,712 | 1,244,820 | 148,928 | \$ 1,933,460 |
| \$ | 627,350 | 1,331,371 | 149,669 | \$ 2,108,390 |

Exhibit J-7

Bedford County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Nonmajor Governmental Funds  
Discretely Presented Bedford County School Department  
For the Year Ended June 30, 2009

|  | Special Revenue Funds         |                      |                               | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|-------------------------------|----------------------|-------------------------------|--|
|  | School<br>Federal<br>Projects | Central<br>Cafeteria | Extended<br>School<br>Program |  |
| <u>Revenues</u>                                      |                               |                      |                               |  |
| Charges for Current Services                         | \$ 0                          | \$ 1,308,450         | \$ 355,803                    | \$ 1,664,253                               |
| Other Local Revenues                                 | 563                           | 14,496               | 19                            | 15,078                                     |
| Federal Government                                   | 3,702,287                     | 2,193,115            | 0                             | 5,895,402                                  |
| Total Revenues                                       | <u>\$ 3,702,850</u>           | <u>\$ 3,516,061</u>  | <u>\$ 355,822</u>             | <u>\$ 7,574,733</u>                        |
| <u>Expenditures</u>                                  |                               |                      |                               |  |
| Current:   |                               |                      |                               |  |
| Instruction  | \$ 2,263,420                  | \$ 0                 | \$ 0                          | \$ 2,263,420                               |
| Support Services                                     | 1,094,150                     | 25,000               | 2,800                         | 1,121,950                                  |
| Operation of Non-Instructional Services              | 0                             | 3,385,237            | 411,941                       | 3,797,178                                  |
| Total Expenditures                                   | <u>\$ 3,357,570</u>           | <u>\$ 3,410,237</u>  | <u>\$ 414,741</u>             | <u>\$ 7,182,548</u>                        |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>\$ 345,280</u>             | <u>\$ 105,824</u>    | <u>\$ (58,919)</u>            | <u>\$ 392,185</u>                          |
| <u>Other Financing Sources (Uses)</u>                |                               |                      |                               |  |
| Transfers Out  | \$ (25,149)                   | \$ 0                 | \$ 0                          | \$ (25,149)                                |
| Total Other Financing Sources (Uses)                 | <u>\$ (25,149)</u>            | <u>\$ 0</u>          | <u>\$ 0</u>                   | <u>\$ (25,149)</u>                         |
| Net Change in Fund Balances                          | \$ 320,131                    | \$ 105,824           | \$ (58,919)                   | \$ 367,036                                 |
| Fund Balance, July 1, 2008                           | 219,581                       | 1,138,996            | 207,847                       | 1,566,424                                  |
| Fund Balance, June 30, 2009                          | <u>\$ 539,712</u>             | <u>\$ 1,244,820</u>  | <u>\$ 148,928</u>             | <u>\$ 1,933,460</u>                        |

Exhibit J-8

Bedford County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Bedford County School Department  
General Purpose School Fund  
For the Year Ended June 30, 2009

|                                 | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2008 | Add:<br>Encumbrances<br>6/30/2009 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |               | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|---------------------------------|---------------------------|-----------------------------------|-----------------------------------|---|------------------|---------------|--|
|                                 |                           |                                   |                                   |   | Original         | Final         |  |
| <u>Revenues</u>                 |                           |                                   |                                   |   |                  |               |  |
| Local Taxes                     | \$ 9,816,402              | \$ 0                              | \$ 0                              | \$ 9,816,402  | \$ 9,388,191     | \$ 9,388,191  | \$ 428,211   |
| Licenses and Permits            | 2,693                     | 0                                 | 0                                 | 2,693   | 3,000            | 3,000         | (307)  |
| Charges for Current Services    | 185,753                   | 0                                 | 0                                 | 185,753   | 69,260           | 108,839       | 76,914   |
| Other Local Revenues            | 166,567                   | 0                                 | 0                                 | 166,567   | 26,687           | 115,987       | 50,580   |
| State of Tennessee              | 34,631,558                | 0                                 | 0                                 | 34,631,558  | 33,328,600       | 34,061,606    | 569,952  |
| Federal Government              | 175,789                   | 0                                 | 0                                 | 175,789   | 305,000          | 529,174       | (353,385)  |
| Total Revenues                  | \$ 44,978,762             | \$ 0                              | \$ 0                              | \$ 44,978,762   | \$ 43,120,738    | \$ 44,206,797 | \$ 771,965   |
| <u>Expenditures</u>             |                           |                                   |                                   |   |                  |               |  |
| <u>Instruction</u>              |                           |                                   |                                   |   |                  |               |  |
| Regular Instruction Program     | \$ 24,664,685             | (234,533)                         | 120,124                           | \$ 24,550,276   | \$ 24,995,467    | \$ 25,913,190 | \$ 1,362,914   |
| Alternative Instruction Program | 788,256                   | (132,715)                         | 64,777                            | 720,318   | 1,132,924        | 1,135,137     | 414,819  |
| Special Education Program       | 2,720,283                 | (29,199)                          | 15,136                            | 2,706,220   | 2,781,806        | 2,810,967     | 104,747  |
| Vocational Education Program    | 1,064,457                 | (4,000)                           | 3,050                             | 1,063,507   | 1,202,204        | 1,202,749     | 139,242  |
| Adult Education Program         | 132,669                   | 0                                 | 2,565                             | 135,234   | 176,579          | 159,057       | 23,823   |
| <u>Support Services</u>         |                           |                                   |                                   |   |                  |               |  |
| Attendance                      | 86,696                    | 0                                 | 0                                 | 86,696  | 91,188           | 91,188        | 4,492  |
| Health Services                 | 354,707                   | (9,228)                           | 0                                 | 345,479   | 302,690          | 389,960       | 44,481   |
| Other Student Support           | 980,782                   | (30,608)                          | 5,217                             | 955,391   | 1,046,441        | 1,085,774     | 130,383  |
| Regular Instruction Program     | 915,680                   | (25,660)                          | 746                               | 890,766   | 1,216,060        | 1,212,060     | 321,294  |
| Alternative Instruction Program | 74,807                    | 0                                 | 0                                 | 74,807  | 79,460           | 79,460        | 4,653  |
| Special Education Program       | 240,185                   | (564)                             | 3,700                             | 243,321   | 260,187          | 258,926       | 15,605   |
| Vocational Education Program    | 23,926                    | 0                                 | 0                                 | 23,926  | 26,059           | 26,059        | 2,133  |
| Adult Programs                  | 109,408                   | 0                                 | 0                                 | 109,408   | 110,043          | 109,777       | 369  |

(Continued)

Exhibit J-8

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

|  | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2008 | Add:<br>Encumbrances<br>6/30/2009 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |                | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|----------------|--|
|  |                           |                                   |                                   |   | Original         | Final          |  |
| <u>Expenditures (Cont.)</u>                    |                           |                                   |                                   |   |                  |                |  |
| <u>Support Services (Cont.)</u>                |                           |                                   |                                   |   |                  |                |  |
| Other Programs                                 | \$ 106,594                | \$ 0                              | 0                                 | \$ 106,594  | 0                | \$ 106,594     | \$ 0   |
| Board of Education                             | 582,594                   | (675)                             | 420                               | 582,339   | 644,555          | 650,626        | 68,287   |
| Director of Schools                            | 1,218,091                 | 0                                 | 0                                 | 1,218,091   | 1,505,966        | 1,508,720      | 290,629  |
| Office of the Principal                        | 2,223,643                 | (140)                             | 80                                | 2,223,583   | 2,175,566        | 2,308,525      | 84,942   |
| Fiscal Services                                | 316                       | 0                                 | 0                                 | 316   | 0                | 4,000          | 3,684  |
| Human Services/Personnel                       | 99,800                    | (574)                             | 0                                 | 99,226  | 100,712          | 106,886        | 7,660  |
| Operation of Plant                             | 4,374,073                 | (10,881)                          | 60,934                            | 4,424,126   | 4,235,428        | 4,516,115      | 91,989   |
| Maintenance of Plant                           | 1,165,252                 | (51,822)                          | 84,103                            | 1,197,533   | 1,361,981        | 1,384,393      | 186,860  |
| Transportation                                 | 1,941,328                 | (23,014)                          | 7,270                             | 1,925,584   | 2,565,282        | 2,584,517      | 658,933  |
| Central and Other                              | 264,815                   | 0                                 | 0                                 | 264,815   | 239,758          | 265,308        | 493  |
| <u>Operation of Non-Instructional Services</u> |                           |                                   |                                   |   |                  |                |  |
| Food Service                                   | 38,988                    | 0                                 | 0                                 | 38,988  | 38,988           | 38,988         | 0  |
| Community Services                             | 59,485                    | 0                                 | 0                                 | 59,485  | 89,394           | 72,930         | 13,445   |
| <u>Capital Outlay</u>                          |                           |                                   |                                   |   |                  |                |  |
| Regular Capital Outlay                         | 721,148                   | (121,171)                         | 751,448                           | 1,351,425   | 1,268,000        | 1,550,795      | 199,370  |
| Total Expenditures                             | \$ 44,952,668             | \$ (674,784)                      | \$ 1,119,570                      | \$ 45,397,454   | \$ 47,646,738    | \$ 49,572,701  | \$ 4,175,247   |
| <u>Excess (Deficiency) of Revenues</u>         |                           |                                   |                                   |   |                  |                |  |
| Over Expenditures                              | \$ 26,094                 | \$ 674,784                        | \$ (1,119,570)                    | \$ (418,692)  | \$ (4,526,000)   | \$ (5,365,904) | \$ 4,947,212   |
| <u>Other Financing Sources (Uses)</u>          |                           |                                   |                                   |   |                  |                |  |
| Transfers In                                   | \$ 25,149                 | 0                                 | 0                                 | 25,149  | 8,000            | 8,000          | 17,149   |
| Total Other Financing Sources (Uses)           | \$ 25,149                 | 0                                 | 0                                 | 25,149  | 8,000            | 8,000          | 17,149   |
| Net Change in Fund Balance                     | \$ 51,243                 | \$ 674,784                        | \$ (1,119,570)                    | \$ (393,543)  | \$ (4,518,000)   | \$ (5,357,904) | \$ 4,964,361   |
| Fund Balance, July 1, 2008                     | 10,677,852                | (674,784)                         | 0                                 | 10,003,068  | 8,054,649        | 8,054,649      | 1,948,419  |
| Fund Balance, June 30, 2009                    | \$ 10,729,095             | 0                                 | \$ (1,119,570)                    | \$ 9,609,525  | \$ 3,536,649     | \$ 2,696,745   | \$ 6,912,780   |

Exhibit J-9

Bedford County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Bedford County School Department  
School Federal Projects Fund  
For the Year Ended June 30, 2009

|  | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2008 | Add:<br>Encumbrances<br>6/30/2009 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |              | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|--------------|--|
|  |                           |                                   |                                   |   | Original         | Final        |  |
| <u>Revenues</u>  |                           |                                   |                                   |   |                  |              |  |
| Other Local Revenues                                     | \$ 563                    | \$ 0                              | \$ 0                              | \$ 563  | \$ 0             | \$ 0         | \$ 563   |
| Federal Government                                       | 3,702,287                 | 0                                 | 0                                 | 3,702,287   | 4,425,400        | 4,528,518    | (826,231)  |
| Total Revenues   | \$ 3,702,850              | \$ 0                              | \$ 0                              | \$ 3,702,850  | \$ 4,425,400     | \$ 4,528,518 | \$ (825,668)   |
| <u>Expenditures</u>                                      |                           |                                   |                                   |   |                  |              |  |
| <u>Instruction</u>                                       |                           |                                   |                                   |   |                  |              |  |
| Regular Instruction Program                              | \$ 1,588,121              | (2,296)                           | \$ 33,841                         | \$ 1,619,666  | \$ 2,173,789     | \$ 2,150,351 | \$ 530,685   |
| Special Education Program                                | 590,612                   | (32,507)                          | 0                                 | 558,105   | 759,409          | 859,293      | 301,188  |
| Vocational Education Program                             | 84,687                    | (5,807)                           | 21,538                            | 100,418   | 101,487          | 101,487      | 1,069  |
| <u>Support Services</u>                                  |                           |                                   |                                   |   |                  |              |  |
| Health Services  | 218,604                   | 0                                 | 0                                 | 218,604   | 225,136          | 227,310      | 8,706  |
| Other Student Support                                    | 85,983                    | (7,187)                           | 4,156                             | 82,952  | 120,386          | 109,225      | 26,273   |
| Regular Instruction Program                              | 281,529                   | (31,049)                          | 39,505                            | 289,985   | 424,251          | 465,360      | 175,375  |
| Special Education Program                                | 148,246                   | (843)                             | 183                               | 147,586   | 177,812          | 175,093      | 27,507   |
| Vocational Education Program                             | 884                       | (184)                             | 304                               | 1,004   | 1,035            | 1,035        | 31   |
| Transportation   | 358,904                   | (87,700)                          | 0                                 | 271,204   | 289,762          | 290,456      | 19,252   |
| Total Expenditures                                       | \$ 3,357,570              | (167,573)                         | \$ 99,527                         | \$ 3,289,524  | \$ 4,273,067     | \$ 4,379,610 | \$ 1,090,086   |
| Excess (Deficiency) of Revenues<br>Over Expenditures     | \$ 345,280                | \$ 167,573                        | (99,527)                          | \$ 413,326  | \$ 152,333       | \$ 148,908   | \$ 264,418   |
| <u>Other Financing Sources (Uses)</u>                    |                           |                                   |                                   |   |                  |              |  |
| Transfers Out  | \$ (25,149)               | \$ 0                              | \$ 0                              | (25,149)  | (95,064)         | (95,064)     | \$ 69,915  |
| Total Other Financing Sources (Uses)                     | \$ (25,149)               | \$ 0                              | \$ 0                              | (25,149)  | (95,064)         | (95,064)     | \$ 69,915  |
| Net Change in Fund Balance<br>Fund Balance, July 1, 2008 | \$ 320,131                | \$ 167,573                        | (99,527)                          | \$ 388,177  | \$ 57,269        | \$ 53,844    | \$ 334,333   |
|  | 219,581                   | (167,573)                         | 0                                 | 52,008  | 219,581          | 219,581      | (167,573)  |
| Fund Balance, June 30, 2009                              | \$ 539,712                | \$ 0                              | (99,527)                          | \$ 440,185  | \$ 276,850       | \$ 273,425   | \$ 166,760   |

Exhibit J-10

Bedford County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Bedford County School Department  
Central Cafeteria Fund  
For the Year Ended June 30, 2009

|  | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2008 | Add:<br>Encumbrances<br>6/30/2009 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |              | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|--------------|--|
|  |                           |                                   |                                   |   | Original         | Final        |  |
| <u>Revenues</u>  |                           |                                   |                                   |   |                  |              |  |
| Charges for Current Services                                       | \$ 1,308,450              | \$ 0                              | \$ 0                              | \$ 1,308,450  | \$ 1,501,430     | \$ 1,501,430 | \$ (192,980)   |
| Other Local Revenues   | 14,496                    | 0                                 | 0                                 | 14,496  | 48,000           | 67,752       | (53,256)   |
| Federal Government   | 2,193,115                 | 0                                 | 0                                 | 2,193,115   | 2,068,000        | 2,187,436    | 5,679  |
| Total Revenues   | \$ 3,516,061              | \$ 0                              | \$ 0                              | \$ 3,516,061  | \$ 3,617,430     | \$ 3,756,618 | \$ (240,557)   |
| <u>Expenditures</u>  |                           |                                   |                                   |   |                  |              |  |
| <u>Support Services</u>  |                           |                                   |                                   |   |                  |              |  |
| Board of Education   | \$ 25,000                 | \$ 0                              | \$ 0                              | \$ 25,000   | \$ 25,000        | \$ 25,000    | \$ 0   |
| <u>Operation of Non-Instructional Services</u>                     |                           |                                   |                                   |   |                  |              |  |
| Food Service   | 3,385,237                 | (121,638)                         | 42,920                            | 3,306,519   | 3,749,441        | 3,910,351    | 603,832  |
| Total Expenditures   | \$ 3,410,237              | \$ (121,638)                      | \$ 42,920                         | \$ 3,331,519  | \$ 3,774,441     | \$ 3,935,351 | \$ 603,832   |
| <u>Excess (Deficiency) of Revenues</u><br><u>Over Expenditures</u> | \$ 105,824                | \$ 121,638                        | \$ (42,920)                       | \$ 184,542  | \$ (157,011)     | \$ (178,733) | \$ 363,275   |
| <u>Other Financing Sources (Uses)</u>                              |                           |                                   |                                   |   |                  |              |  |
| Transfers Out  | \$ 0                      | \$ 0                              | \$ 0                              | \$ 0  | \$ (17,388)      | \$ 0         | \$ 0   |
| Total Other Financing Sources (Uses)                               | \$ 0                      | \$ 0                              | \$ 0                              | \$ 0  | \$ (17,388)      | \$ 0         | \$ 0   |
| Net Change in Fund Balance   | \$ 105,824                | \$ 121,638                        | \$ (42,920)                       | \$ 184,542  | \$ (174,399)     | \$ (178,733) | \$ 363,275   |
| Fund Balance, July 1, 2008   | 1,138,996                 | (121,638)                         | 0                                 | 1,017,358   | 508,877          | 508,877      | 508,481  |
| Fund Balance, June 30, 2009  | \$ 1,244,820              | \$ 0                              | \$ (42,920)                       | \$ 1,201,900  | \$ 334,478       | \$ 330,144   | \$ 871,756   |

Exhibit J-11

Bedford County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Bedford County School Department  
Extended School Program Fund  
For the Year Ended June 30, 2009

|  | Actual<br>(GAAP<br>Basis) | Less:<br>Encumbrances<br>7/1/2008 | Add:<br>Encumbrances<br>6/30/2009 | Actual<br>Revenues/<br>Expenditures<br>(Budgetary<br>Basis) | Budgeted Amounts |             | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|-------------|--|
|  |                           |                                   |                                   |   | Original         | Final       |  |
| <u>Revenues</u>  |                           |                                   |                                   |   |                  |             |  |
| Charges for Current Services                             | \$ 355,803                | \$ 0                              | \$ 0                              | \$ 355,803  | \$ 497,170       | \$ 497,170  | \$ (141,367)   |
| Other Local Revenues                                     | 19                        | 0                                 | 0                                 | 19  | 150              | 150         | (131)  |
| Total Revenues   | \$ 355,822                | \$ 0                              | \$ 0                              | \$ 355,822  | \$ 497,320       | \$ 497,320  | \$ (141,498)   |
| <u>Expenditures</u>                                      |                           |                                   |                                   |   |                  |             |  |
| Support Services   | \$ 2,800                  | \$ 0                              | \$ 0                              | \$ 2,800  | \$ 2,800         | \$ 2,800    | \$ 0   |
| Board of Education                                       | 411,941                   | (4,657)                           | 1,350                             | 408,634   | 591,906          | 591,906     | 183,272  |
| Operation of Non-Instructional Services                  | \$ 414,741                | \$ (4,657)                        | \$ 1,350                          | \$ 411,434  | \$ 594,706       | \$ 594,706  | \$ 183,272   |
| Total Expenditures                                       | \$ (58,919)               | \$ 4,657                          | \$ (1,350)                        | \$ (55,612)   | \$ (97,386)      | \$ (97,386) | \$ 41,774  |
| Excess (Deficiency) of Revenues<br>Over Expenditures     | \$ (58,919)               | \$ 4,657                          | \$ (1,350)                        | \$ (55,612)   | \$ (97,386)      | \$ (97,386) | \$ 41,774  |
| Net Change in Fund Balance<br>Fund Balance, July 1, 2008 | 207,847                   | (4,657)                           | 0                                 | 203,190   | 211,656          | 211,656     | (8,466)  |
| Fund Balance, June 30, 2009                              | \$ 148,928                | \$ 0                              | \$ (1,350)                        | \$ 147,578  | \$ 114,270       | \$ 114,270  | \$ 33,308  |

# Bedford County Solid Waste Authority

---

This section presents fund financial statements for the Bedford County Solid Waste Authority, a discretely presented component unit. The Solid Waste Authority uses a single governmental fund.

---

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is the authority's only operating fund. It accounts for all financial resources of the authority.

This page is left blank intentionally.

Exhibit K-1

Bedford County, Tennessee  
Balance Sheet - Governmental Fund  
Discretely Presented Bedford County Solid Waste Authority  
June 30, 2009

|                                    | <u>Solid<br/>Waste/<br/>Sanitation<br/>Fund</u> |
|------------------------------------|---|
| <u>ASSETS</u>                      |   |
| Cash                               | \$ 187,700                                      |
| Accounts Receivable                | <u>12,680</u>                                   |
| Total Assets                       | <u><u>\$ 200,380</u></u>                        |
| <u>LIABILITIES</u>                 |   |
| Accounts Payable                   | \$ 43,921                                       |
| Payroll Deductions Payable         | <u>542</u>                                      |
| Total Liabilities                  | <u><u>\$ 44,463</u></u>                         |
| <u>FUND BALANCE</u>                |   |
| Fund Balance:                      |   |
| Unreserved                         | <u>\$ 155,917</u>                               |
| Total Fund Balance                 | <u><u>\$ 155,917</u></u>                        |
| Total Liabilities and Fund Balance | <u><u>\$ 200,380</u></u>                        |

Exhibit K-2

Bedford County, Tennessee  
Reconciliation of the Balance Sheet of the Governmental Fund to  
the Statement of Net Assets  
Discretely Presented Bedford County Solid Waste Authority  
June 30, 2009

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

|  |                |                   |
|--|----------------|-------------------|
| Total fund balances - balance sheet - governmental funds (Exhibit K-1)   |                | \$ 155,917        |
| (1) Capital assets used in governmental activities are not<br>financial resources and therefore are not reported in<br>the governmental funds. |                |                   |
| Add: land  | \$ 10,200      |                   |
| Add: buildings and improvements net of accumulated depreciation  | 189,139        |                   |
| Add: other capital assets net of accumulated depreciation  | <u>387,905</u> | 587,244           |
| (2) Long-term liabilities are not due and payable<br>in the current period and therefore are not reported<br>in the governmental funds.        |                |                   |
| Less: compensated absences payable   | \$ (9,433)     |                   |
| Less: other postemployment benefits liability  | <u>(807)</u>   | <u>(10,240)</u>   |
| Net assets of governmental activities (Exhibit A)  |                | <u>\$ 732,921</u> |

Exhibit K-3

Bedford County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Bedford County Solid Waste Authority  
Solid Waste/Sanitation Fund  
For the Year Ended June 30, 2009

|  | Actual                       |
|--|------------------------------|
| <hr/>  |                              |
| <u>Revenues</u>  |                              |
| Other Local Revenues                                     | \$ 46,326                    |
| State of Tennessee                                       | 28,400                       |
| Other Governments and Citizens Groups                    | 855,000                      |
| Total Revenues   | <u>\$ 929,726</u>            |
| <br><u>Expenditures</u>                                  |                              |
| <u>Public Health and Welfare</u>                         |                              |
| Convenience Centers                                      | \$ 893,403                   |
| Total Expenditures                                       | <u>\$ 893,403</u>            |
| <br>Excess (Deficiency) of Revenues<br>Over Expenditures | <br><u>\$ 36,323</u>         |
| <br>Fund Balance, July 1, 2008                           | <br><u>\$ 119,594</u>        |
| <br>Fund Balance, June 30, 2009                          | <br><u><u>\$ 155,917</u></u> |

Exhibit K-4

Bedford County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balance of the Governmental Fund to the  
Statement of Activities  
Discretely Presented Bedford County Solid Waste Authority  
For the Year Ended June 30, 2009

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

|   |          |                    |
|---|----------|--------------------|
| Net change in fund balances - total governmental funds (Exhibit K-3)  |          | \$ 36,323          |
| (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: |          |                    |
| Less: current year depreciation expense   |          | (44,783)           |
| (2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.  |          | (601)              |
| (3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.   |          |                    |
| Change in compensated absences payable  | \$ (133) |                    |
| Change in other postemployment benefits liability   | (807)    | (940)              |
|   |          | <u>          </u>  |
| Change in net assets of governmental activities (Exhibit B)   |          | <u>\$ (10,001)</u> |

Exhibit K-5

Bedford County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Bedford County Solid Waste Authority  
Solid Waste/Sanitation Fund  
For the Year Ended June 30, 2009

|  | Actual     | Budgeted Amounts |              | Variance<br>with Final<br>Budget -<br>Positive<br>(Negative) |
|--|------------|------------------|--------------|--|
|  |            | Original         | Final        |  |
| <u>Revenues</u>  |            |                  |              |  |
| Other Local Revenues                                     | \$ 46,326  | \$ 55,500        | \$ 60,500    | \$ (14,174)  |
| State of Tennessee                                       | 28,400     | 30,000           | 30,000       | (1,600)  |
| Other Governments and Citizens Groups                    | 855,000    | 855,000          | 855,000      | 0  |
| Total Revenues   | \$ 929,726 | \$ 940,500       | \$ 945,500   | \$ (15,774)  |
| <u>Expenditures</u>                                      |            |                  |              |  |
| <u>Public Health and Welfare</u>                         |            |                  |              |  |
| Convenience Centers                                      | \$ 893,403 | \$ 1,014,773     | \$ 1,019,773 | \$ 126,370   |
| Total Expenditures                                       | \$ 893,403 | \$ 1,014,773     | \$ 1,019,773 | \$ 126,370   |
| Excess (Deficiency) of Revenues<br>Over Expenditures     | \$ 36,323  | \$ (74,273)      | \$ (74,273)  | \$ 110,596   |
| Net Change in Fund Balance<br>Fund Balance, July 1, 2008 | \$ 36,323  | \$ (74,273)      | \$ (74,273)  | \$ 110,596   |
|  | 119,594    | 84,463           | 84,463       | 35,131   |
| Fund Balance, June 30, 2009                              | \$ 155,917 | \$ 10,190        | \$ 10,190    | \$ 145,727   |

This page is left blank intentionally.

---

---

## MISCELLANEOUS SCHEDULES

---

---

This page is left blank intentionally.

Exhibit L-1

Bedford County, Tennessee  
Schedule of Changes in Long-term Notes, Other Loans, and Bonds  
For the Year Ended June 30, 2009

| Description of Indebtedness                        | Original<br>Amount<br>of Issue | Interest<br>Rate | Date<br>of<br>Issue | Last<br>Maturity<br>Date | Outstanding<br>7-1-08 | Issued<br>During<br>Period | Paid and/or<br>Matured<br>During<br>Period | Outstanding<br>6-30-09 |
|--|--------------------------------|------------------|---------------------|--------------------------|-----------------------|----------------------------|--|------------------------|
| <b>NOTES PAYABLE</b>                               |                                |                  |                     |                          |                       |                            |  |                        |
| <u>Payable through General Debt Service Fund</u>   |                                |                  |                     |                          |                       |                            |  |                        |
| Workhouse and Agriculture Center                   | \$ 870,000                     | 2.75%            | 8-1-03              | 8-1-10                   | \$ 372,978            | \$ 0                       | \$ 124,286                                 | \$ 248,692             |
| EMS License Station                                | 114,000                        | 3.07             | 9-7-05              | 9-3-08                   | 39,153                | 0                          | 39,153                                     | 0                      |
| School Portable Buildings                          | 720,000                        | 4                | 5-19-06             | 5-19-11                  | 448,100               | 0                          | 143,825                                    | 304,275                |
| Highway Paving                                     | 2,000,000                      | 4.14             | 6-15-07             | 6-15-12                  | 1,632,371             | 0                          | 383,205                                    | 1,249,166              |
| EMA Project  | 193,000                        | 3.94             | 8-21-08             | 8-21-13                  | 0                     | 193,000                    | 0  | 193,000                |
| School Project                                     | 4,700,000                      | 3.23             | 9-8-08              | 6-30-13                  | 0                     | 4,700,000                  | 940,000                                    | 3,760,000              |
| Total Payable through General Debt Service Fund    |                                |                  |                     |                          | <u>\$ 2,492,602</u>   | <u>\$ 4,893,000</u>        | <u>\$ 1,630,469</u>                        | <u>\$ 5,755,133</u>    |
| <u>Payable through Special Purpose Fund</u>        |                                |                  |                     |                          |                       |                            |  |                        |
| Fire Trucks and Equipment                          | 276,100                        | 3.15             | 5-13-03             | 5-13-10                  | \$ 85,189             | \$ 0                       | \$ 41,917                                  | \$ 43,272              |
| Total Payable through Special Purpose Fund         |                                |                  |                     |                          | <u>\$ 85,189</u>      | <u>\$ 0</u>                | <u>\$ 41,917</u>                           | <u>\$ 43,272</u>       |
| <u>Payable through Other Capital Projects Fund</u> |                                |                  |                     |                          |                       |                            |  |                        |
| Tennessee Vocational Rehabilitation Center         | 1,100,000                      | 3.75             | 2-3-05              | 1-1-15                   | \$ 811,000            | \$ 0                       | \$ 104,000                                 | \$ 707,000             |
| Total Payable through Other Capital Projects Fund  |                                |                  |                     |                          | <u>\$ 811,000</u>     | <u>\$ 0</u>                | <u>\$ 104,000</u>                          | <u>\$ 707,000</u>      |
| Total Notes Payable                                |                                |                  |                     |                          | <u>\$ 3,388,791</u>   | <u>\$ 4,893,000</u>        | <u>\$ 1,776,386</u>                        | <u>\$ 6,505,405</u>    |
| <b>OTHER LOANS PAYABLE</b>                         |                                |                  |                     |                          |                       |                            |  |                        |
| <u>Payable through General Debt Service Fund</u>   |                                |                  |                     |                          |                       |                            |  |                        |
| School   | 8,000,000                      | variable         | 5-23-1997           | 5-25-17                  | \$ 4,608,000          | \$ 0                       | \$ 414,000                                 | \$ 4,194,000           |
| School   | 3,500,000                      | variable         | 1-27-1999           | 5-21-09                  | 438,000               | 0                          | 438,000                                    | 0                      |
| Total Other Loans Payable                          |                                |                  |                     |                          | <u>\$ 5,046,000</u>   | <u>\$ 0</u>                | <u>\$ 852,000</u>                          | <u>\$ 4,194,000</u>    |
| <b>BONDS PAYABLE</b>                               |                                |                  |                     |                          |                       |                            |  |                        |
| <u>Payable through General Debt Service Fund</u>   |                                |                  |                     |                          |                       |                            |  |                        |
| General Obligation School Refunding                | 5,130,000                      | 2 to 4.55        | 1-15-02             | 4-1-16                   | \$ 4,990,000          | \$ 0                       | \$ 535,000                                 | \$ 4,455,000           |
| School   | 14,000,000                     | 2 to 4           | 6-12-03             | 6-30-23                  | 11,655,000            | 0                          | 615,000                                    | 11,040,000             |
| School   | 4,290,000                      | 3.25 to 4.3      | 4-15-05             | 4-25-25                  | 3,955,000             | 0                          | 175,000                                    | 3,780,000              |
| General Obligation                                 | 6,500,000                      | 3.75             | 12-14-06            | 6-30-27                  | 6,275,000             | 0                          | 235,000                                    | 6,040,000              |
| School   | 44,000,000                     | 4 to 5           | 6-14-07             | 4-1-37                   | 44,000,000            | 0                          | 830,000                                    | 43,170,000             |
| General Obligation School Refunding                | 3,435,000                      | 3 to 4.5         | 5-7-08              | 4-1-14                   | 3,435,000             | 0                          | 530,000                                    | 2,905,000              |
| Total Bonds Payable                                |                                |                  |                     |                          | <u>\$ 74,310,000</u>  | <u>\$ 0</u>                | <u>\$ 2,920,000</u>                        | <u>\$ 71,390,000</u>   |

Exhibit L-2

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

| Year<br>Ending<br>June 30 | Note<br>Principal   | Note<br>Interest  | Total<br>Note<br>Requirements |
|---------------------------|---------------------|-------------------|-------------------------------|
| 2010                      | \$ 1,802,127        | \$ 227,318        | \$ 2,029,445                  |
| 2011                      | 1,783,148           | 165,119           | 1,948,267                     |
| 2012                      | 1,528,589           | 101,679           | 1,630,268                     |
| 2013                      | 1,100,185           | 47,417            | 1,147,602                     |
| 2014                      | 162,356             | 10,999            | 173,355                       |
| 2015                      | 129,000             | 4,837             | 133,837                       |
| <b>Total</b>              | <b>\$ 6,505,405</b> | <b>\$ 557,369</b> | <b>\$ 7,062,774</b>           |

| Year<br>Ending<br>June 30 | Other<br>Loan<br>Principal | Other<br>Loan<br>Interest | Other<br>Loan<br>Fees | Total<br>Other<br>Loan<br>Requirements |
|---------------------------|----------------------------|---------------------------|-----------------------|--|
| 2010                      | \$ 435,000                 | \$ 23,992                 | \$ 14,860             | \$ 473,852                             |
| 2011                      | 458,000                    | 21,504                    | 13,425                | 492,929                                |
| 2012                      | 482,000                    | 18,884                    | 11,913                | 512,797                                |
| 2013                      | 508,000                    | 16,126                    | 10,323                | 534,449                                |
| 2014                      | 534,000                    | 13,220                    | 8,646                 | 555,866                                |
| 2015                      | 562,000                    | 10,165                    | 6,884                 | 579,049                                |
| 2016                      | 592,000                    | 6,950                     | 5,030                 | 603,980                                |
| 2017                      | 623,000                    | 3,564                     | 2,991                 | 629,555                                |
| <b>Total</b>              | <b>\$ 4,194,000</b>        | <b>\$ 114,405</b>         | <b>\$ 74,072</b>      | <b>\$ 4,382,477</b>                    |

| Year<br>Ending<br>June 30 | Bond<br>Principal    | Bond<br>Interest     | Total<br>Bond<br>Requirements |
|---------------------------|----------------------|----------------------|-------------------------------|
| 2010                      | \$ 3,005,000         | \$ 3,016,049         | \$ 6,021,049                  |
| 2011                      | 3,120,000            | 2,904,089            | 6,024,089                     |
| 2012                      | 3,230,000            | 2,788,836            | 6,018,836                     |
| 2013                      | 3,350,000            | 2,661,312            | 6,011,312                     |
| 2014                      | 3,470,000            | 2,526,851            | 5,996,851                     |
| 2015                      | 2,950,000            | 2,386,597            | 5,336,597                     |
| 2016                      | 3,070,000            | 2,269,884            | 5,339,884                     |
| 2017                      | 2,435,000            | 2,138,804            | 4,573,804                     |
| 2018                      | 2,520,000            | 2,035,705            | 4,555,705                     |
| 2019                      | 2,630,000            | 1,939,349            | 4,569,349                     |
| 2020                      | 2,725,000            | 1,837,600            | 4,562,600                     |
| 2021                      | 2,840,000            | 1,729,482            | 4,569,482                     |
| 2022                      | 2,960,000            | 1,613,531            | 4,573,531                     |
| 2023                      | 3,080,000            | 1,489,019            | 4,569,019                     |
| 2024                      | 2,175,000            | 1,359,173            | 3,534,173                     |
| 2025                      | 2,265,000            | 1,265,073            | 3,530,073                     |
| 2026                      | 2,045,000            | 1,168,837            | 3,213,837                     |
| 2027                      | 2,130,000            | 1,072,087            | 3,202,087                     |
| 2028                      | 1,745,000            | 971,275              | 2,716,275                     |
| 2029                      | 1,825,000            | 884,025              | 2,709,025                     |
| 2030                      | 1,905,000            | 801,900              | 2,706,900                     |
| 2031                      | 1,990,000            | 716,175              | 2,706,175                     |
| 2032                      | 2,075,000            | 626,625              | 2,701,625                     |
| 2033                      | 2,170,000            | 533,250              | 2,703,250                     |
| 2034                      | 2,265,000            | 435,600              | 2,700,600                     |
| 2035                      | 2,365,000            | 333,675              | 2,698,675                     |
| 2036                      | 2,470,000            | 227,250              | 2,697,250                     |
| 2037                      | 2,580,000            | 116,099              | 2,696,099                     |
| <b>Total</b>              | <b>\$ 71,390,000</b> | <b>\$ 41,848,152</b> | <b>\$ 113,238,152</b>         |

Exhibit L-3

Bedford County, Tennessee  
Schedule of Transfers  
Primary Government and Discretely Presented Bedford County School Department  
For the Year Ended June 30, 2009

| <u>From Fund</u>  | <u>To Fund</u>         | <u>Purpose</u>    | <u>Amount</u>     |
|---|------------------------|-------------------|-------------------|
| <u>PRIMARY GOVERNMENT</u>   |                        |                   |                   |
| Highway/Public Works  | General                | Bookkeeper salary | \$ 19,384         |
| Special Purpose   | General Debt Service   | Debt payments     | 220,712           |
| General Capital Projects  | General Debt Service   | Close project     | 29,990            |
| Emergency Management Agency Projects                                  | General Debt Service   | Close project     | 7,149             |
| Emergency Management Services Projects                                | General Debt Service   | Close project     | 2,745             |
| Other Special Revenue   | Special Purpose        | Operations        | <u>230,000</u>    |
| Total Transfers Primary Government                                    |                        |                   | <u>\$ 509,980</u> |
| <u>DISCRETELY PRESENTED BEDFORD COUNTY SCHOOL DEPARTMENT</u>          |                        |                   |                   |
| School Federal Projects   | General Purpose School | Indirect costs    | \$ 25,149         |
| Total Transfers Discretely Presented Bedford County School Department |                        |                   | <u>\$ 25,149</u>  |

Exhibit L-4

Bedford County, Tennessee  
Schedule of Salaries and Official Bonds of Principal Officials  
Primary Government, Discretely Presented Bedford County School Department, and  
Discretely Presented Bedford County Solid Waste Authority  
For the Year Ended June 30, 2009

| Official  | Authorization for Salary                                | Salary Paid During Period | Bond      | Surety                          |
|---|---|---------------------------|-----------|---------------------------------|
| County Mayor  | Section 8-24-102, <u>TCA</u>                            | \$ 81,254                 | \$ 50,000 | RLI Insurance Company           |
| Highway Superintendent  | Section 8-24-102, <u>TCA</u> , and County Commission    | 91,784 (1)                | 100,000   | Ohio Casualty Insurance Company |
| Superintendent of Schools   | State Board of Education and County Commission          | 95,000                    | 100,000   | RLI Insurance Company           |
| Trustee   | Section 8-24-102, <u>TCA</u>                            | 64,954 (5)                | 1,400,000 | Ohio Casualty Insurance Company |
| Assessor of Property  | Section 8-24-102, <u>TCA</u>                            | 65,704 (6)                | 10,000    | RLI Insurance Company           |
| County Clerk  | Section 8-24-102, <u>TCA</u>                            | 63,954                    | 50,000    | "                               |
| Circuit Court Clerk   | Section 8-24-102, <u>TCA</u> , and County Commission    | 84,945 (2)                | 50,000    | "                               |
| Clerk and Master  | Section 8-24-102, <u>TCA</u> , and Chancery Court Judge | 70,349 (3)                | 50,000    | "                               |
| Register  | Section 8-24-102, <u>TCA</u>                            | 64,954 (5)                | 25,000    | "                               |
| Sheriff   | Section 8-24-102, <u>TCA</u>                            | 58,038 (4)                | 25,000    | "                               |
| Finance Director  | County Commission                                       | 85,000                    | 50,000    | "                               |
| <u>Other Bonds</u>  |   |                           |           |                                 |
| Employee Fidelity - General Government and Discretely Presented Solid Waste Authority |   |                           | 150,000   | Tennessee Risk Management Trust |
| Employee Blanket Bond - Discretely Presented School Department                        |   |                           | 150,000   | "                               |

- (1) Includes salary of \$14,400 paid by the Solid Waste Authority, discretely presented component unit.
- (2) Includes additional ten percent of clerk's salary for overseeing more than one court, \$13,596 received as administrator of the county's driving school, and level three training incentive pay of \$1,000.
- (3) Includes additional ten percent of clerk's salary for overseeing more than one court.
- (4) Includes a salary reduction of \$19,347 because the sheriff does not have the appropriate Certified Law Enforcement Officer Training, per TCA 8-8-102. His salary is reduced 25 percent in the third year. Further reductions will occur in subsequent years.
- (5) Includes level three training incentive pay of \$1,000.
- (6) Includes level three training incentive pay of \$1,000 and Tennessee Certified Assessor's pay of \$750.

Exhibit L-5

Bedford County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types  
 For the Year Ended June 30, 2009

|  | Special Revenue Funds |                    |                 |                       |                             |   |            | Highway /<br>Public<br>Works |
|--|-----------------------|--------------------|-----------------|-----------------------|-----------------------------|---|------------|------------------------------|
|  | General               | Special<br>Purpose | Drug<br>Control | Agriculture<br>Center | Other<br>Special<br>Revenue | Constitu-<br>tional<br>Officers -<br>Fees |            |                              |
| <u>Local Taxes</u>                               |                       |                    |                 |                       |                             |   |            |                              |
| <u>County Property Taxes</u>                     |                       |                    |                 |                       |                             |   |            |                              |
| Current Property Tax                             | \$ 8,009,146          | \$ 0               | \$ 0            | \$ 0                  | \$ 0                        | \$ 0                                      | \$ 288,630 |                              |
| Trustee's Collections - Prior Year               | 302,233               | 0                  | 0               | 0                     | 0                           | 0   | 10,891     |                              |
| Circuit/Clerk & Master Collections - Prior Years | 245,737               | 0                  | 0               | 0                     | 0                           | 0   | 9,476      |                              |
| Interest and Penalty                             | 57,273                | 0                  | 0               | 0                     | 0                           | 0   | 2,119      |                              |
| Payments in-Lieu-of Taxes - T.V.A.               | 2,044                 | 0                  | 0               | 0                     | 0                           | 0   | 97         |                              |
| Payments in-Lieu-of Taxes - Local Utilities      | 53,767                | 0                  | 0               | 0                     | 0                           | 0   | 1,940      |                              |
| Payments in-Lieu-of Taxes - Other                | 87,196                | 0                  | 0               | 0                     | 0                           | 0   | 3,142      |                              |
| <u>County Local Option Taxes</u>                 |                       |                    |                 |                       |                             |   |            |                              |
| Local Option Sales Tax                           | 0                     | 183,205            | 0               | 0                     | 0                           | 0   | 0          |                              |
| Litigation Tax - General                         | 164,768               | 0                  | 0               | 0                     | 0                           | 0   | 0          |                              |
| Litigation Tax - Jail, Workhouse, or Courthouse  | 111,576               | 0                  | 0               | 0                     | 0                           | 0   | 0          |                              |
| Business Tax                                     | 311,258               | 0                  | 0               | 0                     | 0                           | 0   | 0          |                              |
| Mineral Severance Tax                            | 0                     | 0                  | 0               | 0                     | 0                           | 0   | 81,093     |                              |
| Adequate Facilities/Development Tax              | 0                     | 0                  | 0               | 0                     | 0                           | 0   | 0          |                              |
| <u>Statutory Local Taxes</u>                     |                       |                    |                 |                       |                             |   |            |                              |
| Bank Excise Tax                                  | 73,489                | 0                  | 0               | 0                     | 0                           | 0   | 0          |                              |
| Wholesale Beer Tax                               | 181,799               | 0                  | 0               | 0                     | 0                           | 0   | 0          |                              |
| Interstate Telecommunications Tax                | 2,324                 | 0                  | 0               | 0                     | 0                           | 0   | 0          |                              |
| Other Statutory Local Taxes                      | 0                     | 0                  | 0               | 0                     | 0                           | 0   | 0          |                              |
| Total Local Taxes                                | \$ 9,602,610          | \$ 183,205         | \$ 0            | \$ 0                  | \$ 0                        | \$ 0                                      | \$ 397,388 |                              |
| <u>Licenses and Permits</u>                      |                       |                    |                 |                       |                             |   |            |                              |
| <u>Licenses</u>                                  |                       |                    |                 |                       |                             |   |            |                              |
| Cable TV Franchise                               | \$ 13,934             | \$ 0               | \$ 0            | \$ 0                  | \$ 0                        | \$ 0                                      | \$ 0       |                              |
| <u>Permits</u>                                   |                       |                    |                 |                       |                             |   |            |                              |
| Beer Permits                                     | 2,316                 | 0                  | 0               | 0                     | 0                           | 0   | 0          |                              |
| Building Permits                                 | 110,144               | 0                  | 0               | 0                     | 0                           | 0   | 0          |                              |
| Other Permits                                    | 36,096                | 0                  | 0               | 0                     | 0                           | 0   | 0          |                              |
| Total Licenses and Permits                       | \$ 162,490            | \$ 0               | \$ 0            | \$ 0                  | \$ 0                        | \$ 0                                      | \$ 0       |                              |

(Continued)

Exhibit L-5

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

|  | Special Revenue Funds |                    |                 |                       |                             |   |      | Highway /<br>Public<br>Works |
|--|-----------------------|--------------------|-----------------|-----------------------|-----------------------------|---|------|------------------------------|
|  | General               | Special<br>Purpose | Drug<br>Control | Agriculture<br>Center | Other<br>Special<br>Revenue | Constitu-<br>tional<br>Officers -<br>Fees |      |                              |
| <u>Fines, Forfeitures, and Penalties</u>       |                       |                    |                 |                       |                             |   |      |                              |
| <u>Circuit Court</u>                           |                       |                    |                 |                       |                             |   |      |                              |
| Fines  | 12,204 \$             | 0 \$               | 0 \$            | 0 \$                  | 0 \$                        | 0 \$                                      | 0 \$ | 0                            |
| Officers Costs                                 | 5,142                 | 0                  | 0               | 0                     | 0                           | 0   | 0    | 0                            |
| Jail Fees                                      | 627                   | 0                  | 0               | 0                     | 0                           | 0   | 0    | 0                            |
| Data Entry Fee - Circuit Court                 | 101                   | 0                  | 0               | 0                     | 0                           | 0   | 0    | 0                            |
| <u>Criminal Court</u>                          |                       |                    |                 |                       |                             |   |      |                              |
| Interpreter Fees                               | 11,633                | 0                  | 0               | 0                     | 0                           | 0   | 0    | 0                            |
| Courtroom Security Fee                         | 3,943                 | 0                  | 0               | 0                     | 0                           | 0   | 0    | 0                            |
| <u>General Sessions Court</u>                  |                       |                    |                 |                       |                             |   |      |                              |
| Fines  | 67,360                | 0                  | 0               | 0                     | 0                           | 0   | 0    | 0                            |
| Officers Costs                                 | 67,365                | 0                  | 0               | 0                     | 0                           | 0   | 0    | 0                            |
| Game and Fish Fines                            | 779                   | 0                  | 0               | 0                     | 0                           | 0   | 0    | 0                            |
| Drug Control Fines                             | 0                     | 0                  | 12,229          | 0                     | 0                           | 0   | 0    | 0                            |
| Drug Court Fees                                | 286                   | 0                  | 0               | 0                     | 0                           | 0   | 0    | 0                            |
| Jail Fees                                      | 11,230                | 0                  | 0               | 0                     | 0                           | 0   | 0    | 0                            |
| Data Entry Fee - General Sessions Court        | 7,189                 | 0                  | 0               | 0                     | 0                           | 0   | 0    | 0                            |
| Courtroom Security Fee                         | 69,768                | 0                  | 0               | 0                     | 0                           | 0   | 0    | 0                            |
| <u>Juvenile Court</u>                          |                       |                    |                 |                       |                             |   |      |                              |
| Fines  | 16,458                | 0                  | 0               | 0                     | 0                           | 0   | 0    | 0                            |
| Jail Fees                                      | 78,594                | 0                  | 0               | 0                     | 0                           | 0   | 0    | 0                            |
| <u>Chancery Court</u>                          |                       |                    |                 |                       |                             |   |      |                              |
| Officers Costs                                 | 2,299                 | 0                  | 0               | 0                     | 0                           | 0   | 0    | 0                            |
| Data Entry Fee - Chancery Court                | 2,640                 | 0                  | 0               | 0                     | 0                           | 0   | 0    | 0                            |
| <u>Other Courts - In-county</u>                |                       |                    |                 |                       |                             |   |      |                              |
| Fines  | 9,913                 | 325                | 0               | 0                     | 0                           | 0   | 0    | 0                            |
| Jail Fees                                      | 356                   | 0                  | 0               | 0                     | 0                           | 0   | 0    | 0                            |
| <u>Judicial District Drug Program</u>          |                       |                    |                 |                       |                             |   |      |                              |
| Courtroom Security Fee                         | 178                   | 0                  | 0               | 0                     | 0                           | 0   | 0    | 0                            |
| <u>Other Fines, Forfeitures, and Penalties</u> |                       |                    |                 |                       |                             |   |      |                              |
| Other Fines, Forfeitures, and Penalties        | 11,057                | 0                  | 16,901          | 0                     | 0                           | 0   | 0    | 0                            |
| Total Fines, Forfeitures, and Penalties        | 379,122 \$            | 325 \$             | 29,130 \$       | 0 \$                  | 0 \$                        | 0 \$                                      | 0 \$ | 0                            |

(Continued)

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

|   | Special Revenue Funds |                    |                 |                       |                             |   |      | Highway /<br>Public<br>Works |
|---|-----------------------|--------------------|-----------------|-----------------------|-----------------------------|---|------|------------------------------|
|   | General               | Special<br>Purpose | Drug<br>Control | Agriculture<br>Center | Other<br>Special<br>Revenue | Constitu-<br>tional<br>Officers -<br>Fees |      |                              |
| <u>Charges for Current Services</u>           |                       |                    |                 |                       |                             |   |      |                              |
| <u>General Service Charges</u>                |                       |                    |                 |                       |                             |   |      |                              |
| Patient Charges                               | \$ 1,196,831          | \$ 0               | \$ 0            | \$ 0                  | \$ 0                        | \$ 0                                      | \$ 0 | 0                            |
| Work Release Charges for Board                | 10,800                | 0                  | 0               | 0                     | 0                           | 0   | 0    | 0                            |
| Other General Service Charges                 | 26,468                | 0                  | 0               | 0                     | 0                           | 0   | 0    | 0                            |
| Service Charges                               | 50                    | 0                  | 0               | 0                     | 0                           | 0   | 0    | 0                            |
| <u>Fees</u>                                   |                       |                    |                 |                       |                             |   |      |                              |
| Copy Fees                                     | 688                   | 0                  | 0               | 0                     | 0                           | 0   | 0    | 0                            |
| Telephone Commissions                         | 22,154                | 0                  | 0               | 0                     | 0                           | 0   | 0    | 0                            |
| Constitutional Officers' Fees and Commissions | 0                     | 0                  | 0               | 0                     | 0                           | 198                                       | 0    | 0                            |
| Data Processing Fee - Register                | 16,931                | 0                  | 0               | 0                     | 0                           | 0   | 0    | 0                            |
| Probation Fees                                | 400,399               | 0                  | 0               | 0                     | 0                           | 0   | 0    | 0                            |
| Data Processing Fee - Sheriff                 | 1,608                 | 0                  | 0               | 0                     | 0                           | 0   | 0    | 0                            |
| Sexual Offender Registration Fees - Sheriff   | 946                   | 0                  | 0               | 0                     | 0                           | 0   | 0    | 0                            |
| Data Processing Fee - County Clerk            | 3,372                 | 0                  | 0               | 0                     | 0                           | 0   | 0    | 0                            |
| <u>Other Charges for Services</u>             |                       |                    |                 |                       |                             |   |      |                              |
| Other Charges for Services                    | 0                     | 7,185              | 0               | 0                     | 0                           | 0   | 0    | 0                            |
| Total Charges for Current Services            | \$ 1,680,247          | \$ 7,185           | \$ 0            | \$ 0                  | \$ 0                        | \$ 198                                    | \$ 0 | 0                            |
| <u>Other Local Revenues</u>                   |                       |                    |                 |                       |                             |   |      |                              |
| <u>Recurring Items</u>                        |                       |                    |                 |                       |                             |   |      |                              |
| Investment Income                             | 0                     | 0                  | 0               | 0                     | \$ 49,672                   | 0   | 0    | 0                            |
| Lease/Rentals                                 | 4,963                 | 0                  | 0               | 10,349                | 160,782                     | 0   | 0    | 0                            |
| Sale of Materials and Supplies                | 0                     | 0                  | 0               | 0                     | 0                           | 0   | 0    | 352                          |
| Commissary Sales                              | 9,423                 | 0                  | 0               | 0                     | 0                           | 0   | 0    | 0                            |
| Sale of Gasoline                              | 0                     | 0                  | 0               | 0                     | 0                           | 0   | 0    | 7,411                        |
| Sale of Maps                                  | 5,412                 | 0                  | 0               | 0                     | 0                           | 0   | 0    | 0                            |
| Sale of Animals/Livestock                     | 0                     | 8,522              | 0               | 0                     | 0                           | 0   | 0    | 0                            |
| Miscellaneous Refunds                         | 72,403                | 16,668             | 500             | 600                   | 2,634                       | 0   | 0    | 4,370                        |
| <u>Nonrecurring Items</u>                     |                       |                    |                 |                       |                             |   |      |                              |
| Sale of Equipment                             | 7,837                 | 0                  | 0               | 0                     | 0                           | 0   | 0    | 8,231                        |
| Contributions and Gifts                       | 22,309                | 30,000             | 0               | 0                     | 0                           | 0   | 0    | 0                            |

(Continued)

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

|  | Special Revenue Funds |                 |              |                    |                       |                                |                        |
|--|-----------------------|-----------------|--------------|--------------------|-----------------------|--------------------------------|------------------------|
|  | General               | Special Purpose | Drug Control | Agriculture Center | Other Special Revenue | Constitutional Officers - Fees | Highway / Public Works |
| <u>Other Local Revenues (Cont.)</u>        |                       |                 |              |                    |                       |                                |                        |
| Other Local Revenues                       | \$ 165,668            | \$ 0            | \$ 0         | \$ 0               | \$ 0                  | \$ 0                           | \$ 0                   |
| Total Other Local Revenues                 | \$ 288,015            | \$ 55,190       | \$ 500       | \$ 10,949          | \$ 213,088            | \$ 0                           | \$ 20,364              |
| <u>Fees Received from County Officials</u> |                       |                 |              |                    |                       |                                |                        |
| <u>Fees in-Lieu-of Salary</u>              |                       |                 |              |                    |                       |                                |                        |
| County Clerk                               | \$ 377,313            | \$ 0            | \$ 0         | \$ 0               | \$ 0                  | \$ 0                           | \$ 0                   |
| Circuit Court Clerk                        | 136,289               | 0               | 0            | 0                  | 0                     | 0                              | 0                      |
| General Sessions Court Clerk               | 334,795               | 0               | 0            | 0                  | 0                     | 0                              | 0                      |
| Clerk and Master                           | 218,515               | 0               | 0            | 0                  | 0                     | 0                              | 0                      |
| Juvenile Court Clerk                       | 392                   | 0               | 0            | 0                  | 0                     | 0                              | 0                      |
| Register                                   | 192,732               | 0               | 0            | 0                  | 0                     | 0                              | 0                      |
| Sheriff                                    | 35,269                | 0               | 0            | 0                  | 0                     | 0                              | 0                      |
| Trustee                                    | 583,396               | 0               | 0            | 0                  | 0                     | 0                              | 0                      |
| Total Fees Received from County Officials  | \$ 1,878,701          | \$ 0            | \$ 0         | \$ 0               | \$ 0                  | \$ 0                           | \$ 0                   |
| <u>State of Tennessee</u>                  |                       |                 |              |                    |                       |                                |                        |
| <u>General Government Grants</u>           |                       |                 |              |                    |                       |                                |                        |
| Juvenile Services Program                  | \$ 9,000              | \$ 0            | \$ 0         | \$ 0               | \$ 0                  | \$ 0                           | \$ 0                   |
| State Reappraisal Grant                    | 13,080                | 0               | 0            | 0                  | 0                     | 0                              | 0                      |
| Health and Welfare Grants                  |                       |                 |              |                    |                       |                                |                        |
| Health Department Programs                 | 326,070               | 0               | 0            | 0                  | 0                     | 0                              | 0                      |
| Public Works Grants                        |                       |                 |              |                    |                       |                                |                        |
| State Aid Program                          | 0                     | 0               | 0            | 0                  | 0                     | 0                              | 142,765                |
| Litter Program                             | 0                     | 0               | 0            | 0                  | 0                     | 0                              | 40,759                 |
| <u>Other State Revenues</u>                |                       |                 |              |                    |                       |                                |                        |
| Income Tax                                 | 518,603               | 0               | 0            | 0                  | 0                     | 0                              | 0                      |
| Beer Tax                                   | 18,701                | 0               | 0            | 0                  | 0                     | 0                              | 0                      |
| Alcoholic Beverage Tax                     | 57,585                | 0               | 0            | 0                  | 0                     | 0                              | 0                      |
| Mixed Drink Tax                            | 5,938                 | 0               | 0            | 0                  | 0                     | 0                              | 0                      |
| State Revenue Sharing - T.V.A.             | 299,831               | 0               | 0            | 0                  | 0                     | 0                              | 10,805                 |

(Continued)

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

|  | Special Revenue Funds |                    |                  |                       |                             |   |                     | Highway /<br>Public<br>Works |
|--|-----------------------|--------------------|------------------|-----------------------|-----------------------------|---|---------------------|------------------------------|
|  | General               | Special<br>Purpose | Drug<br>Control  | Agriculture<br>Center | Other<br>Special<br>Revenue | Constitu-<br>tional<br>Officers -<br>Fees |                     |                              |
| <u>State of Tennessee (Cont.)</u>                  |                       |                    |                  |                       |                             |   |                     |                              |
| <u>Other State Revenues (Cont.)</u>                |                       |                    |                  |                       |                             |   |                     |                              |
| Contracted Prisoner Boarding                       | \$ 989,618            | \$ 0               | \$ 0             | \$ 0                  | \$ 0                        | \$ 0                                      | \$ 0                | 0                            |
| Gasoline and Motor Fuel Tax                        | 0                     | 0                  | 0                | 0                     | 0                           | 0   | 0                   | 1,753,732                    |
| Petroleum Special Tax                              | 0                     | 0                  | 0                | 0                     | 0                           | 0   | 0                   | 30,186                       |
| Registrar's Salary Supplement                      | 10,817                | 0                  | 0                | 0                     | 0                           | 0   | 0                   | 0                            |
| Other State Revenues                               | 11,277                | 0                  | 0                | 0                     | 0                           | 0   | 0                   | 0                            |
| <b>Total State of Tennessee</b>                    | <b>\$ 2,260,520</b>   | <b>\$ 0</b>        | <b>\$ 0</b>      | <b>\$ 0</b>           | <b>\$ 0</b>                 | <b>\$ 0</b>                               | <b>\$ 0</b>         | <b>1,978,247</b>             |
| <u>Federal Government</u>                          |                       |                    |                  |                       |                             |   |                     |                              |
| <u>Federal Through State</u>                       |                       |                    |                  |                       |                             |   |                     |                              |
| Community Development                              | \$ 0                  | \$ 0               | \$ 0             | \$ 0                  | \$ 0                        | \$ 0                                      | \$ 0                | 0                            |
| Homeland Security Grants                           | 55,125                | 0                  | 0                | 0                     | 0                           | 0   | 0                   | 0                            |
| Other Federal through State                        | 64,872                | 0                  | 0                | 0                     | 0                           | 0   | 0                   | 0                            |
| <b>Total Federal Government</b>                    | <b>\$ 119,997</b>     | <b>\$ 0</b>        | <b>\$ 0</b>      | <b>\$ 0</b>           | <b>\$ 0</b>                 | <b>\$ 0</b>                               | <b>\$ 0</b>         | <b>0</b>                     |
| <u>Other Governments and Citizens Groups</u>       |                       |                    |                  |                       |                             |   |                     |                              |
| <u>Other Governments</u>                           |                       |                    |                  |                       |                             |   |                     |                              |
| Paving and Maintenance                             | \$ 0                  | \$ 0               | \$ 0             | \$ 0                  | \$ 0                        | \$ 0                                      | \$ 0                | 110,161                      |
| Contributions                                      | 0                     | 44,645             | 0                | 0                     | 0                           | 0   | 0                   | 0                            |
| <b>Total Other Governments and Citizens Groups</b> | <b>\$ 0</b>           | <b>\$ 44,645</b>   | <b>\$ 0</b>      | <b>\$ 0</b>           | <b>\$ 0</b>                 | <b>\$ 0</b>                               | <b>\$ 0</b>         | <b>110,161</b>               |
| <b>Total</b>                                       | <b>\$ 16,371,702</b>  | <b>\$ 300,550</b>  | <b>\$ 29,630</b> | <b>\$ 10,949</b>      | <b>\$ 213,088</b>           | <b>\$ 198</b>                             | <b>\$ 2,506,160</b> |                              |

(Continued)

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

|  | Debt Service Fund    |      | Capital Projects Funds                |      |                       |      |  | Total         |
|--|----------------------|------|---------------------------------------|------|-----------------------|------|--|---------------|
|  | General Debt Service |      | Community Development/Industrial Park |      | Nursing Home Projects |      | Emergency Management Services Projects |               |
|  |                      |      |                                       |      |                       |      |  |               |
| <u>Local Taxes</u>                               |                      |      |                                       |      |                       |      |  |               |
| <u>County Property Taxes</u>                     |                      |      |                                       |      |                       |      |  |               |
| Current Property Tax                             | \$ 720,983           | \$ 0 | \$ 0                                  | \$ 0 | \$ 0                  | \$ 0 | \$ 0                                   | \$ 9,018,759  |
| Trustee's Collections - Prior Year               | 26,913               | 0    | 0                                     | 0    | 0                     | 0    | 0                                      | 340,037       |
| Circuit/Clerk & Master Collections - Prior Years | 21,794               | 0    | 0                                     | 0    | 0                     | 0    | 0                                      | 277,007       |
| Interest and Penalty                             | 5,129                | 0    | 0                                     | 0    | 0                     | 0    | 0                                      | 64,521        |
| Payments in-Lieu-of Taxes - T.V.A.               | 243                  | 0    | 0                                     | 0    | 0                     | 0    | 0                                      | 2,384         |
| Payments in-Lieu-of Taxes - Local Utilities      | 4,842                | 0    | 0                                     | 0    | 0                     | 0    | 0                                      | 60,549        |
| Payments in-Lieu-of Taxes - Other                | 7,856                | 0    | 0                                     | 0    | 0                     | 0    | 0                                      | 98,194        |
| <u>County Local Option Taxes</u>                 |                      |      |                                       |      |                       |      |  |               |
| Local Option Sales Tax                           | 4,680,845            | 0    | 0                                     | 0    | 0                     | 0    | 0                                      | 4,874,050     |
| Litigation Tax - General                         | 0                    | 0    | 0                                     | 0    | 0                     | 0    | 0                                      | 164,768       |
| Litigation Tax - Jail, Workhouse, or Courthouse  | 0                    | 0    | 0                                     | 0    | 0                     | 0    | 0                                      | 111,576       |
| Business Tax                                     | 0                    | 0    | 0                                     | 0    | 0                     | 0    | 0                                      | 311,258       |
| Mineral Severance Tax                            | 0                    | 0    | 0                                     | 0    | 0                     | 0    | 0                                      | 81,093        |
| Adequate Facilities/Development Tax              | 283,189              | 0    | 0                                     | 0    | 0                     | 0    | 0                                      | 283,189       |
| <u>Statutory Local Taxes</u>                     |                      |      |                                       |      |                       |      |  |               |
| Bank Excise Tax                                  | 0                    | 0    | 0                                     | 0    | 0                     | 0    | 0                                      | 73,489        |
| Wholesale Beer Tax                               | 0                    | 0    | 0                                     | 0    | 0                     | 0    | 0                                      | 181,799       |
| Interstate Telecommunications Tax                | 0                    | 0    | 0                                     | 0    | 0                     | 0    | 0                                      | 2,324         |
| Other Statutory Local Taxes                      | 29,807               | 0    | 0                                     | 0    | 0                     | 0    | 0                                      | 29,807        |
| Total Local Taxes                                | \$ 5,781,601         | \$ 0 | \$ 0                                  | \$ 0 | \$ 0                  | \$ 0 | \$ 0                                   | \$ 15,974,804 |
| <u>Licenses and Permits</u>                      |                      |      |                                       |      |                       |      |  |               |
| <u>Licenses</u>                                  |                      |      |                                       |      |                       |      |  |               |
| Cable TV Franchise                               | 0                    | 0    | 0                                     | 0    | 0                     | 0    | 0                                      | 13,934        |
| <u>Permits</u>                                   |                      |      |                                       |      |                       |      |  |               |
| Beer Permits                                     | 0                    | 0    | 0                                     | 0    | 0                     | 0    | 0                                      | 2,316         |
| Building Permits                                 | 0                    | 0    | 0                                     | 0    | 0                     | 0    | 0                                      | 110,144       |
| Other Permits                                    | 0                    | 0    | 0                                     | 0    | 0                     | 0    | 0                                      | 36,096        |
| Total Licenses and Permits                       | \$ 0                 | \$ 0 | \$ 0                                  | \$ 0 | \$ 0                  | \$ 0 | \$ 0                                   | \$ 162,490    |

(Continued)



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

|   | Debt Service |                      |      |         |                                       |   |   | Capital Projects Funds |  |                        |   |   | Total     |
|---|--------------|----------------------|------|---------|---------------------------------------|---|---|------------------------|--|------------------------|---|---|-----------|
|   | Fund         | General Debt Service |      |         |                                       |   |   | Nursing Home Projects  | Emergency Management Services Projects | Other Capital Projects |   |   |           |
|   |              | General              | Debt | Service | Community Development/Industrial Park |   |   |                        |  |                        |   |   |           |
| <u>Charges for Current Services</u>           |              |                      |      |         |                                       |   |   |                        |  |                        |   |   |           |
| <u>General Service Charges</u>                |              |                      |      |         |                                       |   |   |                        |  |                        |   |   |           |
| Patient Charges                               | \$           | 0                    | 0    | 0       | 0                                     | 0 | 0 | 0                      | 0                                      | 0                      | 0 | 0 | 1,196,831 |
| Work Release Charges for Board                |              | 0                    | 0    | 0       | 0                                     | 0 | 0 | 0                      | 0                                      | 0                      | 0 | 0 | 10,800    |
| Other General Service Charges                 |              | 0                    | 0    | 0       | 0                                     | 0 | 0 | 0                      | 0                                      | 0                      | 0 | 0 | 26,468    |
| Service Charges                               |              | 0                    | 0    | 0       | 0                                     | 0 | 0 | 0                      | 0                                      | 0                      | 0 | 0 | 50        |
| <u>Fees</u>                                   |              |                      |      |         |                                       |   |   |                        |  |                        |   |   |           |
| Copy Fees                                     |              | 0                    | 0    | 0       | 0                                     | 0 | 0 | 0                      | 0                                      | 0                      | 0 | 0 | 688       |
| Telephone Commissions                         |              | 0                    | 0    | 0       | 0                                     | 0 | 0 | 0                      | 0                                      | 0                      | 0 | 0 | 22,154    |
| Constitutional Officers' Fees and Commissions |              | 0                    | 0    | 0       | 0                                     | 0 | 0 | 0                      | 0                                      | 0                      | 0 | 0 | 198       |
| Data Processing Fee - Register                |              | 0                    | 0    | 0       | 0                                     | 0 | 0 | 0                      | 0                                      | 0                      | 0 | 0 | 16,931    |
| Probation Fees                                |              | 0                    | 0    | 0       | 0                                     | 0 | 0 | 0                      | 0                                      | 0                      | 0 | 0 | 400,399   |
| Data Processing Fee - Sheriff                 |              | 0                    | 0    | 0       | 0                                     | 0 | 0 | 0                      | 0                                      | 0                      | 0 | 0 | 1,608     |
| Sexual Offender Registration Fees - Sheriff   |              | 0                    | 0    | 0       | 0                                     | 0 | 0 | 0                      | 0                                      | 0                      | 0 | 0 | 946       |
| Data Processing Fee - County Clerk            |              | 0                    | 0    | 0       | 0                                     | 0 | 0 | 0                      | 0                                      | 0                      | 0 | 0 | 3,372     |
| <u>Other Charges for Services</u>             |              |                      |      |         |                                       |   |   |                        |  |                        |   |   |           |
| Other Charges for Services                    |              | 0                    | 0    | 0       | 0                                     | 0 | 0 | 0                      | 0                                      | 0                      | 0 | 0 | 7,185     |
| Total Charges for Current Services            | \$           | 0                    | 0    | 0       | 0                                     | 0 | 0 | 0                      | 0                                      | 0                      | 0 | 0 | 1,687,630 |
| <u>Other Local Revenues</u>                   |              |                      |      |         |                                       |   |   |                        |  |                        |   |   |           |
| <u>Recurring Items</u>                        |              |                      |      |         |                                       |   |   |                        |  |                        |   |   |           |
| Investment Income                             |              | 663,441              | \$   | 0       | 0                                     | 0 | 0 | 0                      | 0                                      | 0                      | 0 | 0 | 713,713   |
| Lease/Rentals                                 |              | 0                    | 0    | 0       | 0                                     | 0 | 0 | 0                      | 0                                      | 133,732                | 0 | 0 | 309,826   |
| Sale of Materials and Supplies                |              | 0                    | 0    | 0       | 0                                     | 0 | 0 | 0                      | 0                                      | 0                      | 0 | 0 | 352       |
| Commissary Sales                              |              | 0                    | 0    | 0       | 0                                     | 0 | 0 | 0                      | 0                                      | 0                      | 0 | 0 | 9,423     |
| Sale of Gasoline                              |              | 0                    | 0    | 0       | 0                                     | 0 | 0 | 0                      | 0                                      | 0                      | 0 | 0 | 7,411     |
| Sale of Maps                                  |              | 0                    | 0    | 0       | 0                                     | 0 | 0 | 0                      | 0                                      | 0                      | 0 | 0 | 5,412     |
| Sale of Animals/Livestock                     |              | 0                    | 0    | 0       | 0                                     | 0 | 0 | 0                      | 0                                      | 0                      | 0 | 0 | 8,522     |
| Miscellaneous Refunds                         |              | 2,413                | 0    | 0       | 0                                     | 0 | 0 | 0                      | 0                                      | 0                      | 0 | 0 | 121,790   |
| Nonrecurring Items                            |              |                      |      |         |                                       |   |   |                        |  |                        |   |   |           |
| Sale of Equipment                             |              | 0                    | 0    | 0       | 0                                     | 0 | 0 | 0                      | 0                                      | 0                      | 0 | 0 | 16,068    |
| Contributions and Gifts                       |              | 0                    | 0    | 0       | 0                                     | 0 | 0 | 0                      | 0                                      | 0                      | 0 | 0 | 52,309    |

(Continued)

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

|    | Debt Service Fund    |                             | Capital Projects Funds                |                       |  |                        |       | Total |           |
|----|----------------------|-----------------------------|---------------------------------------|-----------------------|--|------------------------|-------|-------|-----------|
|    | General Debt Service | Development/Industrial Park | Community Development/Industrial Park | Nursing Home Projects | Emergency Management Services Projects | Other Capital Projects |       |       |           |
|    |                      |                             |                                       |                       |  |                        |       |       |           |
| \$ | 0                    | \$                          | 0                                     | \$                    | 0                                      | \$                     | 0     | \$    | 165,668   |
| \$ | 665,854              | \$                          | 0                                     | \$                    | 600                                    | \$                     | 1,500 | \$    | 1,410,494 |

Other Local Revenues (Cont.)

|                            |    |         |    |   |    |     |    |       |    |           |
|----------------------------|----|---------|----|---|----|-----|----|-------|----|-----------|
| Other Local Revenues       |    |         |    |   |    |     |    |       |    |           |
| Total Other Local Revenues | \$ | 665,854 | \$ | 0 | \$ | 600 | \$ | 1,500 | \$ | 1,410,494 |

Fees Received from County Officials

|   |    |   |    |   |    |   |    |   |    |           |
|---|----|---|----|---|----|---|----|---|----|-----------|
| Fees in-Lieu-of Salary                    | \$ | 0 | \$ | 0 | \$ | 0 | \$ | 0 | \$ | 377,313   |
| County Clerk                              |    |   |    |   |    |   |    |   |    | 136,289   |
| Circuit Court Clerk                       |    |   |    |   |    |   |    |   |    | 334,795   |
| General Sessions Court Clerk              |    |   |    |   |    |   |    |   |    | 218,515   |
| Clerk and Master                          |    |   |    |   |    |   |    |   |    | 392       |
| Juvenile Court Clerk                      |    |   |    |   |    |   |    |   |    | 192,732   |
| Register                                  |    |   |    |   |    |   |    |   |    | 35,269    |
| Sheriff                                   |    |   |    |   |    |   |    |   |    | 583,396   |
| Trustee                                   |    |   |    |   |    |   |    |   |    |           |
| Total Fees Received from County Officials | \$ | 0 | \$ | 0 | \$ | 0 | \$ | 0 | \$ | 1,878,701 |

State of Tennessee

|                                |    |        |    |   |    |   |    |   |    |         |
|--------------------------------|----|--------|----|---|----|---|----|---|----|---------|
| General Government Grants      | \$ | 0      | \$ | 0 | \$ | 0 | \$ | 0 | \$ | 9,000   |
| Juvenile Services Program      |    |        |    |   |    |   |    |   |    | 13,080  |
| State Reappraisal Grant        |    |        |    |   |    |   |    |   |    | 326,070 |
| Health and Welfare Grants      |    |        |    |   |    |   |    |   |    |         |
| Health Department Programs     |    |        |    |   |    |   |    |   |    |         |
| Public Works Grants            |    |        |    |   |    |   |    |   |    |         |
| State Aid Program              |    |        |    |   |    |   |    |   |    | 142,765 |
| Litter Program                 |    |        |    |   |    |   |    |   |    | 40,759  |
| Other State Revenues           |    |        |    |   |    |   |    |   |    |         |
| Income Tax                     |    |        |    |   |    |   |    |   |    | 518,603 |
| Beer Tax                       |    |        |    |   |    |   |    |   |    | 18,701  |
| Alcoholic Beverage Tax         |    |        |    |   |    |   |    |   |    | 57,585  |
| Mixed Drink Tax                |    |        |    |   |    |   |    |   |    | 5,938   |
| State Revenue Sharing - T.V.A. |    | 27,012 |    | 0 |    | 0 |    | 0 |    | 337,648 |

(Continued)

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

|  | Capital Projects Funds |              |                                       |        |                       |      |  |      |                        |      | Total        |
|--|------------------------|--------------|---------------------------------------|--------|-----------------------|------|--|------|------------------------|------|--------------|
|  | Debt Service Fund      |              | Community Development/Industrial Park |        | Nursing Home Projects |      | Emergency Management Services Projects |      | Other Capital Projects |      |              |
|  | General                | Debt Service | Development/Industrial Park           |        | Nursing Home Projects |      | Emergency Management Services Projects |      | Other Capital Projects |      |              |
| <u>State of Tennessee (Cont.)</u>            |                        |              |                                       |        |                       |      |  |      |                        |      |              |
| Other State Revenues (Cont.)                 |                        |              |                                       |        |                       |      |  |      |                        |      |              |
| Contracted Prisoner Boarding                 | 0                      | 0            | 0                                     | 0      | 0                     | 0    | 0                                      | 0    | 0                      | 0    | 989,618      |
| Gasoline and Motor Fuel Tax                  | 0                      | 0            | 0                                     | 0      | 0                     | 0    | 0                                      | 0    | 0                      | 0    | 1,753,732    |
| Petroleum Special Tax                        | 0                      | 0            | 0                                     | 0      | 0                     | 0    | 0                                      | 0    | 0                      | 0    | 30,186       |
| Registrar's Salary Supplement                | 0                      | 0            | 0                                     | 0      | 0                     | 0    | 0                                      | 0    | 0                      | 0    | 10,817       |
| Other State Revenues                         | 0                      | 0            | 0                                     | 0      | 0                     | 0    | 0                                      | 0    | 0                      | 0    | 11,277       |
| Total State of Tennessee                     | \$ 27,012              | \$ 0         | \$ 0                                  | \$ 0   | \$ 0                  | \$ 0 | \$ 0                                   | \$ 0 | \$ 0                   | \$ 0 | \$ 4,265,779 |
| <u>Federal Government</u>                    |                        |              |                                       |        |                       |      |  |      |                        |      |              |
| Federal Through State                        |                        |              |                                       |        |                       |      |  |      |                        |      |              |
| Community Development                        | 0                      | 0            | 500,000                               | 0      | 0                     | 0    | 0                                      | 0    | 0                      | 0    | 500,000      |
| Homeland Security Grants                     | 0                      | 0            | 0                                     | 0      | 0                     | 0    | 0                                      | 0    | 0                      | 0    | 55,125       |
| Other Federal through State                  | 0                      | 0            | 0                                     | 0      | 0                     | 0    | 0                                      | 0    | 0                      | 0    | 64,872       |
| Total Federal Government                     | \$ 0                   | \$ 0         | \$ 500,000                            | \$ 0   | \$ 0                  | \$ 0 | \$ 0                                   | \$ 0 | \$ 0                   | \$ 0 | \$ 619,997   |
| <u>Other Governments and Citizens Groups</u> |                        |              |                                       |        |                       |      |  |      |                        |      |              |
| Other Governments                            |                        |              |                                       |        |                       |      |  |      |                        |      |              |
| Paving and Maintenance                       | 0                      | 0            | 0                                     | 0      | 0                     | 0    | 0                                      | 0    | 0                      | 0    | 110,161      |
| Contributions                                | 1,038,693              | 0            | 0                                     | 0      | 0                     | 0    | 0                                      | 0    | 0                      | 0    | 1,083,338    |
| Total Other Governments and Citizens Groups  | \$ 1,038,693           | \$ 0         | \$ 0                                  | \$ 0   | \$ 0                  | \$ 0 | \$ 0                                   | \$ 0 | \$ 0                   | \$ 0 | \$ 1,193,499 |
| Total  | \$ 7,513,160           | \$ 0         | \$ 500,000                            | \$ 600 | \$ 1,500              | \$ 0 | \$ 154,434                             | \$ 0 | \$ 27,601,971          |      |              |

Bedford County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
Discretely Presented Bedford County School Department  
For the Year Ended June 30, 2009

|  | General Purpose School | School Federal Projects | Central Cafeteria | Extended School Program | Education Capital Projects | Total        |
|--|------------------------|-------------------------|-------------------|-------------------------|----------------------------|--------------|
| <u>Local Taxes</u>                               |                        |                         |                   |                         |                            |              |
| <u>County Property Taxes</u>                     |                        |                         |                   |                         |                            |              |
| Current Property Tax                             | \$ 7,360,108           | \$ 0                    | \$ 0              | \$ 0                    | \$ 0                       | \$ 7,360,108 |
| Trustee's Collections - Prior Year               | 247,059                | 0                       | 0                 | 0                       | 0                          | 247,059      |
| Circuit/Clerk & Master Collections - Prior Years | 225,522                | 0                       | 0                 | 0                       | 0                          | 225,522      |
| Interest and Penalty                             | 51,612                 | 0                       | 0                 | 0                       | 0                          | 51,612       |
| Payments in-Lieu-of Taxes - T.V.A.               | 6,669                  | 0                       | 0                 | 0                       | 0                          | 6,669        |
| Payments in-Lieu-of Taxes - Local Utilities      | 45,221                 | 0                       | 0                 | 0                       | 0                          | 45,221       |
| Payments in-Lieu-of Taxes - Other                | 80,126                 | 0                       | 0                 | 0                       | 0                          | 80,126       |
| <u>County Local Option Taxes</u>                 |                        |                         |                   |                         |                            |              |
| Local Option Sales Tax                           | 1,795,056              | 0                       | 0                 | 0                       | 0                          | 1,795,056    |
| <u>Statutory Local Taxes</u>                     |                        |                         |                   |                         |                            |              |
| Interstate Telecommunications Tax                | 5,029                  | 0                       | 0                 | 0                       | 0                          | 5,029        |
| Total Local Taxes                                | \$ 9,816,402           | \$ 0                    | \$ 0              | \$ 0                    | \$ 0                       | \$ 9,816,402 |
| <u>Licenses and Permits</u>                      |                        |                         |                   |                         |                            |              |
| <u>Licenses</u>                                  |                        |                         |                   |                         |                            |              |
| Marriage Licenses                                | 2,693                  | 0                       | 0                 | 0                       | 0                          | 2,693        |
| Total Licenses and Permits                       | \$ 2,693               | \$ 0                    | \$ 0              | \$ 0                    | \$ 0                       | \$ 2,693     |
| <u>Charges for Current Services</u>              |                        |                         |                   |                         |                            |              |
| <u>Education Charges</u>                         |                        |                         |                   |                         |                            |              |
| Tuition - Summer School                          | 1,290                  | 0                       | 0                 | 0                       | 0                          | 1,290        |
| Tuition - Other                                  | 0                      | 0                       | 0                 | 355,803                 | 0                          | 355,803      |
| Lunch Payments - Children                        | 0                      | 0                       | 758,028           | 0                       | 0                          | 758,028      |
| Lunch Payments - Adults                          | 0                      | 0                       | 146,556           | 0                       | 0                          | 146,556      |
| Income from Breakfast                            | 0                      | 0                       | 226,822           | 0                       | 0                          | 226,822      |
| A la carte Sales                                 | 0                      | 0                       | 177,044           | 0                       | 0                          | 177,044      |
| Receipts from Individual Schools                 | 181,878                | 0                       | 0                 | 0                       | 0                          | 181,878      |
| <u>Other Charges for Services</u>                |                        |                         |                   |                         |                            |              |
| Other Charges for Services                       | 2,585                  | 0                       | 0                 | 0                       | 0                          | 2,585        |
| Total Charges for Current Services               | \$ 185,753             | \$ 0                    | \$ 1,308,450      | \$ 355,803              | \$ 0                       | \$ 1,850,006 |

(Continued)

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

|                                   | General Purpose School | School Federal Projects | Central Cafeteria | Extended School Program | Education Capital Projects | Total      |
|-----------------------------------|------------------------|-------------------------|-------------------|-------------------------|----------------------------|------------|
| <u>Other Local Revenues</u>       |                        |                         |                   |                         |                            |            |
| <u>Recurring Items</u>            |                        |                         |                   |                         |                            |            |
| Investment Income                 | 0 \$                   | 0 \$                    | 14,496 \$         | 0 \$                    | 0 \$                       | 14,496     |
| Lease/Rentals                     | 1,461                  | 0                       | 0                 | 0                       | 0                          | 1,461      |
| Miscellaneous Refunds             | 145,694                | 563                     | 0                 | 0                       | 9,718                      | 155,975    |
| <u>Nonrecurring Items</u>         |                        |                         |                   |                         |                            |            |
| Sale of Equipment                 | 7,666                  | 0                       | 0                 | 0                       | 0                          | 7,666      |
| Contributions and Gifts           | 11,746                 | 0                       | 0                 | 19                      | 0                          | 11,765     |
| Total Other Local Revenues        | \$ 166,567 \$          | 563 \$                  | 14,496 \$         | 19 \$                   | 9,718 \$                   | 191,363    |
| <u>State of Tennessee</u>         |                        |                         |                   |                         |                            |            |
| <u>General Government Grants</u>  |                        |                         |                   |                         |                            |            |
| On-Behalf Contributions for OPEB  | \$ 106,594 \$          | 0 \$                    | 0 \$              | 0 \$                    | 0 \$                       | 106,594    |
| <u>State Education Funds</u>      |                        |                         |                   |                         |                            |            |
| Basic Education Program           | 31,956,400             | 0                       | 0                 | 0                       | 0                          | 31,956,400 |
| Basic Education Program - ARRA    | 390,700                | 0                       | 0                 | 0                       | 0                          | 390,700    |
| Early Childhood Education         | 205,771                | 0                       | 0                 | 0                       | 0                          | 205,771    |
| School Food Service               | 40,448                 | 0                       | 0                 | 0                       | 0                          | 40,448     |
| Driver Education                  | 17,607                 | 0                       | 0                 | 0                       | 0                          | 17,607     |
| Literacy Coordination             | 626,900                | 0                       | 0                 | 0                       | 0                          | 626,900    |
| Other State Education Funds       | 213,636                | 0                       | 0                 | 0                       | 0                          | 213,636    |
| Career Ladder Program             | 338,622                | 0                       | 0                 | 0                       | 0                          | 338,622    |
| Career Ladder - Extended Contract | 170,500                | 0                       | 0                 | 0                       | 0                          | 170,500    |
| <u>Other State Revenues</u>       |                        |                         |                   |                         |                            |            |
| Mixed Drink Tax                   | 7,136                  | 0                       | 0                 | 0                       | 0                          | 7,136      |
| State Revenue Sharing - T.V.A.    | 275,520                | 0                       | 0                 | 0                       | 0                          | 275,520    |
| Other State Grants                | 280,924                | 0                       | 0                 | 0                       | 0                          | 280,924    |
| Other State Revenues              | 800                    | 0                       | 0                 | 0                       | 0                          | 800        |
| Total State of Tennessee          | \$ 34,631,558 \$       | 0 \$                    | 0 \$              | 0 \$                    | 0 \$                       | 34,631,558 |
| <u>Federal Government</u>         |                        |                         |                   |                         |                            |            |
| <u>Federal Through State</u>      |                        |                         |                   |                         |                            |            |
| USDA School Lunch Program         | \$ 0 \$                | 0 \$                    | 1,600,949 \$      | 0 \$                    | 0 \$                       | 1,600,949  |
| Breakfast                         | 0                      | 0                       | 509,228           | 0                       | 0                          | 509,228    |
| USDA - Other                      | 0                      | 0                       | 82,938            | 0                       | 0                          | 82,938     |

(Continued)

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

|  | General Purpose School | School Federal Projects | Central Cafeteria   | Extended School Program | Education Capital Projects | Total                |
|--|------------------------|-------------------------|---------------------|-------------------------|----------------------------|----------------------|
| <b>Federal Government (Cont.)</b>                  |                        |                         |                     |                         |                            |                      |
| <u>Federal Through State (Cont.)</u>               |                        |                         |                     |                         |                            |                      |
| Adult Education State Grant Program                | \$ 142,387             | \$ 0                    | \$ 0                | \$ 0                    | \$ 0                       | \$ 142,387           |
| Vocational Education - Basic Grants to States      | 0                      | 122,698                 | 0                   | 0                       | 0                          | 122,698              |
| Title I Grants to Local Education Agencies         | 0                      | 1,360,848               | 0                   | 0                       | 0                          | 1,360,848            |
| Special Education - Grants to States               | 0                      | 1,530,590               | 0                   | 0                       | 0                          | 1,530,590            |
| Special Education Preschool Grants                 | 0                      | 65,625                  | 0                   | 0                       | 0                          | 65,625               |
| English Language Acquisition Grants                | 0                      | 177,723                 | 0                   | 0                       | 0                          | 177,723              |
| Safe and Drug-Free Schools - State Grants          | 0                      | 22,002                  | 0                   | 0                       | 0                          | 22,002               |
| Eisenhower Professional Development State Grants   | 0                      | 422,801                 | 0                   | 0                       | 0                          | 422,801              |
| Other Federal through State                        | 33,402                 | 0                       | 0                   | 0                       | 0                          | 33,402               |
| <b>Total Federal Government</b>                    | <b>\$ 175,789</b>      | <b>\$ 3,702,287</b>     | <b>\$ 2,193,115</b> | <b>\$ 0</b>             | <b>\$ 0</b>                | <b>\$ 6,071,191</b>  |
| <b>Other Governments and Citizens Groups</b>       |                        |                         |                     |                         |                            |                      |
| <u>Other Governments</u>                           |                        |                         |                     |                         |                            |                      |
| Contributions                                      | \$ 0                   | \$ 0                    | \$ 0                | \$ 0                    | \$ 4,693,000               | \$ 4,693,000         |
| <b>Total Other Governments and Citizens Groups</b> | <b>\$ 0</b>            | <b>\$ 0</b>             | <b>\$ 0</b>         | <b>\$ 0</b>             | <b>\$ 4,693,000</b>        | <b>\$ 4,693,000</b>  |
| <b>Total</b>                                       | <b>\$ 44,978,762</b>   | <b>\$ 3,702,850</b>     | <b>\$ 3,516,061</b> | <b>\$ 355,822</b>       | <b>\$ 4,702,718</b>        | <b>\$ 57,256,213</b> |

Exhibit L-7

Bedford County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
Discretely Presented Bedford County Solid Waste Authority  
For the Year Ended June 30, 2009

|  | Solid<br>Waste /<br>Sanitation |
|--|--------------------------------|
| <hr/>  |                                |
| <u>Other Local Revenues</u>                  |                                |
| <u>Recurring Items</u>                       |                                |
| Sale of Recycled Materials                   | \$ 40,793                      |
| Miscellaneous Refunds                        | 4,233                          |
| <u>Nonrecurring Items</u>                    |                                |
| Sale of Equipment                            | 1,300                          |
| Total Other Local Revenues                   | <u>\$ 46,326</u>               |
| <br>   |                                |
| <u>State of Tennessee</u>                    |                                |
| <u>General Government Grants</u>             |                                |
| Solid Waste Grants                           | \$ 28,400                      |
| Total State of Tennessee                     | <u>\$ 28,400</u>               |
| <br>   |                                |
| <u>Other Governments and Citizens Groups</u> |                                |
| <u>Other Governments</u>                     |                                |
| Contributions                                | \$ 855,000                     |
| Total Other Governments and Citizens Groups  | <u>\$ 855,000</u>              |
| <br>   |                                |
| Total  | <u><u>\$ 929,726</u></u>       |

Exhibit L-8

Bedford County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2009

General Fund

General Government

County Commission

|                                  |    |        |            |
|----------------------------------|----|--------|------------|
| Board and Committee Members Fees | \$ | 87,579 |            |
| Social Security                  |    | 6,631  |            |
| State Retirement                 |    | 3,922  |            |
| Employer Medicare                |    | 366    |            |
| Advertising                      |    | 6,534  |            |
| Total County Commission          |    |        | \$ 105,032 |

Board of Equalization

|                                  |    |       |       |
|----------------------------------|----|-------|-------|
| Board and Committee Members Fees | \$ | 1,260 |       |
| Total Board of Equalization      |    |       | 1,260 |

Beer Board

|                                  |    |     |     |
|----------------------------------|----|-----|-----|
| Board and Committee Members Fees | \$ | 225 |     |
| Total Beer Board                 |    |     | 225 |

Budget and Finance Committee

|                                    |    |       |       |
|------------------------------------|----|-------|-------|
| Board and Committee Members Fees   | \$ | 2,845 |       |
| Social Security                    |    | 149   |       |
| State Retirement                   |    | 149   |       |
| Total Budget and Finance Committee |    |       | 3,143 |

County Mayor/Executive

|  |    |        |         |
|--|----|--------|---------|
| County Official/Administrative Officer         | \$ | 81,254 |         |
| Data Processing Personnel                      |    | 16,419 |         |
| Secretary(ies)                                 |    | 26,400 |         |
| Clerical Personnel                             |    | 20,912 |         |
| Educational Incentive - Official/Admin Officer |    | 240    |         |
| Social Security                                |    | 10,321 |         |
| State Retirement                               |    | 7,595  |         |
| Life Insurance                                 |    | 169    |         |
| Medical Insurance                              |    | 23,518 |         |
| Employer Medicare                              |    | 617    |         |
| Communication                                  |    | 3,461  |         |
| Data Processing Services                       |    | 44     |         |
| Maintenance Agreements                         |    | 1,644  |         |
| Postal Charges                                 |    | 606    |         |
| Travel   |    | 764    |         |
| Office Supplies                                |    | 2,144  |         |
| Other Charges                                  |    | 495    |         |
| Data Processing Equipment                      |    | 149    |         |
| Total County Mayor/Executive                   |    |        | 196,752 |

(Continued)

Exhibit L-8

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

General Fund (Cont.)

General Government (Cont.)

County Attorney

|  |           |           |
|--|-----------|-----------|
| County Official/Administrative Officer | \$ 63,907 |           |
| Total County Attorney                  |           | \$ 63,907 |

Election Commission

|   |           |         |
|---|-----------|---------|
| County Official/Administrative Officer      | \$ 57,559 |         |
| Assistant(s)                                | 27,729    |         |
| Custodial Personnel                         | 9,600     |         |
| Part-time Personnel                         | 5,754     |         |
| Overtime Pay                                | 1,208     |         |
| Election Commission                         | 3,000     |         |
| Election Workers                            | 17,093    |         |
| Social Security                             | 6,233     |         |
| State Retirement                            | 4,313     |         |
| Life Insurance                              | 113       |         |
| Employer Medicare                           | 936       |         |
| Communication                               | 1,287     |         |
| Data Processing Services                    | 2,900     |         |
| Dues and Memberships                        | 175       |         |
| Maintenance Agreements                      | 6,050     |         |
| Maintenance and Repair Services - Equipment | 322       |         |
| Postal Charges                              | 4,760     |         |
| Printing, Stationery, and Forms             | 11,335    |         |
| Travel                                      | 3,527     |         |
| Other Contracted Services                   | 27,500    |         |
| Office Supplies                             | 1,239     |         |
| Other Supplies and Materials                | 293       |         |
| Office Equipment                            | 1,368     |         |
| Total Election Commission                   |           | 194,294 |

Register of Deeds

|  |           |
|--|-----------|
| County Official/Administrative Officer         | \$ 63,954 |
| Assistant(s)                                   | 139,966   |
| Part-time Personnel                            | 3,920     |
| Educational Incentive - Official/Admin Officer | 1,000     |
| Longevity Pay                                  | 3,500     |
| Social Security                                | 13,601    |
| State Retirement                               | 10,830    |
| Life Insurance                                 | 339       |
| Medical Insurance                              | 16,357    |
| Employer Medicare                              | 1,746     |

(Continued)

Exhibit L-8

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

|                           |    |        |            |
|---------------------------|----|--------|------------|
| Communication             | \$ | 3,241  |            |
| Dues and Memberships      |    | 2,000  |            |
| Maintenance Agreements    |    | 1,194  |            |
| Postal Charges            |    | 1,000  |            |
| Other Contracted Services |    | 8,000  |            |
| Office Supplies           |    | 6,016  |            |
| Other Charges             |    | 2,231  |            |
| Data Processing Equipment |    | 22,380 |            |
| Office Equipment          |    | 7,169  |            |
| Total Register of Deeds   |    |        | \$ 308,444 |

Planning

|   |    |        |        |
|---|----|--------|--------|
| Other Salaries and Wages                  | \$ | 36,000 |        |
| Board and Committee Members Fees          |    | 4,200  |        |
| Social Security                           |    | 1,823  |        |
| State Retirement                          |    | 1,869  |        |
| Life Insurance                            |    | 56     |        |
| Employer Medicare                         |    | 480    |        |
| Communication                             |    | 1,109  |        |
| Contracts with Government Agencies        |    | 13,020 |        |
| Legal Notices, Recording, and Court Costs |    | 748    |        |
| Postal Charges                            |    | 490    |        |
| Travel                                    |    | 720    |        |
| Office Supplies                           |    | 559    |        |
| Other Charges                             |    | 100    |        |
| Total Planning                            |    |        | 61,174 |

Codes Compliance

|   |    |        |  |
|---|----|--------|--|
| Other Salaries and Wages                  | \$ | 34,879 |  |
| Board and Committee Members Fees          |    | 750    |  |
| In-Service Training                       |    | 400    |  |
| Social Security                           |    | 2,596  |  |
| State Retirement                          |    | 1,806  |  |
| Life Insurance                            |    | 56     |  |
| Medical Insurance                         |    | 5,452  |  |
| Employer Medicare                         |    | 434    |  |
| Communication                             |    | 893    |  |
| Legal Notices, Recording, and Court Costs |    | 60     |  |
| Postal Charges                            |    | 87     |  |
| Travel                                    |    | 2,551  |  |

(Continued)

Exhibit L-8

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

General Fund (Cont.)

General Government (Cont.)

Codes Compliance (Cont.)

|                        |    |     |           |
|------------------------|----|-----|-----------|
| Office Supplies        | \$ | 940 |           |
| Other Charges          |    | 150 |           |
| Office Equipment       |    | 650 |           |
| Total Codes Compliance |    |     | \$ 51,704 |

County Buildings

|   |    |        |         |
|---|----|--------|---------|
| Custodial Personnel                         | \$ | 24,428 |         |
| Social Security                             |    | 1,515  |         |
| State Retirement                            |    | 1,264  |         |
| Life Insurance                              |    | 56     |         |
| Medical Insurance                           |    | 5,452  |         |
| Employer Medicare                           |    | 254    |         |
| Communication                               |    | 10,919 |         |
| Janitorial Services                         |    | 641    |         |
| Maintenance Agreements                      |    | 1,604  |         |
| Maintenance and Repair Services - Buildings |    | 7,931  |         |
| Maintenance and Repair Services - Equipment |    | 1,043  |         |
| Custodial Supplies                          |    | 9,257  |         |
| Utilities                                   |    | 39,878 |         |
| Other Supplies and Materials                |    | 4,116  |         |
| Building Improvements                       |    | 33,700 |         |
| Office Equipment                            |    | 1,977  |         |
| Other Equipment                             |    | 2,715  |         |
| Total County Buildings                      |    |        | 146,750 |

Finance

Accounting and Budgeting

|  |    |         |  |
|--|----|---------|--|
| County Official/Administrative Officer | \$ | 85,000  |  |
| Accountants/Bookkeepers                |    | 200,812 |  |
| Clerical Personnel                     |    | 30,877  |  |
| Longevity Pay                          |    | 8,400   |  |
| In-Service Training                    |    | 830     |  |
| Social Security                        |    | 19,357  |  |
| State Retirement                       |    | 16,960  |  |
| Life Insurance                         |    | 424     |  |
| Medical Insurance                      |    | 37,783  |  |
| Employer Medicare                      |    | 4,714   |  |
| Communication                          |    | 1,169   |  |
| Data Processing Services               |    | 14,749  |  |
| Dues and Memberships                   |    | 1,470   |  |

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

|   |    |       |            |
|---|----|-------|------------|
| Maintenance and Repair Services - Equipment | \$ | 1,618 |            |
| Travel                                      |    | 342   |            |
| Data Processing Supplies                    |    | 3,857 |            |
| Office Supplies                             |    | 8,972 |            |
| Other Charges                               |    | 5,421 |            |
| Data Processing Equipment                   |    | 1,788 |            |
| Office Equipment                            |    | 3,034 |            |
| Total Accounting and Budgeting              |    |       | \$ 447,577 |

Property Assessor's Office

|  |    |        |         |
|--|----|--------|---------|
| County Official/Administrative Officer         | \$ | 63,954 |         |
| Assistant(s)                                   |    | 28,922 |         |
| Data Processing Personnel                      |    | 27,262 |         |
| Secretary(ies)                                 |    | 28,800 |         |
| Clerical Personnel                             |    | 48,064 |         |
| Educational Incentive - Official/Admin Officer |    | 1,000  |         |
| Longevity Pay                                  |    | 9,550  |         |
| In-Service Training                            |    | 2,342  |         |
| Social Security                                |    | 12,822 |         |
| State Retirement                               |    | 10,664 |         |
| Life Insurance                                 |    | 339    |         |
| Medical Insurance                              |    | 32,713 |         |
| Employer Medicare                              |    | 1,949  |         |
| Communication                                  |    | 2,111  |         |
| Data Processing Services                       |    | 27,886 |         |
| Dues and Memberships                           |    | 1,544  |         |
| Maintenance Agreements                         |    | 739    |         |
| Maintenance and Repair Services - Equipment    |    | 6,006  |         |
| Postal Charges                                 |    | 1,192  |         |
| Rentals  |    | 13,200 |         |
| Travel   |    | 1,080  |         |
| Other Contracted Services                      |    | 32,340 |         |
| Office Supplies                                |    | 1,601  |         |
| Premiums on Corporate Surety Bonds             |    | 100    |         |
| Other Charges                                  |    | 1,206  |         |
| Data Processing Equipment                      |    | 200    |         |
| Total Property Assessor's Office               |    |        | 357,586 |

Reappraisal Program

|                    |    |        |  |
|--------------------|----|--------|--|
| Clerical Personnel | \$ | 12,785 |  |
|--------------------|----|--------|--|

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program (Cont.)

|                                 |    |        |           |
|---------------------------------|----|--------|-----------|
| Other Salaries and Wages        | \$ | 38,998 |           |
| Social Security                 |    | 3,863  |           |
| State Retirement                |    | 2,281  |           |
| Life Insurance                  |    | 56     |           |
| Medical Insurance               |    | 5,452  |           |
| Communication                   |    | 453    |           |
| Data Processing Services        |    | 4,083  |           |
| Postal Charges                  |    | 483    |           |
| Printing, Stationery, and Forms |    | 195    |           |
| Travel                          |    | 898    |           |
| Office Supplies                 |    | 919    |           |
| Other Charges                   |    | 1,914  |           |
| Total Reappraisal Program       |    |        | \$ 72,380 |

County Trustee's Office

|  |    |         |         |
|--|----|---------|---------|
| County Official/Administrative Officer         | \$ | 63,954  |         |
| Deputy(ies)                                    |    | 122,542 |         |
| Part-time Personnel                            |    | 4,947   |         |
| Educational Incentive - Official/Admin Officer |    | 1,000   |         |
| Longevity Pay                                  |    | 6,350   |         |
| Overtime Pay                                   |    | 983     |         |
| In-Service Training                            |    | 50      |         |
| Social Security                                |    | 14,755  |         |
| State Retirement                               |    | 10,102  |         |
| Life Insurance                                 |    | 254     |         |
| Medical Insurance                              |    | 32,714  |         |
| Employer Medicare                              |    | 56      |         |
| Communication                                  |    | 1,286   |         |
| Data Processing Services                       |    | 12,548  |         |
| Dues and Memberships                           |    | 135     |         |
| Legal Notices, Recording, and Court Costs      |    | 59      |         |
| Maintenance Agreements                         |    | 8,450   |         |
| Postal Charges                                 |    | 6,331   |         |
| Travel   |    | 2,416   |         |
| Office Supplies                                |    | 5,440   |         |
| Office Equipment                               |    | 5,247   |         |
| Total County Trustee's Office                  |    |         | 299,619 |

County Clerk's Office

|  |    |        |  |
|--|----|--------|--|
| County Official/Administrative Officer | \$ | 63,954 |  |
|--|----|--------|--|

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

|                             |    |         |            |
|-----------------------------|----|---------|------------|
| Deputy(ies)                 | \$ | 219,882 |            |
| Longevity Pay               |    | 10,450  |            |
| Other Salaries and Wages    |    | 3,112   |            |
| Social Security             |    | 18,371  |            |
| State Retirement            |    | 15,407  |            |
| Life Insurance              |    | 480     |            |
| Medical Insurance           |    | 26,298  |            |
| Employer Medicare           |    | 3,334   |            |
| Communication               |    | 1,997   |            |
| Maintenance Agreements      |    | 10,990  |            |
| Postal Charges              |    | 13,990  |            |
| Travel                      |    | 1,148   |            |
| Office Supplies             |    | 6,961   |            |
| Other Charges               |    | 961     |            |
| Furniture and Fixtures      |    | 1,275   |            |
| Total County Clerk's Office |    |         | \$ 398,610 |

Administration of Justice

Circuit Court

|  |    |         |         |
|--|----|---------|---------|
| County Official/Administrative Officer         | \$ | 70,349  |         |
| Deputy(ies)                                    |    | 201,311 |         |
| Part-time Personnel                            |    | 19,086  |         |
| Educational Incentive - Official/Admin Officer |    | 1,000   |         |
| Longevity Pay                                  |    | 14,250  |         |
| Other Salaries and Wages                       |    | 34,802  |         |
| Jury and Witness Fees                          |    | 25,820  |         |
| Social Security                                |    | 20,690  |         |
| State Retirement                               |    | 16,627  |         |
| Life Insurance                                 |    | 527     |         |
| Medical Insurance                              |    | 38,745  |         |
| Employer Medicare                              |    | 4,601   |         |
| Communication                                  |    | 3,977   |         |
| Dues and Memberships                           |    | 678     |         |
| Maintenance Agreements                         |    | 17,242  |         |
| Postal Charges                                 |    | 3,695   |         |
| Travel   |    | 1,785   |         |
| Office Supplies                                |    | 10,565  |         |
| Office Equipment                               |    | 440     |         |
| Total Circuit Court                            |    |         | 486,190 |

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court

|                              |    |         |            |
|------------------------------|----|---------|------------|
| Judge(s)                     | \$ | 119,755 |            |
| Secretary(ies)               |    | 32,230  |            |
| Longevity Pay                |    | 1,500   |            |
| Social Security              |    | 9,516   |            |
| State Retirement             |    | 7,982   |            |
| Life Insurance               |    | 113     |            |
| Medical Insurance            |    | 10,685  |            |
| Employer Medicare            |    | 1,090   |            |
| Communication                |    | 618     |            |
| Postal Charges               |    | 200     |            |
| Rentals                      |    | 4,000   |            |
| Total General Sessions Court |    |         | \$ 187,689 |

Chancery Court

|  |    |        |         |
|--|----|--------|---------|
| County Official/Administrative Officer | \$ | 70,349 |         |
| Assistant(s)                           |    | 86,163 |         |
| Part-time Personnel                    |    | 15,212 |         |
| Longevity Pay                          |    | 1,350  |         |
| Social Security                        |    | 11,694 |         |
| State Retirement                       |    | 7,974  |         |
| Life Insurance                         |    | 226    |         |
| Medical Insurance                      |    | 10,651 |         |
| Employer Medicare                      |    | 877    |         |
| Communication                          |    | 805    |         |
| Dues and Memberships                   |    | 484    |         |
| Maintenance Agreements                 |    | 3,426  |         |
| Postal Charges                         |    | 2,500  |         |
| Office Supplies                        |    | 2,520  |         |
| Office Equipment                       |    | 1,951  |         |
| Total Chancery Court                   |    |        | 216,182 |

Juvenile Court

|                          |    |        |  |
|--------------------------|----|--------|--|
| Youth Service Officer(s) | \$ | 43,950 |  |
| Social Workers           |    | 67,860 |  |
| Salary Supplements       |    | 9,000  |  |
| Longevity Pay            |    | 2,000  |  |
| In-Service Training      |    | 44     |  |
| Social Security          |    | 7,627  |  |
| State Retirement         |    | 6,346  |  |
| Life Insurance           |    | 169    |  |

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

|   |    |        |            |
|---|----|--------|------------|
| Medical Insurance                           | \$ | 5,452  |            |
| Employer Medicare                           |    | 1,571  |            |
| Communication                               |    | 753    |            |
| Contracts with Government Agencies          |    | 8,875  |            |
| Contributions                               |    | 31,907 |            |
| Maintenance Agreements                      |    | 473    |            |
| Maintenance and Repair Services - Equipment |    | 25     |            |
| Postal Charges                              |    | 400    |            |
| Rentals                                     |    | 12,000 |            |
| Travel                                      |    | 568    |            |
| Office Supplies                             |    | 452    |            |
| Total Juvenile Court                        |    |        | \$ 199,472 |

Judicial Commissioners

|                              |    |         |         |
|------------------------------|----|---------|---------|
| Deputy(ies)                  | \$ | 119,172 |         |
| Part-time Personnel          |    | 4,543   |         |
| Longevity Pay                |    | 1,000   |         |
| Social Security              |    | 7,320   |         |
| State Retirement             |    | 6,182   |         |
| Life Insurance               |    | 226     |         |
| Medical Insurance            |    | 17,607  |         |
| Employer Medicare            |    | 1,926   |         |
| Maintenance Agreements       |    | 1,076   |         |
| Office Supplies              |    | 274     |         |
| Total Judicial Commissioners |    |         | 159,326 |

Other Administration of Justice

|                                    |    |        |  |
|------------------------------------|----|--------|--|
| Probation Officer(s)               | \$ | 30,170 |  |
| Guidance Personnel                 |    | 40,570 |  |
| Longevity Pay                      |    | 800    |  |
| In-Service Training                |    | 44     |  |
| Social Security                    |    | 4,435  |  |
| State Retirement                   |    | 3,699  |  |
| Life Insurance                     |    | 113    |  |
| Medical Insurance                  |    | 10,905 |  |
| Employer Medicare                  |    | 833    |  |
| Communication                      |    | 618    |  |
| Contracts with Government Agencies |    | 9,150  |  |
| Postal Charges                     |    | 350    |  |
| Rentals                            |    | 4,000  |  |

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Other Administration of Justice (Cont.)

|                                       |    |     |            |
|---------------------------------------|----|-----|------------|
| Travel                                | \$ | 592 |            |
| Office Supplies                       |    | 744 |            |
| Total Other Administration of Justice |    |     | \$ 107,023 |

Probation Services

|  |    |         |         |
|--|----|---------|---------|
| County Official/Administrative Officer     | \$ | 46,194  |         |
| Clerical Personnel                         |    | 134,689 |         |
| Longevity Pay                              |    | 2,300   |         |
| Social Security                            |    | 11,355  |         |
| State Retirement                           |    | 8,913   |         |
| Life Insurance                             |    | 310     |         |
| Medical Insurance                          |    | 13,110  |         |
| Employer Medicare                          |    | 1,874   |         |
| Communication                              |    | 2,522   |         |
| Maintenance Agreements                     |    | 9,830   |         |
| Maintenance and Repair Services - Vehicles |    | 239     |         |
| Postal Charges                             |    | 968     |         |
| Printing, Stationery, and Forms            |    | 1,847   |         |
| Rentals                                    |    | 16,800  |         |
| Travel                                     |    | 697     |         |
| Gasoline                                   |    | 332     |         |
| Office Supplies                            |    | 5,484   |         |
| Data Processing Equipment                  |    | 148     |         |
| Office Equipment                           |    | 852     |         |
| Total Probation Services                   |    |         | 258,464 |

Public Safety

Sheriff's Department

|  |    |         |  |
|--|----|---------|--|
| County Official/Administrative Officer | \$ | 58,038  |  |
| Assistant(s)                           |    | 95,888  |  |
| Deputy(ies)                            |    | 528,127 |  |
| Detective(s)                           |    | 110,247 |  |
| Captain(s)                             |    | 125,985 |  |
| Sergeant(s)                            |    | 71,410  |  |
| Data Processing Personnel              |    | 21,036  |  |
| Salary Supplements                     |    | 18,600  |  |
| Dispatchers/Radio Operators            |    | 127,035 |  |
| Secretary(ies)                         |    | 62,800  |  |
| Part-time Personnel                    |    | 3,198   |  |
| School Resource Officer                |    | 211,729 |  |

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

|  |    |         |              |
|--|----|---------|--------------|
| Overtime Pay                                       | \$ | 45,467  |              |
| Other Salaries and Wages                           |    | 44,883  |              |
| In-Service Training                                |    | 12,661  |              |
| Social Security                                    |    | 96,099  |              |
| State Retirement                                   |    | 75,858  |              |
| Life Insurance                                     |    | 2,363   |              |
| Medical Insurance                                  |    | 152,238 |              |
| Employer Medicare                                  |    | 17,541  |              |
| Communication                                      |    | 25,731  |              |
| Dues and Memberships                               |    | 2,907   |              |
| Evaluation and Testing                             |    | 400     |              |
| Maintenance Agreements                             |    | 1,734   |              |
| Maintenance and Repair Services - Buildings        |    | 1,680   |              |
| Maintenance and Repair Services - Equipment        |    | 1,494   |              |
| Maintenance and Repair Services - Office Equipment |    | 95      |              |
| Maintenance and Repair Services - Vehicles         |    | 29,997  |              |
| Medical and Dental Services                        |    | 252     |              |
| Postal Charges                                     |    | 1,779   |              |
| Travel   |    | 7,850   |              |
| Other Contracted Services                          |    | 1,361   |              |
| Custodial Supplies                                 |    | 2,183   |              |
| Gasoline   |    | 122,665 |              |
| Office Supplies                                    |    | 7,944   |              |
| Tires and Tubes                                    |    | 9,386   |              |
| Uniforms   |    | 9,195   |              |
| Utilities  |    | 16,195  |              |
| Other Supplies and Materials                       |    | 7,444   |              |
| Other Charges                                      |    | 845     |              |
| Building Improvements                              |    | 807     |              |
| Communication Equipment                            |    | 490     |              |
| Law Enforcement Equipment                          |    | 34,819  |              |
| Motor Vehicles                                     |    | 146,008 |              |
| Office Equipment                                   |    | 5,474   |              |
| Total Sheriff's Department                         |    |         | \$ 2,319,938 |

Traffic Control

|                          |    |        |        |
|--------------------------|----|--------|--------|
| Other Salaries and Wages | \$ | 25,956 |        |
| Social Security          |    | 1,689  |        |
| State Retirement         |    | 1,411  |        |
| Employer Medicare        |    | 375    |        |
| Total Traffic Control    |    |        | 29,431 |

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail

|   |    |                   |              |
|---|----|-------------------|--------------|
| Captain(s)                                  | \$ | 42,900            |              |
| Lieutenant(s)                               |    | 73,008            |              |
| Sergeant(s)                                 |    | 119,643           |              |
| Data Processing Personnel                   |    | 63,224            |              |
| Medical Personnel                           |    | 32,395            |              |
| Guards                                      |    | 451,487           |              |
| Maintenance Personnel                       |    | 32,858            |              |
| Overtime Pay                                |    | 38,599            |              |
| Other Salaries and Wages                    |    | 4,000             |              |
| In-Service Training                         |    | 10,020            |              |
| Social Security                             |    | 55,140            |              |
| State Retirement                            |    | 38,545            |              |
| Life Insurance                              |    | 1,455             |              |
| Medical Insurance                           |    | 117,438           |              |
| Unemployment Compensation                   |    | 3,844             |              |
| Employer Medicare                           |    | 8,076             |              |
| Communication                               |    | 11,809            |              |
| Maintenance Agreements                      |    | 9,973             |              |
| Maintenance and Repair Services - Buildings |    | 19,307            |              |
| Maintenance and Repair Services - Equipment |    | 6,344             |              |
| Maintenance and Repair Services - Vehicles  |    | 2,082             |              |
| Medical and Dental Services                 |    | 240,329           |              |
| Postal Charges                              |    | 1,364             |              |
| Travel                                      |    | 431               |              |
| Other Contracted Services                   |    | 41,845            |              |
| Custodial Supplies                          |    | 18,035            |              |
| Food Supplies                               |    | 129,857           |              |
| Gasoline                                    |    | 685               |              |
| Instructional Supplies and Materials        |    | 774               |              |
| Office Supplies                             |    | 10,873            |              |
| Prisoners Clothing                          |    | 5,398             |              |
| Uniforms                                    |    | 8,156             |              |
| Utilities                                   |    | 83,528            |              |
| Other Supplies and Materials                |    | 5,408             |              |
| Office Equipment                            |    | 8,929             |              |
| Other Equipment                             |    | 9,066             |              |
| Total Jail                                  |    | <u>          </u> | \$ 1,706,825 |

Workhouse

|            |    |        |
|------------|----|--------|
| Captain(s) | \$ | 36,860 |
|------------|----|--------|

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Public Safety (Cont.)

Workhouse (Cont.)

|   |    |         |            |
|---|----|---------|------------|
| Sergeant(s)                                 | \$ | 152,051 |            |
| Data Processing Personnel                   |    | 31,982  |            |
| Guards                                      |    | 271,532 |            |
| Maintenance Personnel                       |    | 34,617  |            |
| Overtime Pay                                |    | 32,131  |            |
| In-Service Training                         |    | 820     |            |
| Social Security                             |    | 34,035  |            |
| State Retirement                            |    | 27,694  |            |
| Life Insurance                              |    | 981     |            |
| Medical Insurance                           |    | 42,197  |            |
| Employer Medicare                           |    | 7,756   |            |
| Communication                               |    | 6,031   |            |
| Maintenance Agreements                      |    | 1,608   |            |
| Maintenance and Repair Services - Buildings |    | 3,396   |            |
| Maintenance and Repair Services - Equipment |    | 4,685   |            |
| Medical and Dental Services                 |    | 11,021  |            |
| Postal Charges                              |    | 512     |            |
| Travel                                      |    | 193     |            |
| Other Contracted Services                   |    | 2,141   |            |
| Custodial Supplies                          |    | 17,633  |            |
| Food Supplies                               |    | 94,316  |            |
| Office Supplies                             |    | 4,580   |            |
| Prisoners Clothing                          |    | 2,907   |            |
| Uniforms                                    |    | 2,256   |            |
| Utilities                                   |    | 48,866  |            |
| Other Supplies and Materials                |    | 1,790   |            |
| Building Improvements                       |    | 988     |            |
| Office Equipment                            |    | 1,109   |            |
| Other Equipment                             |    | 3,759   |            |
| Total Workhouse                             |    |         | \$ 880,447 |

Juvenile Services

|  |    |         |
|--|----|---------|
| County Official/Administrative Officer | \$ | 38,374  |
| Assistant(s)                           |    | 33,108  |
| Sergeant(s)                            |    | 117,378 |
| Guards                                 |    | 152,809 |
| Overtime Pay                           |    | 16,177  |
| In-Service Training                    |    | 3,513   |
| Social Security                        |    | 23,232  |
| State Retirement                       |    | 17,531  |

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Public Safety (Cont.)

Juvenile Services (Cont.)

|   |    |        |            |
|---|----|--------|------------|
| Life Insurance                              | \$ | 655    |            |
| Medical Insurance                           |    | 43,940 |            |
| Employer Medicare                           |    | 3,355  |            |
| Communication                               |    | 1,024  |            |
| Maintenance Agreements                      |    | 842    |            |
| Maintenance and Repair Services - Buildings |    | 2,600  |            |
| Maintenance and Repair Services - Equipment |    | 35     |            |
| Medical and Dental Services                 |    | 18,365 |            |
| Custodial Supplies                          |    | 3,824  |            |
| Food Supplies                               |    | 6,212  |            |
| Instructional Supplies and Materials        |    | 97     |            |
| Office Supplies                             |    | 2,083  |            |
| Prisoners Clothing                          |    | 1,619  |            |
| Uniforms                                    |    | 1,786  |            |
| Utilities                                   |    | 6,796  |            |
| Other Supplies and Materials                |    | 1,329  |            |
| Office Equipment                            |    | 1,633  |            |
| Total Juvenile Services                     |    |        | \$ 498,317 |

Other Emergency Management

|   |    |        |
|---|----|--------|
| Assistant(s)                                | \$ | 46,105 |
| Supervisor/Director                         |    | 45,062 |
| Other Salaries and Wages                    |    | 1,750  |
| Social Security                             |    | 6,466  |
| State Retirement                            |    | 4,452  |
| Life Insurance                              |    | 112    |
| Medical Insurance                           |    | 11,884 |
| Unemployment Compensation                   |    | 289    |
| Employer Medicare                           |    | 164    |
| Communication                               |    | 8,289  |
| Maintenance Agreements                      |    | 375    |
| Maintenance and Repair Services - Buildings |    | 5,623  |
| Other Contracted Services                   |    | 9,176  |
| Diesel Fuel                                 |    | 1,687  |
| Gasoline                                    |    | 3,861  |
| Office Supplies                             |    | 5,729  |
| Utilities                                   |    | 19,746 |
| Other Supplies and Materials                |    | 8,024  |
| Premiums on Corporate Surety Bonds          |    | 100    |
| In Service/Staff Development                |    | 7,128  |

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management (Cont.)

|                                  |    |        |            |
|----------------------------------|----|--------|------------|
| Other Charges                    | \$ | 25,614 |            |
| Other Equipment                  |    | 15,159 |            |
| Total Other Emergency Management |    |        | \$ 226,795 |

County Coroner/Medical Examiner

|                                       |    |        |        |
|---------------------------------------|----|--------|--------|
| Medical Personnel                     | \$ | 15,825 |        |
| Total County Coroner/Medical Examiner |    |        | 15,825 |

Other Public Safety

|                             |    |         |         |
|-----------------------------|----|---------|---------|
| Dispatchers/Radio Operators | \$ | 218,672 |         |
| Clerical Personnel          |    | 3,365   |         |
| Overtime Pay                |    | 72,094  |         |
| Other Salaries and Wages    |    | 17,842  |         |
| Total Other Public Safety   |    |         | 311,973 |

Public Health and Welfare

Local Health Center

|   |    |         |         |
|---|----|---------|---------|
| Other Salaries and Wages                    | \$ | 263,264 |         |
| Social Security                             |    | 19,859  |         |
| State Retirement                            |    | 11,718  |         |
| Life Insurance                              |    | 564     |         |
| Medical Insurance                           |    | 73,223  |         |
| Unemployment Compensation                   |    | 1,409   |         |
| Communication                               |    | 8,298   |         |
| Janitorial Services                         |    | 14,885  |         |
| Maintenance Agreements                      |    | 2,619   |         |
| Maintenance and Repair Services - Buildings |    | 2,361   |         |
| Maintenance and Repair Services - Equipment |    | 439     |         |
| Travel                                      |    | 8,961   |         |
| Custodial Supplies                          |    | 49      |         |
| Office Supplies                             |    | 86      |         |
| Utilities                                   |    | 14,388  |         |
| Other Supplies and Materials                |    | 399     |         |
| Other Charges                               |    | 3,635   |         |
| Regular Instruction Equipment               |    | 607     |         |
| Other Equipment                             |    | 20,982  |         |
| Total Local Health Center                   |    |         | 447,746 |

Ambulance/Emergency Medical Services

|                     |    |        |  |
|---------------------|----|--------|--|
| Supervisor/Director | \$ | 56,247 |  |
|---------------------|----|--------|--|

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

|  |    |         |
|--|----|---------|
| Captain(s)   | \$ | 137,313 |
| Medical Personnel                                  |    | 513,967 |
| Salary Supplements                                 |    | 11,584  |
| Mechanic(s)  |    | 26,552  |
| Clerical Personnel                                 |    | 67,850  |
| Part-time Personnel                                |    | 132,236 |
| Longevity Pay                                      |    | 13,800  |
| Overtime Pay                                       |    | 451,175 |
| In-Service Training                                |    | 6,523   |
| Social Security                                    |    | 90,818  |
| State Retirement                                   |    | 60,509  |
| Life Insurance                                     |    | 1,564   |
| Medical Insurance                                  |    | 136,310 |
| Employer Medicare                                  |    | 14,511  |
| Advertising  |    | 146     |
| Communication                                      |    | 15,717  |
| Consultants  |    | 224     |
| Dues and Memberships                               |    | 1,307   |
| Evaluation and Testing                             |    | 698     |
| Licenses   |    | 2,500   |
| Maintenance Agreements                             |    | 15,375  |
| Maintenance and Repair Services - Buildings        |    | 2,804   |
| Maintenance and Repair Services - Equipment        |    | 3,533   |
| Maintenance and Repair Services - Office Equipment |    | 1,361   |
| Maintenance and Repair Services - Vehicles         |    | 30,894  |
| Postal Charges                                     |    | 2,986   |
| Printing, Stationery, and Forms                    |    | 2,500   |
| Travel   |    | 772     |
| Tuition  |    | 8,903   |
| Disposal Fees                                      |    | 9,066   |
| Custodial Supplies                                 |    | 2,512   |
| Data Processing Supplies                           |    | 1,752   |
| Diesel Fuel  |    | 43,435  |
| Drugs and Medical Supplies                         |    | 49,350  |
| Gasoline   |    | 9,447   |
| Natural Gas  |    | 4,074   |
| Office Supplies                                    |    | 2,725   |
| Periodicals  |    | 382     |
| Uniforms   |    | 14,991  |
| Utilities  |    | 20,911  |

(Continued)

Exhibit L-8

Bedford 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 Charges                              | \$ | 7,599  |              |
| Building Improvements                      |    | 2,464  |              |
| Communication Equipment                    |    | 6,535  |              |
| Data Processing Equipment                  |    | 4,325  |              |
| Furniture and Fixtures                     |    | 1,067  |              |
| Other Equipment                            |    | 14,072 |              |
| Total Ambulance/Emergency Medical Services |    |        | \$ 2,005,386 |

Other Local Health Services

|                                   |    |        |        |
|-----------------------------------|----|--------|--------|
| Contracts with Private Agencies   | \$ | 26,261 |        |
| Contributions                     |    | 14,440 |        |
| Total Other Local Health Services |    |        | 40,701 |

Regional Mental Health Center

|                                     |    |        |        |
|-------------------------------------|----|--------|--------|
| Contributions                       | \$ | 12,920 |        |
| Total Regional Mental Health Center |    |        | 12,920 |

Appropriation to State

|                                    |    |        |        |
|------------------------------------|----|--------|--------|
| Contracts with Government Agencies | \$ | 54,000 |        |
| Total Appropriation to State       |    |        | 54,000 |

General Welfare Assistance

|                                    |    |        |        |
|------------------------------------|----|--------|--------|
| Contracts with Government Agencies | \$ | 94,735 |        |
| Total General Welfare Assistance   |    |        | 94,735 |

Sanitation Management

|                             |    |         |         |
|-----------------------------|----|---------|---------|
| Contributions               | \$ | 855,000 |         |
| Total Sanitation Management |    |         | 855,000 |

Social, Cultural, and Recreational Services

Adult Activities

|                        |    |       |       |
|------------------------|----|-------|-------|
| Contributions          | \$ | 9,500 |       |
| Total Adult Activities |    |       | 9,500 |

Senior Citizens Assistance

|                                  |    |        |        |
|----------------------------------|----|--------|--------|
| Contributions                    | \$ | 15,200 |        |
| Total Senior Citizens Assistance |    |        | 15,200 |

Libraries

|                 |    |         |         |
|-----------------|----|---------|---------|
| Contributions   | \$ | 131,962 |         |
| Total Libraries |    |         | 131,962 |

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Agriculture and Natural Resources

Agriculture Extension Service

|   |    |        |           |
|---|----|--------|-----------|
| Salary Supplements                          | \$ | 75,779 |           |
| Communication                               |    | 4,058  |           |
| Maintenance Agreements                      |    | 1,166  |           |
| Maintenance and Repair Services - Buildings |    | 168    |           |
| Utilities                                   |    | 7,475  |           |
| Total Agriculture Extension Service         |    |        | \$ 88,646 |

Soil Conservation

|                         |    |        |        |
|-------------------------|----|--------|--------|
| Contributions           | \$ | 30,400 |        |
| Total Soil Conservation |    |        | 30,400 |

Other Agriculture and Natural Resources

|   |    |        |        |
|---|----|--------|--------|
| Maintenance Personnel                         | \$ | 22,380 |        |
| Social Security                               |    | 1,394  |        |
| State Retirement                              |    | 1,159  |        |
| Life Insurance                                |    | 56     |        |
| Employer Medicare                             |    | 303    |        |
| Communication                                 |    | 741    |        |
| Gasoline                                      |    | 1,842  |        |
| Utilities                                     |    | 15,923 |        |
| Other Supplies and Materials                  |    | 13,706 |        |
| Total Other Agriculture and Natural Resources |    |        | 57,504 |

Other Operations

Tourism

|               |    |       |       |
|---------------|----|-------|-------|
| Contributions | \$ | 3,948 |       |
| Total Tourism |    |       | 3,948 |

Other Economic and Community Development

|  |    |       |       |
|--|----|-------|-------|
| Consultants                                    | \$ | 3,000 |       |
| Food Supplies                                  |    | 403   |       |
| Total Other Economic and Community Development |    |       | 3,403 |

Veterans' Services

|                     |    |        |  |
|---------------------|----|--------|--|
| Supervisor/Director | \$ | 11,874 |  |
| Truck Drivers       |    | 7,000  |  |
| Social Security     |    | 1,170  |  |
| State Retirement    |    | 184    |  |
| Employer Medicare   |    | 267    |  |
| Communication       |    | 2,526  |  |

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services (Cont.)

|  |    |       |           |
|--|----|-------|-----------|
| Maintenance and Repair Services - Vehicles | \$ | 711   |           |
| Gasoline                                   |    | 2,324 |           |
| Office Supplies                            |    | 37    |           |
| Total Veterans' Services                   |    |       | \$ 26,093 |

Other Charges

|                                 |    |         |         |
|---------------------------------|----|---------|---------|
| Building and Contents Insurance | \$ | 100,021 |         |
| Workers' Compensation Insurance |    | 86,344  |         |
| Liability Claims                |    | 15,887  |         |
| Total Other Charges             |    |         | 202,252 |

Contributions to Other Agencies

|                                       |    |         |         |
|---------------------------------------|----|---------|---------|
| Contributions                         | \$ | 922,610 |         |
| Dues and Memberships                  |    | 5,028   |         |
| Total Contributions to Other Agencies |    |         | 927,638 |

Employee Benefits

|                           |    |        |        |
|---------------------------|----|--------|--------|
| Unemployment Compensation | \$ | 24,990 |        |
| Total Employee Benefits   |    |        | 24,990 |

Miscellaneous

|                                      |    |         |         |
|--------------------------------------|----|---------|---------|
| Audit Services                       | \$ | 14,579  |         |
| Contributions                        |    | 56,098  |         |
| Rentals                              |    | 25,608  |         |
| Transportation - Other than Students |    | 116     |         |
| Other Contracted Services            |    | 34,345  |         |
| Trustee's Commission                 |    | 207,549 |         |
| Other Charges                        |    | 34,644  |         |
| Total Miscellaneous                  |    |         | 372,939 |

Capital Projects

Other General Government Projects

|   |    |        |        |
|---|----|--------|--------|
| Other Construction                      | \$ | 20,000 |        |
| Total Other General Government Projects |    |        | 20,000 |

Total General Fund \$ 15,737,317

(Continued)

Exhibit L-8

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

Special Purpose Fund

Public Health and Welfare

Rabies and Animal Control

|  |    |        |            |
|--|----|--------|------------|
| Assistant(s)                                       | \$ | 30,211 |            |
| Supervisor/Director                                |    | 31,154 |            |
| Salary Supplements                                 |    | 1,300  |            |
| Longevity Pay                                      |    | 600    |            |
| Overtime Pay                                       |    | 1,791  |            |
| In-Service Training                                |    | 931    |            |
| Social Security                                    |    | 3,510  |            |
| State Retirement                                   |    | 1,706  |            |
| Life Insurance                                     |    | 124    |            |
| Unemployment Compensation                          |    | 373    |            |
| Communication                                      |    | 4,655  |            |
| Maintenance and Repair Services - Buildings        |    | 4,577  |            |
| Maintenance and Repair Services - Office Equipment |    | 208    |            |
| Maintenance and Repair Services - Vehicles         |    | 1,275  |            |
| Permits  |    | 100    |            |
| Animal Food and Supplies                           |    | 7,439  |            |
| Custodial Supplies                                 |    | 4,043  |            |
| Drugs and Medical Supplies                         |    | 22,579 |            |
| Gasoline   |    | 4,562  |            |
| Office Supplies                                    |    | 1,968  |            |
| Tires and Tubes                                    |    | 390    |            |
| Uniforms   |    | 611    |            |
| Utilities  |    | 8,860  |            |
| Other Supplies and Materials                       |    | 39     |            |
| Other Charges                                      |    | 1,750  |            |
| Motor Vehicles                                     |    | 350    |            |
| Other Equipment                                    |    | 38,400 |            |
| Total Rabies and Animal Control                    |    |        | \$ 173,506 |

Other Operations

Employee Benefits

|                           |    |       |       |
|---------------------------|----|-------|-------|
| Social Security           | \$ | 1,414 |       |
| State Retirement          |    | 605   |       |
| Medical Insurance         |    | 5,144 |       |
| Unemployment Compensation |    | 12    |       |
| Total Employee Benefits   |    |       | 7,175 |

Miscellaneous

|                      |    |       |       |
|----------------------|----|-------|-------|
| Trustee's Commission | \$ | 1,935 |       |
| Total Miscellaneous  |    |       | 1,935 |

(Continued)

Exhibit L-8

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

Special Purpose Fund (Cont.)

Principal on Debt

General Government

|                          |           |           |
|--------------------------|-----------|-----------|
| Principal on Notes       | \$ 41,917 |           |
| Total General Government |           | \$ 41,917 |

Interest on Debt

General Government

|                          |          |              |
|--------------------------|----------|--------------|
| Interest on Notes        | \$ 2,728 |              |
| Total General Government |          | <u>2,728</u> |

|                            |  |            |
|----------------------------|--|------------|
| Total Special Purpose Fund |  | \$ 227,261 |
|----------------------------|--|------------|

Drug Control Fund

Public Safety

Drug Enforcement

|  |            |           |
|--|------------|-----------|
| Confidential Drug Enforcement Payments | \$ 2,000   |           |
| Other Supplies and Materials           | 3,574      |           |
| Motor Vehicles                         | 24,850     |           |
| Office Equipment                       | <u>780</u> |           |
| Total Drug Enforcement                 |            | \$ 31,204 |

Other Operations

Miscellaneous

|                      |        |            |
|----------------------|--------|------------|
| Trustee's Commission | \$ 117 |            |
| Total Miscellaneous  |        | <u>117</u> |

|                         |  |        |
|-------------------------|--|--------|
| Total Drug Control Fund |  | 31,321 |
|-------------------------|--|--------|

Agriculture Center Fund

Agriculture and Natural Resources

Other Agriculture and Natural Resources

|   |               |                  |
|---|---------------|------------------|
| Utilities                                     | \$ 3,222      |                  |
| Building Improvements                         | 2,646         |                  |
| Heating and Air Conditioning Equipment        | 4,050         |                  |
| Maintenance Equipment                         | 560           |                  |
| Other Equipment                               | <u>11,328</u> |                  |
| Total Other Agriculture and Natural Resources |               | \$ <u>21,806</u> |

|                               |  |        |
|-------------------------------|--|--------|
| Total Agriculture Center Fund |  | 21,806 |
|-------------------------------|--|--------|

(Continued)

Exhibit L-8

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

Other Special Revenue Fund

Public Health and Welfare

Local Health Center

|   |    |         |            |
|---|----|---------|------------|
| Maintenance Personnel                       | \$ | 14,251  |            |
| Social Security                             |    | 316     |            |
| State Retirement                            |    | 153     |            |
| Life Insurance                              |    | 4       |            |
| Medical Insurance                           |    | 1,719   |            |
| Unemployment Compensation                   |    | 189     |            |
| Communication                               |    | 385     |            |
| Maintenance and Repair Services - Buildings |    | 15,000  |            |
| Maintenance and Repair Services - Equipment |    | 93,122  |            |
| Pest Control                                |    | 1,050   |            |
| Utilities                                   |    | 176,873 |            |
| Other Supplies and Materials                |    | 2,807   |            |
| Other Charges                               |    | 48,592  |            |
| Building Improvements                       |    | 70,974  |            |
| Total Local Health Center                   |    |         | \$ 425,435 |

Other Operations

Miscellaneous

|                      |    |       |       |
|----------------------|----|-------|-------|
| Trustee's Commission | \$ | 3,497 |       |
| Total Miscellaneous  |    |       | 3,497 |

Total Other Special Revenue Fund \$ 428,932

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

|   |    |     |        |
|---|----|-----|--------|
| Constitutional Officers' Operating Expenses | \$ | 147 |        |
| Total Chancery Court                        |    |     | \$ 147 |

Public Safety

Sheriff's Department

|   |    |    |    |
|---|----|----|----|
| Constitutional Officers' Operating Expenses | \$ | 51 |    |
| Total Sheriff's Department                  |    |    | 51 |

Total Constitutional Officers - Fees Fund 198

Highway/Public Works Fund

Other Operations

Contributions to Other Agencies

|                                       |    |       |          |
|---------------------------------------|----|-------|----------|
| Contributions                         | \$ | 7,000 |          |
| Total Contributions to Other Agencies |    |       | \$ 7,000 |

(Continued)

Exhibit L-8

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

Highway/Public Works Fund (Cont.)

Highways

Administration

|   |    |        |            |
|---|----|--------|------------|
| County Official/Administrative Officer    | \$ | 77,384 |            |
| Assistant(s)                              |    | 40,068 |            |
| Accountants/Bookkeepers                   |    | 46,935 |            |
| Other Salaries and Wages                  |    | 800    |            |
| Board and Committee Members Fees          |    | 3,650  |            |
| Data Processing Services                  |    | 215    |            |
| Dues and Memberships                      |    | 3,233  |            |
| Legal Services                            |    | 8,100  |            |
| Legal Notices, Recording, and Court Costs |    | 189    |            |
| Postal Charges                            |    | 920    |            |
| Printing, Stationery, and Forms           |    | 750    |            |
| Travel                                    |    | 310    |            |
| Office Supplies                           |    | 1,168  |            |
| Total Administration                      |    |        | \$ 183,722 |

Highway and Bridge Maintenance

|                                      |    |         |           |
|--------------------------------------|----|---------|-----------|
| Foremen                              | \$ | 31,772  |           |
| Equipment Operators                  |    | 179,304 |           |
| Truck Drivers                        |    | 249,217 |           |
| Laborers                             |    | 69,449  |           |
| Other Salaries and Wages             |    | 7,600   |           |
| Rentals                              |    | 5,314   |           |
| Asphalt - Cold Mix                   |    | 2,363   |           |
| Asphalt - Hot Mix                    |    | 169,947 |           |
| Asphalt - Liquid                     |    | 78,989  |           |
| Crushed Stone                        |    | 212,988 |           |
| Other Road Supplies                  |    | 2,619   |           |
| Pipe                                 |    | 17,254  |           |
| Road Signs                           |    | 3,861   |           |
| Small Tools                          |    | 759     |           |
| Wood Products                        |    | 219     |           |
| Total Highway and Bridge Maintenance |    |         | 1,031,655 |

Operation and Maintenance of Equipment

|                               |    |        |  |
|-------------------------------|----|--------|--|
| Mechanic(s)                   | \$ | 51,252 |  |
| Laborers                      |    | 57,658 |  |
| Other Salaries and Wages      |    | 1,600  |  |
| Diesel Fuel                   |    | 88,440 |  |
| Equipment and Machinery Parts |    | 74,256 |  |
| Garage Supplies               |    | 5,949  |  |

(Continued)

Exhibit L-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

|  |    |        |            |
|--|----|--------|------------|
| Gasoline                                     | \$ | 33,172 |            |
| Lubricants                                   |    | 8,032  |            |
| Tires and Tubes                              |    | 4,866  |            |
| Other Supplies and Materials                 |    | 12,127 |            |
| Total Operation and Maintenance of Equipment |    |        | \$ 337,352 |

Litter and Trash Collection

|                                   |    |        |        |
|-----------------------------------|----|--------|--------|
| Other Salaries and Wages          | \$ | 36,819 |        |
| Other Charges                     |    | 16,571 |        |
| Total Litter and Trash Collection |    |        | 53,390 |

Other Charges

|                                    |    |        |        |
|------------------------------------|----|--------|--------|
| Communication                      | \$ | 10,683 |        |
| Electricity                        |    | 10,467 |        |
| Natural Gas                        |    | 5,724  |        |
| Premiums on Corporate Surety Bonds |    | 480    |        |
| Trustee's Commission               |    | 25,061 |        |
| Vehicle and Equipment Insurance    |    | 41,584 |        |
| Other Charges                      |    | 5,862  |        |
| Total Other Charges                |    |        | 99,861 |

Employee Benefits

|                                  |    |         |         |
|----------------------------------|----|---------|---------|
| Social Security                  | \$ | 62,588  |         |
| State Retirement                 |    | 44,550  |         |
| Employee and Dependent Insurance |    | 124,130 |         |
| Unemployment Compensation        |    | 5,013   |         |
| Uniforms                         |    | 3,842   |         |
| Workers' Compensation Insurance  |    | 26,648  |         |
| Total Employee Benefits          |    |         | 266,771 |

Capital Outlay

|                      |    |         |         |
|----------------------|----|---------|---------|
| Bridge Construction  | \$ | 2,988   |         |
| Highway Construction |    | 684,461 |         |
| Highway Equipment    |    | 211,958 |         |
| Total Capital Outlay |    |         | 899,407 |

Total Highway/Public Works Fund \$ 2,879,158

(Continued)

Exhibit L-8

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

General Debt Service Fund

Principal on Debt

General Government

|                          |                |            |
|--------------------------|----------------|------------|
| Principal on Bonds       | \$ 235,000     |            |
| Principal on Notes       | 163,439        |            |
| Total General Government | <u>398,439</u> | \$ 398,439 |

Highways and Streets

|                            |                |         |
|----------------------------|----------------|---------|
| Principal on Notes         | \$ 383,205     |         |
| Total Highways and Streets | <u>383,205</u> | 383,205 |

Education

|                          |                  |           |
|--------------------------|------------------|-----------|
| Principal on Bonds       | \$ 2,685,000     |           |
| Principal on Notes       | 1,083,825        |           |
| Principal on Other Loans | 852,000          |           |
| Total Education          | <u>4,620,825</u> | 4,620,825 |

Interest on Debt

General Government

|                          |                |         |
|--------------------------|----------------|---------|
| Interest on Bonds        | \$ 235,313     |         |
| Interest on Notes        | 10,828         |         |
| Total General Government | <u>246,141</u> | 246,141 |

Highways and Streets

|                            |               |        |
|----------------------------|---------------|--------|
| Interest on Notes          | \$ 68,603     |        |
| Total Highways and Streets | <u>68,603</u> | 68,603 |

Education

|                         |                  |           |
|-------------------------|------------------|-----------|
| Interest on Bonds       | \$ 2,874,742     |           |
| Interest on Notes       | 116,866          |           |
| Interest on Other Loans | 74,474           |           |
| Total Education         | <u>3,066,082</u> | 3,066,082 |

Other Debt Service

General Government

|                          |               |        |
|--------------------------|---------------|--------|
| Trustee's Commission     | \$ 71,058     |        |
| Other Debt Service       | 4,165         |        |
| Total General Government | <u>75,223</u> | 75,223 |

Education

|                    |               |        |
|--------------------|---------------|--------|
| Other Debt Service | \$ 28,089     |        |
| Total Education    | <u>28,089</u> | 28,089 |

Total General Debt Service Fund \$ 8,886,607

(Continued)

Exhibit L-8

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

Community Development/Industrial Park Fund

Capital Projects

Public Health and Welfare Projects

|  |            |            |
|--|------------|------------|
| Engineering Services                     | \$ 500,000 |            |
| Total Public Health and Welfare Projects |            | \$ 500,000 |

Total Community Development/Industrial Park Fund \$ 500,000

Sanitation Projects Fund

Capital Projects

Public Safety Projects

|                              |        |           |
|------------------------------|--------|-----------|
| Other Debt Issuance Charges  | \$ 500 |           |
| Communication Equipment      | 20,551 |           |
| Total Public Safety Projects |        | \$ 21,051 |

Total Sanitation Projects Fund 21,051

Nursing Home Projects Fund

Other Operations

Miscellaneous

|                      |      |      |
|----------------------|------|------|
| Trustee's Commission | \$ 5 |      |
| Total Miscellaneous  |      | \$ 5 |

Capital Projects

Public Health and Welfare Projects

|  |           |        |
|--|-----------|--------|
| Building Improvements                    | \$ 52,832 |        |
| Total Public Health and Welfare Projects |           | 52,832 |

Total Nursing Home Projects Fund 52,837

HUD Grant Projects Fund

Capital Projects

Public Safety Projects

|                              |          |            |
|------------------------------|----------|------------|
| Consultants                  | \$ 5,063 |            |
| Building Improvements        | 316,996  |            |
| Other Equipment              | 42,684   |            |
| Total Public Safety Projects |          | \$ 364,743 |

Total HUD Grant Projects Fund 364,743

(Continued)

Exhibit L-8

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

|   |              |                      |
|---|--------------|----------------------|
| <u>Highway Capital Projects Fund</u>          |              |                      |
| <u>Capital Projects</u>                       |              |                      |
| <u>Public Safety Projects</u>                 |              |                      |
| Contributions                                 | \$ 56,362    |                      |
| Total Public Safety Projects                  |              | \$ 56,362            |
| Total Highway Capital Projects Fund           |              | \$ 56,362            |
| <u>Education Capital Projects Fund</u>        |              |                      |
| <u>Capital Projects</u>                       |              |                      |
| <u>Education Capital Projects</u>             |              |                      |
| Contributions                                 | \$ 4,693,000 |                      |
| Other Debt Issuance Charges                   | 7,000        |                      |
| Total Education Capital Projects              |              | \$ 4,700,000         |
| Total Education Capital Projects Fund         |              | 4,700,000            |
| <u>Other Capital Projects Fund</u>            |              |                      |
| <u>Other Operations</u>                       |              |                      |
| <u>Miscellaneous</u>                          |              |                      |
| Trustee's Commission                          | \$ 1,337     |                      |
| Other Charges                                 | 20,702       |                      |
| Total Miscellaneous                           |              | \$ 22,039            |
| <u>Principal on Debt</u>                      |              |                      |
| <u>General Government</u>                     |              |                      |
| Principal on Notes                            | \$ 104,000   |                      |
| Total General Government                      |              | 104,000              |
| <u>Interest on Debt</u>                       |              |                      |
| <u>General Government</u>                     |              |                      |
| Interest on Notes                             | \$ 29,568    |                      |
| Total General Government                      |              | 29,568               |
| Total Other Capital Projects Fund             |              | 155,607              |
| Total Governmental Funds - Primary Government |              | <u>\$ 34,063,200</u> |

Exhibit L-9

Bedford County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Bedford County School Department  
For the Year Ended June 30, 2009

General Purpose School Fund

Instruction

Regular Instruction Program

|   |    |            |               |
|---|----|------------|---------------|
| Teachers                                    | \$ | 16,531,329 |               |
| Career Ladder Program                       |    | 242,022    |               |
| Career Ladder Extended Contracts            |    | 117,500    |               |
| Clerical Personnel                          |    | 62,696     |               |
| Educational Assistants                      |    | 844,916    |               |
| Other Salaries and Wages                    |    | 295,434    |               |
| Certified Substitute Teachers               |    | 288,308    |               |
| Social Security                             |    | 1,092,910  |               |
| State Retirement                            |    | 1,129,518  |               |
| Life Insurance                              |    | 22,556     |               |
| Medical Insurance                           |    | 2,226,915  |               |
| Unemployment Compensation                   |    | 18,782     |               |
| Employer Medicare                           |    | 255,906    |               |
| Maintenance and Repair Services - Equipment |    | 13,640     |               |
| Travel                                      |    | 13,038     |               |
| Other Contracted Services                   |    | 33,646     |               |
| Instructional Supplies and Materials        |    | 364,284    |               |
| Textbooks                                   |    | 479,202    |               |
| Other Supplies and Materials                |    | 6,874      |               |
| In Service/Staff Development                |    | 34,572     |               |
| Other Charges                               |    | 70,554     |               |
| Regular Instruction Equipment               |    | 484,535    |               |
| Other Capital Outlay                        |    | 35,548     |               |
| Total Regular Instruction Program           |    |            | \$ 24,664,685 |

Alternative Instruction Program

|                                       |    |         |         |
|---------------------------------------|----|---------|---------|
| Teachers                              | \$ | 276,214 |         |
| Career Ladder Program                 |    | 2,000   |         |
| Social Workers                        |    | 79,163  |         |
| Clerical Personnel                    |    | 11,505  |         |
| Educational Assistants                |    | 12,310  |         |
| Other Salaries and Wages              |    | 1,296   |         |
| Social Security                       |    | 22,821  |         |
| State Retirement                      |    | 23,983  |         |
| Medical Insurance                     |    | 43,715  |         |
| Employer Medicare                     |    | 5,337   |         |
| Other Contracted Services             |    | 12,820  |         |
| Instructional Supplies and Materials  |    | 22,779  |         |
| Other Equipment                       |    | 274,313 |         |
| Total Alternative Instruction Program |    |         | 788,256 |

(Continued)

Exhibit L-9

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program

|                                      |    |           |              |
|--------------------------------------|----|-----------|--------------|
| Teachers                             | \$ | 1,820,731 |              |
| Career Ladder Program                |    | 18,581    |              |
| Career Ladder Extended Contracts     |    | 3,000     |              |
| Homebound Teachers                   |    | 94,472    |              |
| Educational Assistants               |    | 99,098    |              |
| Other Salaries and Wages             |    | 2,869     |              |
| Certified Substitute Teachers        |    | 34,400    |              |
| Social Security                      |    | 123,856   |              |
| State Retirement                     |    | 128,845   |              |
| Medical Insurance                    |    | 225,562   |              |
| Unemployment Compensation            |    | 7,045     |              |
| Employer Medicare                    |    | 28,966    |              |
| Other Contracted Services            |    | 40,931    |              |
| Instructional Supplies and Materials |    | 66,768    |              |
| In Service/Staff Development         |    | 10,000    |              |
| Other Charges                        |    | 483       |              |
| Regular Instruction Equipment        |    | 4,832     |              |
| Special Education Equipment          |    | 9,844     |              |
| Total Special Education Program      |    |           | \$ 2,720,283 |

Vocational Education Program

|   |    |         |           |
|---|----|---------|-----------|
| Teachers                                    | \$ | 827,039 |           |
| Career Ladder Program                       |    | 7,895   |           |
| Certified Substitute Teachers               |    | 6,665   |           |
| Social Security                             |    | 48,511  |           |
| State Retirement                            |    | 50,156  |           |
| Medical Insurance                           |    | 92,764  |           |
| Employer Medicare                           |    | 11,852  |           |
| Maintenance and Repair Services - Equipment |    | 1,619   |           |
| Instructional Supplies and Materials        |    | 9,556   |           |
| Vocational Instruction Equipment            |    | 8,400   |           |
| Total Vocational Education Program          |    |         | 1,064,457 |

Adult Education Program

|                   |    |        |
|-------------------|----|--------|
| Teachers          | \$ | 80,731 |
| Social Security   |    | 4,789  |
| State Retirement  |    | 3,049  |
| Medical Insurance |    | 10,816 |
| Employer Medicare |    | 1,120  |

(Continued)

Exhibit L-9

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Adult Education Program (Cont.)

|   |    |        |            |
|---|----|--------|------------|
| Maintenance and Repair Services - Equipment | \$ | 1,500  |            |
| Instructional Supplies and Materials        |    | 29,082 |            |
| Other Supplies and Materials                |    | 709    |            |
| Other Equipment                             |    | 873    |            |
| Total Adult Education Program               |    |        | \$ 132,669 |

Support Services

Attendance

|                              |    |        |        |
|------------------------------|----|--------|--------|
| Supervisor/Director          | \$ | 69,380 |        |
| Career Ladder Program        |    | 1,000  |        |
| Social Security              |    | 4,296  |        |
| State Retirement             |    | 4,518  |        |
| Medical Insurance            |    | 5,260  |        |
| Employer Medicare            |    | 1,005  |        |
| Travel                       |    | 415    |        |
| Other Supplies and Materials |    | 472    |        |
| Other Charges                |    | 350    |        |
| Total Attendance             |    |        | 86,696 |

Health Services

|                              |    |         |         |
|------------------------------|----|---------|---------|
| Medical Personnel            | \$ | 210,028 |         |
| Other Salaries and Wages     |    | 52,698  |         |
| Social Security              |    | 16,149  |         |
| State Retirement             |    | 14,326  |         |
| Medical Insurance            |    | 12,155  |         |
| Employer Medicare            |    | 3,777   |         |
| Travel                       |    | 5,298   |         |
| Other Contracted Services    |    | 682     |         |
| Drugs and Medical Supplies   |    | 7,271   |         |
| Other Supplies and Materials |    | 20,984  |         |
| Other Charges                |    | 9,265   |         |
| Health Equipment             |    | 2,074   |         |
| Total Health Services        |    |         | 354,707 |

Other Student Support

|                                  |    |         |  |
|----------------------------------|----|---------|--|
| Career Ladder Program            | \$ | 11,999  |  |
| Guidance Personnel               |    | 656,585 |  |
| Career Ladder Extended Contracts |    | 7,000   |  |
| Other Salaries and Wages         |    | 68,036  |  |

(Continued)

Exhibit L-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

|                             |    |        |            |
|-----------------------------|----|--------|------------|
| Social Security             | \$ | 44,555 |            |
| State Retirement            |    | 47,740 |            |
| Medical Insurance           |    | 77,509 |            |
| Employer Medicare           |    | 10,420 |            |
| Evaluation and Testing      |    | 56,938 |            |
| Total Other Student Support |    |        | \$ 980,782 |

Regular Instruction Program

|                                   |    |         |         |
|-----------------------------------|----|---------|---------|
| Supervisor/Director               | \$ | 74,418  |         |
| Career Ladder Program             |    | 12,999  |         |
| Career Ladder Extended Contracts  |    | 10,000  |         |
| Librarians                        |    | 573,615 |         |
| Secretary(ies)                    |    | 32,722  |         |
| Other Salaries and Wages          |    | 3,879   |         |
| Social Security                   |    | 36,505  |         |
| State Retirement                  |    | 38,201  |         |
| Medical Insurance                 |    | 66,961  |         |
| Employer Medicare                 |    | 9,953   |         |
| Travel                            |    | 3,463   |         |
| Other Contracted Services         |    | 25,262  |         |
| Library Books/Media               |    | 23,789  |         |
| In Service/Staff Development      |    | 3,913   |         |
| Total Regular Instruction Program |    |         | 915,680 |

Alternative Instruction Program

|                                       |    |        |        |
|---------------------------------------|----|--------|--------|
| Supervisor/Director                   | \$ | 64,674 |        |
| Career Ladder Program                 |    | 1,000  |        |
| Social Security                       |    | 4,033  |        |
| State Retirement                      |    | 4,157  |        |
| Employer Medicare                     |    | 943    |        |
| Total Alternative Instruction Program |    |        | 74,807 |

Special Education Program

|                          |    |        |  |
|--------------------------|----|--------|--|
| Supervisor/Director      | \$ | 70,850 |  |
| Career Ladder Program    |    | 1,000  |  |
| Psychological Personnel  |    | 48,455 |  |
| Secretary(ies)           |    | 22,380 |  |
| Other Salaries and Wages |    | 21,994 |  |
| Social Security          |    | 10,025 |  |

(Continued)

Exhibit L-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

|                                 |    |        |            |
|---------------------------------|----|--------|------------|
| State Retirement                | \$ | 10,066 |            |
| Medical Insurance               |    | 11,678 |            |
| Employer Medicare               |    | 2,345  |            |
| Travel                          |    | 3,654  |            |
| Other Supplies and Materials    |    | 188    |            |
| In Service/Staff Development    |    | 12,979 |            |
| Other Charges                   |    | 6,101  |            |
| Other Equipment                 |    | 18,470 |            |
| Total Special Education Program |    |        | \$ 240,185 |

Vocational Education Program

|                                    |    |        |        |
|------------------------------------|----|--------|--------|
| Secretary(ies)                     | \$ | 17,122 |        |
| Social Security                    |    | 995    |        |
| State Retirement                   |    | 909    |        |
| Medical Insurance                  |    | 4,000  |        |
| Employer Medicare                  |    | 233    |        |
| Travel                             |    | 667    |        |
| Total Vocational Education Program |    |        | 23,926 |

Adult Programs

|                              |    |        |         |
|------------------------------|----|--------|---------|
| Supervisor/Director          | \$ | 70,271 |         |
| Career Ladder Program        |    | 1,000  |         |
| Clerical Personnel           |    | 21,567 |         |
| Other Salaries and Wages     |    | 426    |         |
| Social Security              |    | 5,691  |         |
| State Retirement             |    | 5,496  |         |
| Unemployment Compensation    |    | 278    |         |
| Employer Medicare            |    | 1,331  |         |
| Travel                       |    | 239    |         |
| In Service/Staff Development |    | 3,109  |         |
| Total Adult Programs         |    |        | 109,408 |

Other Programs

|                            |    |         |         |
|----------------------------|----|---------|---------|
| On-Behalf Payments to OPEB | \$ | 106,594 |         |
| Total Other Programs       |    |         | 106,594 |

Board of Education

|                          |    |        |  |
|--------------------------|----|--------|--|
| Secretary to Board       | \$ | 28,583 |  |
| Other Salaries and Wages |    | 767    |  |

(Continued)

Exhibit L-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

|  |    |         |            |
|--|----|---------|------------|
| Board and Committee Members Fees           | \$ | 22,361  |            |
| Social Security                            |    | 2,944   |            |
| State Retirement                           |    | 1,854   |            |
| Medical Insurance                          |    | 2,000   |            |
| Employer Medicare                          |    | 688     |            |
| Audit Services                             |    | 11,000  |            |
| Dues and Memberships                       |    | 11,125  |            |
| Legal Services                             |    | 5,592   |            |
| Travel                                     |    | 14,579  |            |
| Trustee's Commission                       |    | 240,109 |            |
| Workers' Compensation Insurance            |    | 215,430 |            |
| In Service/Staff Development               |    | 10,675  |            |
| Criminal Investigation of Applicants - TBI |    | 14,328  |            |
| Other Charges                              |    | 559     |            |
| Total Board of Education                   |    |         | \$ 582,594 |

Director of Schools

|  |    |           |           |
|--|----|-----------|-----------|
| County Official/Administrative Officer | \$ | 95,000    |           |
| Clerical Personnel                     |    | 24,710    |           |
| Other Salaries and Wages               |    | 757       |           |
| Social Security                        |    | 7,450     |           |
| State Retirement                       |    | 7,411     |           |
| Medical Insurance                      |    | 4,841     |           |
| Employer Medicare                      |    | 1,742     |           |
| Communication                          |    | 26,428    |           |
| Contributions                          |    | 1,038,693 |           |
| Postal Charges                         |    | 7,786     |           |
| Travel                                 |    | 3,273     |           |
| Total Director of Schools              |    |           | 1,218,091 |

Office of the Principal

|                                  |    |         |  |
|----------------------------------|----|---------|--|
| Principals                       | \$ | 782,443 |  |
| Career Ladder Program            |    | 27,998  |  |
| Accountants/Bookkeepers          |    | 54,798  |  |
| Career Ladder Extended Contracts |    | 20,000  |  |
| Assistant Principals             |    | 649,439 |  |
| Secretary(ies)                   |    | 143,162 |  |
| Clerical Personnel               |    | 45,850  |  |
| Other Salaries and Wages         |    | 11,623  |  |

(Continued)

Exhibit L-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

|                               |    |         |              |
|-------------------------------|----|---------|--------------|
| Social Security               | \$ | 103,313 |              |
| State Retirement              |    | 107,485 |              |
| Medical Insurance             |    | 194,956 |              |
| Employer Medicare             |    | 24,162  |              |
| Communication                 |    | 39,862  |              |
| Other Supplies and Materials  |    | 13,179  |              |
| Administration Equipment      |    | 5,373   |              |
| Total Office of the Principal |    |         | \$ 2,223,643 |

Fiscal Services

|                       |    |     |     |
|-----------------------|----|-----|-----|
| Office Supplies       | \$ | 316 |     |
| Total Fiscal Services |    |     | 316 |

Human Services/Personnel

|   |    |        |        |
|---|----|--------|--------|
| Supervisor/Director                         | \$ | 49,565 |        |
| Clerical Personnel                          |    | 27,329 |        |
| Other Salaries and Wages                    |    | 944    |        |
| Social Security                             |    | 4,787  |        |
| State Retirement                            |    | 3,438  |        |
| Medical Insurance                           |    | 4,812  |        |
| Employer Medicare                           |    | 1,120  |        |
| Maintenance and Repair Services - Equipment |    | 764    |        |
| Travel                                      |    | 2,495  |        |
| Office Supplies                             |    | 2,424  |        |
| Other Charges                               |    | 2,122  |        |
| Total Human Services/Personnel              |    |        | 99,800 |

Operation of Plant

|   |    |         |  |
|---|----|---------|--|
| Supervisor/Director                         | \$ | 45,123  |  |
| Custodial Personnel                         |    | 836,555 |  |
| Other Salaries and Wages                    |    | 18,719  |  |
| Social Security                             |    | 55,018  |  |
| State Retirement                            |    | 37,219  |  |
| Medical Insurance                           |    | 50,598  |  |
| Unemployment Compensation                   |    | 73      |  |
| Employer Medicare                           |    | 12,867  |  |
| Maintenance and Repair Services - Equipment |    | 511     |  |
| Other Contracted Services                   |    | 268,008 |  |
| Custodial Supplies                          |    | 109,079 |  |

(Continued)

Exhibit L-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

|                                 |    |           |              |
|---------------------------------|----|-----------|--------------|
| Electricity                     | \$ | 2,126,906 |              |
| Natural Gas                     |    | 509,183   |              |
| Water and Sewer                 |    | 122,173   |              |
| Other Supplies and Materials    |    | 500       |              |
| Building and Contents Insurance |    | 164,627   |              |
| Other Charges                   |    | 9,325     |              |
| Plant Operation Equipment       |    | 7,589     |              |
| Total Operation of Plant        |    |           | \$ 4,374,073 |

Maintenance of Plant

|   |    |         |           |
|---|----|---------|-----------|
| Secretary(ies)                              | \$ | 23,615  |           |
| Maintenance Personnel                       |    | 535,077 |           |
| Other Salaries and Wages                    |    | 11,337  |           |
| Social Security                             |    | 34,377  |           |
| State Retirement                            |    | 27,764  |           |
| Medical Insurance                           |    | 33,041  |           |
| Employer Medicare                           |    | 8,040   |           |
| Laundry Service                             |    | 8,234   |           |
| Maintenance and Repair Services - Buildings |    | 57,383  |           |
| Maintenance and Repair Services - Equipment |    | 136,461 |           |
| Maintenance and Repair Services - Vehicles  |    | 12,677  |           |
| Travel                                      |    | 1,616   |           |
| Other Contracted Services                   |    | 78,075  |           |
| Gasoline                                    |    | 16,483  |           |
| Other Supplies and Materials                |    | 122,687 |           |
| Other Charges                               |    | 22,678  |           |
| Maintenance Equipment                       |    | 35,707  |           |
| Total Maintenance of Plant                  |    |         | 1,165,252 |

Transportation

|                          |    |         |  |
|--------------------------|----|---------|--|
| Supervisor/Director      | \$ | 40,314  |  |
| Mechanic(s)              |    | 87,731  |  |
| Bus Drivers              |    | 797,074 |  |
| Clerical Personnel       |    | 25,525  |  |
| Other Salaries and Wages |    | 19,679  |  |
| In-Service Training      |    | 650     |  |
| Social Security          |    | 57,561  |  |
| State Retirement         |    | 46,406  |  |
| Medical Insurance        |    | 23,776  |  |

(Continued)

Exhibit L-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

|  |    |         |              |
|--|----|---------|--------------|
| Unemployment Compensation                  | \$ | 2       |              |
| Employer Medicare                          |    | 13,470  |              |
| Laundry Service                            |    | 6,216   |              |
| Maintenance and Repair Services - Vehicles |    | 9,512   |              |
| Medical and Dental Services                |    | 5,566   |              |
| Travel                                     |    | 534     |              |
| Other Contracted Services                  |    | 6,820   |              |
| Diesel Fuel                                |    | 236,824 |              |
| Garage Supplies                            |    | 1,661   |              |
| Gasoline                                   |    | 21,552  |              |
| Lubricants                                 |    | 7,970   |              |
| Tires and Tubes                            |    | 21,878  |              |
| Vehicle Parts                              |    | 55,655  |              |
| Other Supplies and Materials               |    | 4,882   |              |
| Vehicle and Equipment Insurance            |    | 101,368 |              |
| Other Charges                              |    | 13,950  |              |
| Transportation Equipment                   |    | 334,752 |              |
| Total Transportation                       |    |         | \$ 1,941,328 |

Central and Other

|                           |    |         |         |
|---------------------------|----|---------|---------|
| Data Processing Personnel | \$ | 226,927 |         |
| Other Salaries and Wages  |    | 2,392   |         |
| Social Security           |    | 13,985  |         |
| State Retirement          |    | 13,620  |         |
| Medical Insurance         |    | 4,620   |         |
| Employer Medicare         |    | 3,271   |         |
| Total Central and Other   |    |         | 264,815 |

Operation of Non-Instructional Services

Food Service

|                     |    |        |        |
|---------------------|----|--------|--------|
| Supervisor/Director | \$ | 34,179 |        |
| Social Security     |    | 2,119  |        |
| State Retirement    |    | 2,194  |        |
| Employer Medicare   |    | 496    |        |
| Total Food Service  |    |        | 38,988 |

Community Services

|                 |    |        |  |
|-----------------|----|--------|--|
| Bonus Payments  | \$ | 38,246 |  |
| Social Security |    | 2,363  |  |

(Continued)

Exhibit L-9

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services (Cont.)

|                              |    |       |           |
|------------------------------|----|-------|-----------|
| State Retirement             | \$ | 1,105 |           |
| Medical Insurance            |    | 417   |           |
| Employer Medicare            |    | 553   |           |
| Travel                       |    | 135   |           |
| Food Supplies                |    | 4,667 |           |
| Other Supplies and Materials |    | 3,106 |           |
| Other Charges                |    | 8,893 |           |
| Total Community Services     |    |       | \$ 59,485 |

Capital Outlay

Regular Capital Outlay

|                              |    |         |         |
|------------------------------|----|---------|---------|
| Building Improvements        | \$ | 707,664 |         |
| Furniture and Fixtures       |    | 984     |         |
| Other Capital Outlay         |    | 12,500  |         |
| Total Regular Capital Outlay |    |         | 721,148 |

Total General Purpose School Fund \$ 44,952,668

School Federal Projects Fund

Instruction

Regular Instruction Program

|   |    |           |              |
|---|----|-----------|--------------|
| Teachers                                    | \$ | 1,047,690 |              |
| Educational Assistants                      |    | 66,023    |              |
| Other Salaries and Wages                    |    | 1,550     |              |
| Certified Substitute Teachers               |    | 7,165     |              |
| Social Security                             |    | 64,571    |              |
| State Retirement                            |    | 67,751    |              |
| Life Insurance                              |    | 175       |              |
| Medical Insurance                           |    | 101,183   |              |
| Employer Medicare                           |    | 15,664    |              |
| Maintenance and Repair Services - Equipment |    | 136       |              |
| Travel                                      |    | 1,802     |              |
| Other Contracted Services                   |    | 50,873    |              |
| Instructional Supplies and Materials        |    | 84,725    |              |
| Other Supplies and Materials                |    | 1,001     |              |
| In Service/Staff Development                |    | 1,172     |              |
| Regular Instruction Equipment               |    | 76,640    |              |
| Total Regular Instruction Program           |    |           | \$ 1,588,121 |

(Continued)

Exhibit L-9

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program

|                                      |    |         |            |
|--------------------------------------|----|---------|------------|
| Educational Assistants               | \$ | 404,216 |            |
| Other Salaries and Wages             |    | 12,359  |            |
| Social Security                      |    | 25,132  |            |
| State Retirement                     |    | 19,677  |            |
| Life Insurance                       |    | 1,200   |            |
| Medical Insurance                    |    | 46,867  |            |
| Unemployment Compensation            |    | 6,414   |            |
| Employer Medicare                    |    | 5,878   |            |
| Contracts with Private Agencies      |    | 21,497  |            |
| Other Contracted Services            |    | 7,936   |            |
| Instructional Supplies and Materials |    | 575     |            |
| Textbooks                            |    | 4,724   |            |
| Other Supplies and Materials         |    | 34,137  |            |
| Total Special Education Program      |    |         | \$ 590,612 |

Vocational Education Program

|                                      |    |        |        |
|--------------------------------------|----|--------|--------|
| Other Salaries and Wages             | \$ | 17,140 |        |
| Life Insurance                       |    | 30     |        |
| Employer Medicare                    |    | 249    |        |
| Instructional Supplies and Materials |    | 10,023 |        |
| Vocational Instruction Equipment     |    | 57,245 |        |
| Total Vocational Education Program   |    |        | 84,687 |

Support Services

Health Services

|                          |    |         |         |
|--------------------------|----|---------|---------|
| Medical Personnel        | \$ | 178,572 |         |
| Other Salaries and Wages |    | 1,303   |         |
| Social Security          |    | 10,769  |         |
| State Retirement         |    | 11,081  |         |
| Life Insurance           |    | 100     |         |
| Medical Insurance        |    | 14,261  |         |
| Employer Medicare        |    | 2,518   |         |
| Total Health Services    |    |         | 218,604 |

Other Student Support

|                          |    |        |  |
|--------------------------|----|--------|--|
| Other Salaries and Wages | \$ | 33,728 |  |
| Social Security          |    | 2,024  |  |
| State Retirement         |    | 1,755  |  |
| Medical Insurance        |    | 4,460  |  |

(Continued)

Exhibit L-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

|                              |    |        |           |
|------------------------------|----|--------|-----------|
| Employer Medicare            | \$ | 473    |           |
| Travel                       |    | 12,094 |           |
| Other Contracted Services    |    | 1,645  |           |
| Other Supplies and Materials |    | 5,473  |           |
| In Service/Staff Development |    | 5,165  |           |
| Other Charges                |    | 18,285 |           |
| Other Equipment              |    | 881    |           |
| Total Other Student Support  |    |        | \$ 85,983 |

Regular Instruction Program

|   |    |         |         |
|---|----|---------|---------|
| Supervisor/Director                         | \$ | 68,412  |         |
| Secretary(ies)                              |    | 17,557  |         |
| Other Salaries and Wages                    |    | 807     |         |
| Social Security                             |    | 4,722   |         |
| State Retirement                            |    | 5,324   |         |
| Medical Insurance                           |    | 12,455  |         |
| Employer Medicare                           |    | 1,104   |         |
| Maintenance and Repair Services - Equipment |    | 445     |         |
| Travel                                      |    | 8,170   |         |
| Other Contracted Services                   |    | 17,840  |         |
| Other Supplies and Materials                |    | 32,626  |         |
| In Service/Staff Development                |    | 102,367 |         |
| Other Charges                               |    | 1,678   |         |
| Other Equipment                             |    | 8,022   |         |
| Total Regular Instruction Program           |    |         | 281,529 |

Special Education Program

|                                 |    |        |         |
|---------------------------------|----|--------|---------|
| Psychological Personnel         | \$ | 49,604 |         |
| Assessment Personnel            |    | 30,490 |         |
| Social Security                 |    | 4,690  |         |
| State Retirement                |    | 5,142  |         |
| Life Insurance                  |    | 400    |         |
| Medical Insurance               |    | 9,811  |         |
| Employer Medicare               |    | 1,097  |         |
| Travel                          |    | 27,264 |         |
| Other Contracted Services       |    | 11,708 |         |
| Other Supplies and Materials    |    | 5,494  |         |
| In Service/Staff Development    |    | 2,546  |         |
| Total Special Education Program |    |        | 148,246 |

(Continued)

Exhibit L-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Vocational Education Program

|                                    |    |     |        |
|------------------------------------|----|-----|--------|
| Other Supplies and Materials       | \$ | 184 |        |
| In Service/Staff Development       |    | 700 |        |
| Total Vocational Education Program |    |     | \$ 884 |

Transportation

|                          |    |         |         |
|--------------------------|----|---------|---------|
| Bus Drivers              | \$ | 179,615 |         |
| Educational Assistants   |    | 667     |         |
| Other Salaries and Wages |    | 56,890  |         |
| Social Security          |    | 14,604  |         |
| State Retirement         |    | 10,900  |         |
| Life Insurance           |    | 425     |         |
| Medical Insurance        |    | 4,425   |         |
| Employer Medicare        |    | 3,415   |         |
| Contracts with Parents   |    | 263     |         |
| Transportation Equipment |    | 87,700  |         |
| Total Transportation     |    |         | 358,904 |

Total School Federal Projects Fund \$ 3,357,570

Central Cafeteria Fund

Support Services

Board of Education

|                                 |    |        |           |
|---------------------------------|----|--------|-----------|
| Workers' Compensation Insurance | \$ | 25,000 |           |
| Total Board of Education        |    |        | \$ 25,000 |

Operation of Non-Instructional Services

Food Service

|                           |    |         |  |
|---------------------------|----|---------|--|
| Supervisor/Director       | \$ | 23,558  |  |
| Accountants/Bookkeepers   |    | 23,367  |  |
| Clerical Personnel        |    | 244     |  |
| Cafeteria Personnel       |    | 995,081 |  |
| Other Salaries and Wages  |    | 56,593  |  |
| Social Security           |    | 65,865  |  |
| State Retirement          |    | 45,825  |  |
| Medical Insurance         |    | 37,511  |  |
| Unemployment Compensation |    | 3,393   |  |
| Employer Medicare         |    | 15,403  |  |
| Communication             |    | 2,573   |  |
| Contributions             |    | 17,388  |  |

(Continued)

Exhibit L-9

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

|   |    |           |              |
|---|----|-----------|--------------|
| Maintenance and Repair Services - Equipment | \$ | 32,096    |              |
| Travel                                      |    | 8,904     |              |
| Other Contracted Services                   |    | 18,978    |              |
| Food Preparation Supplies                   |    | 149,513   |              |
| Food Supplies                               |    | 1,526,264 |              |
| Office Supplies                             |    | 13,451    |              |
| Other Supplies and Materials                |    | 110,210   |              |
| In Service/Staff Development                |    | 13,864    |              |
| Other Charges                               |    | 120       |              |
| Food Service Equipment                      |    | 225,036   |              |
| Total Food Service                          |    |           | \$ 3,385,237 |

Total Central Cafeteria Fund \$ 3,410,237

Extended School Program Fund

Support Services

Board of Education

|                                 |    |       |          |
|---------------------------------|----|-------|----------|
| Workers' Compensation Insurance | \$ | 2,800 |          |
| Total Board of Education        |    |       | \$ 2,800 |

Operation of Non-Instructional Services

Community Services

|   |    |         |         |
|---|----|---------|---------|
| Supervisor/Director                         | \$ | 49,393  |         |
| Clerical Personnel                          |    | 20,666  |         |
| Part-time Personnel                         |    | 251,021 |         |
| Other Salaries and Wages                    |    | 3,810   |         |
| Social Security                             |    | 20,143  |         |
| State Retirement                            |    | 4,390   |         |
| Unemployment Compensation                   |    | 549     |         |
| Employer Medicare                           |    | 4,711   |         |
| Communication                               |    | 1,740   |         |
| Maintenance and Repair Services - Equipment |    | 2,434   |         |
| Travel                                      |    | 4,296   |         |
| Other Contracted Services                   |    | 1,457   |         |
| Food Supplies                               |    | 22,197  |         |
| Instructional Supplies and Materials        |    | 9,234   |         |
| Other Supplies and Materials                |    | 6,955   |         |
| In Service/Staff Development                |    | 5,231   |         |
| Other Equipment                             |    | 3,714   |         |
| Total Community Services                    |    |         | 411,941 |

Total Extended School Program Fund 414,741

(Continued)

Exhibit L-9

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

|   |               |               |
|---|---------------|---------------|
| <u>Education Capital Projects Fund</u>                      |               |               |
| <u>Capital Projects</u>                                     |               |               |
| <u>Education Capital Projects</u>                           |               |               |
| Building Improvements                                       | \$ 23,590,317 |               |
| Total Education Capital Projects                            |               | \$ 23,590,317 |
| <br>  |               |               |
| Total Education Capital Projects Fund                       |               | \$ 23,590,317 |
| <br>  |               |               |
| Total Governmental Funds - Bedford County School Department |               | \$ 75,725,533 |

Exhibit L-10

Bedford County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Bedford County Solid Waste Authority  
For the Year Ended June 30, 2009

Solid Waste/Sanitation Fund  
Public Health and Welfare  
Convenience Centers

|  |           |                   |
|--|-----------|-------------------|
| County Official/Administrative Officer | \$ 14,400 |                   |
| Assistant(s)                           | 7,800     |                   |
| Accountants/Bookkeepers                | 1,800     |                   |
| Foremen                                | 33,656    |                   |
| Truck Drivers                          | 92,329    |                   |
| Laborers                               | 6,240     |                   |
| Secretary(ies)                         | 19,240    |                   |
| Attendants                             | 140,078   |                   |
| Other Salaries and Wages               | 5,600     |                   |
| Board and Committee Members Fees       | 4,100     |                   |
| Social Security                        | 24,702    |                   |
| State Retirement                       | 14,013    |                   |
| Employee and Dependent Insurance       | 39,547    |                   |
| Unemployment Compensation              | 424       |                   |
| Audit Services                         | 1,754     |                   |
| Communication                          | 5,386     |                   |
| Contracts with Private Agencies        | 299,941   |                   |
| Data Processing Services               | 3,165     |                   |
| Legal Services                         | 700       |                   |
| Postal Charges                         | 590       |                   |
| Printing, Stationery, and Forms        | 670       |                   |
| Travel                                 | 1,655     |                   |
| Diesel Fuel                            | 62,249    |                   |
| Equipment and Machinery Parts          | 22,581    |                   |
| Gasoline                               | 1,969     |                   |
| Lubricants                             | 373       |                   |
| Office Supplies                        | 583       |                   |
| Tires and Tubes                        | 8,583     |                   |
| Utilities                              | 13,871    |                   |
| Other Supplies and Materials           | 13,534    |                   |
| Vehicle and Equipment Insurance        | 22,886    |                   |
| Workers' Compensation Insurance        | 6,769     |                   |
| Other Charges                          | 8,590     |                   |
| Solid Waste Equipment                  | 4,950     |                   |
| Other Capital Outlay                   | 8,675     |                   |
| Total Convenience Centers              |           | <u>\$ 893,403</u> |

Total Solid Waste/Sanitation Fund \$ 893,403

Total Governmental Funds - Bedford County Solid Waste Authority \$ 893,403

Exhibit L-11

Bedford County, Tennessee  
Schedule of Detailed Receipts, Disbursements,  
and Changes in Cash Balance - City Agency Fund  
For the Year Ended June 30, 2009

|  | Cities -<br>Sales Tax<br>Fund |
|--|-------------------------------|
| <hr/>  |                               |
| <u>Cash Receipts</u>   |                               |
| Local Option Sales Tax   | \$ 3,218,477                  |
| Total Cash Receipts  | <u>\$ 3,218,477</u>           |
| <br><u>Cash Disbursements</u>                                  |                               |
| Remittance of Revenues Collected                               | \$ 3,186,292                  |
| Trustee's Commission   | 32,185                        |
| Total Cash Disbursements                                       | <u>\$ 3,218,477</u>           |
| <br>Excess of Cash Receipts Over<br>(Under) Cash Disbursements | <br>\$ 0                      |
| Cash Balance, July 1, 2008                                     | <u>0</u>                      |
| <br>Cash Balance, June 30, 2009                                | <br><u><u>\$ 0</u></u>        |

---

---

## STATISTICAL SECTION

---

---

This part of Bedford 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. Certain information about the discretely presented Bedford County School Department is included because, in our judgment, this information is beneficial in assessing the economic condition of the primary government.

|   | 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    | 229-236 |
| Revenue Capacity:   |        |         |
| These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.   | 7-11   | 237-241 |
| 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. The tables on legal debt margin information and pledged-revenue coverage are not applicable to counties in Tennessee. | 12-16  | 242-246 |
| 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.  | 17-18  | 247-248 |
| 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.  | 19-21  | 249-252 |

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

This page is left blank intentionally.

Table 1

**Bedford County, Tennessee**  
**General Government and Discretely Presented Bedford County School Department**  
**Net Assets by Component**  
**Last Five Fiscal Years**  
**(accrual basis of accounting)**

|  | Fiscal Year Ending   |                      |                        |                        |                        |
|--|----------------------|----------------------|------------------------|------------------------|------------------------|
|  | 2005                 | 2006                 | 2007                   | 2008                   | 2009                   |
| Primary government   |                      |                      |                        |                        |                        |
| Governmental Activities  |                      |                      |                        |                        |                        |
| Invested in Capital Assets, net of related debt  | \$ 0                 | \$ 0                 | \$ 17,040,029          | \$ 20,004,135          | \$ 21,868,974          |
| Restricted   | 0                    | 0                    | 12,415,138             | 8,817,295              | 7,127,016              |
| Unrestricted   | 0                    | 0                    | (63,466,407)           | (62,013,087)           | (62,020,993)           |
| Total Primary Government's Governmental Activities Net Assets                                    | <u>\$ 0</u>          | <u>\$ 0</u>          | <u>\$ (34,011,240)</u> | <u>\$ (33,191,657)</u> | <u>\$ (33,025,003)</u> |
| Business-type activities   |                      |                      |                        |                        |                        |
| Invested in Capital Assets, net of related debt  | \$ 0                 | \$ 0                 | \$ 1,054,339           | \$ 1,129,497           | \$ 0                   |
| Invested in Capital Assets   | 0                    | 0                    | 0                      | 0                      | 1,170,287              |
| Restricted   | 0                    | 0                    | 0                      | 0                      | 0                      |
| Unrestricted   | 0                    | 0                    | 682,713                | 597,328                | 644,297                |
| Total Primary Government's Business-type Activities Net Assets                                   | <u>\$ 0</u>          | <u>\$ 0</u>          | <u>\$ 1,737,052</u>    | <u>\$ 1,726,825</u>    | <u>\$ 1,814,584</u>    |
| Total Primary Government   | \$ 0                 | \$ 0                 | \$ 18,094,368          | \$ 21,133,632          | \$ 21,868,974          |
| Invested in Capital Assets, net of related debt  | 0                    | 0                    | 0                      | 0                      | 1,170,287              |
| Restricted   | 0                    | 0                    | 12,415,138             | 8,817,295              | 7,127,016              |
| Unrestricted   | 0                    | 0                    | (62,783,694)           | (61,415,759)           | (61,376,696)           |
| Total Primary Government Net Assets  | <u>\$ 0</u>          | <u>\$ 0</u>          | <u>\$ (32,274,188)</u> | <u>\$ (31,464,832)</u> | <u>\$ (31,210,419)</u> |
| Discretely Presented Bedford County School Department  |                      |                      |                        |                        |                        |
| Governmental Activities  |                      |                      |                        |                        |                        |
| Invested in Capital Assets   | \$ 52,021,969        | \$ 54,074,664        | \$ 59,489,656          | \$ 79,577,923          | \$ 101,835,769         |
| Restricted   | 5,115,020            | 4,112,371            | 45,264,038             | 24,333,296             | 6,346,445              |
| Unrestricted   | 4,874,764            | 5,562,471            | 6,875,075              | 9,366,780              | 8,536,254              |
| Total Discretely Presented Bedford County School Department's Governmental Activities Net Assets | <u>\$ 62,011,753</u> | <u>\$ 63,749,506</u> | <u>\$ 111,628,769</u>  | <u>\$ 113,277,999</u>  | <u>\$ 116,718,468</u>  |

Note(s): The primary government implemented Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments for the fiscal year ended June 30, 2007. The discretely presented Bedford County School Department implemented the standard as of June 30, 2003.

Table 2

**Bedford County, Tennessee**  
**General Government and Discretely Presented Bedford County School Department**  
**Changes in Net Assets**  
**Last Five Fiscal Years**  
**(accrual basis of accounting)**

|  | Fiscal Year Ending |                 |                    |                 |                    |                |                    |                 |                    |                 |
|--|--------------------|-----------------|--------------------|-----------------|--------------------|----------------|--------------------|-----------------|--------------------|-----------------|
|  | 2005               |                 | 2006               |                 | 2007               |                | 2008               |                 | 2009               |                 |
|  | Primary Government | Component Unit  | Primary Government | Component Unit  | Primary Government | Component Unit | Primary Government | Component Unit  | Primary Government | Component Unit  |
| <b>Expenses</b>                                    |                    |                 |                    |                 |                    |                |                    |                 |                    |                 |
| Governmental Activities:                           |                    |                 |                    |                 |                    |                |                    |                 |                    |                 |
| General Government                                 | \$ 0               | \$ 0            | \$ 0               | \$ 0            | \$ 1,773,076       | \$ 0           | \$ 1,829,384       | \$ 0            | \$ 1,744,838       | \$ 0            |
| Finance  | 0                  | 0               | 0                  | 0               | 1,066,998          | 0              | 1,499,099          | 0               | 1,587,046          | 0               |
| Administration of Justice                          | 0                  | 0               | 0                  | 0               | 1,408,133          | 0              | 1,866,267          | 0               | 1,614,768          | 0               |
| Public Safety                                      | 0                  | 0               | 0                  | 0               | 6,618,380          | 0              | 8,783,057          | 0               | 7,305,080          | 0               |
| Public Health and Welfare                          | 0                  | 0               | 0                  | 0               | 4,134,997          | 0              | 4,000,140          | 0               | 5,276,550          | 0               |
| Social, Cultural, and Recreational Services        | 0                  | 0               | 0                  | 0               | 150,906            | 0              | 150,906            | 0               | 156,662            | 0               |
| Agriculture and Natural Resources                  | 0                  | 0               | 0                  | 0               | 229,107            | 0              | 246,007            | 0               | 212,999            | 0               |
| Other Operations                                   | 0                  | 0               | 0                  | 0               | 552,463            | 0              | 554,046            | 0               | 92,789             | 0               |
| Highways   | 0                  | 0               | 0                  | 0               | 1,029,482          | 0              | 2,605,250          | 0               | 1,195,559          | 0               |
| Education  | 0                  | 0               | 0                  | 0               | 47,886,090         | 0              | 0                  | 0               | 4,700,000          | 0               |
| Capital Projects                                   |                    |                 |                    |                 |                    |                |                    |                 |                    |                 |
| Debt Service:                                      |                    |                 |                    |                 |                    |                |                    |                 |                    |                 |
| Interest on Long-term Debt                         | 0                  | 0               | 0                  | 0               | 1,603,633          | 0              | 3,134,262          | 0               | 3,400,659          | 0               |
| Other Debt Service                                 | 0                  | 0               | 0                  | 0               | 7,955              | 0              | 229,225            | 0               | 156,002            | 0               |
| Business-type Activities                           |                    |                 |                    |                 |                    |                |                    |                 |                    |                 |
| Nursing Home                                       | 0                  | 0               | 0                  | 0               | 6,333,175          | 0              | 6,708,784          | 0               | 7,025,043          | 0               |
| Component Unit - Bedford County School Department  | 0                  | 41,990,281      | 0                  | 42,534,823      | 0                  | 46,117,455     | 0                  | 49,513,368      | 0                  | 54,009,406      |
| Total Expenses                                     | 0                  | \$ 41,990,281   | 0                  | \$ 42,534,823   | \$ 72,794,395      | \$ 46,117,455  | \$ 31,606,427      | \$ 49,513,368   | \$ 34,467,995      | \$ 54,009,406   |
| <b>Program Revenues</b>                            |                    |                 |                    |                 |                    |                |                    |                 |                    |                 |
| Governmental Activities:                           |                    |                 |                    |                 |                    |                |                    |                 |                    |                 |
| Charges for Services:                              |                    |                 |                    |                 |                    |                |                    |                 |                    |                 |
| General Government                                 | \$ 0               | \$ 0            | \$ 0               | \$ 0            | 1,068,061          | 0              | 841,042            | 0               | 708,695            | 0               |
| Finance  | 0                  | 0               | 0                  | 0               | 996,704            | 0              | 972,158            | 0               | 970,181            | 0               |
| Administration of Justice                          | 0                  | 0               | 0                  | 0               | 1,661,660          | 0              | 1,628,146          | 0               | 1,482,066          | 0               |
| Public Safety                                      | 0                  | 0               | 0                  | 0               | 877,146            | 0              | 727,709            | 0               | 1,122,738          | 0               |
| Public Health and Welfare                          | 0                  | 0               | 0                  | 0               | 1,037,831          | 0              | 1,092,744          | 0               | 1,616,900          | 0               |
| Social, Cultural and Recreational Services         | 0                  | 0               | 0                  | 0               | 0                  | 0              | 20,702             | 0               | 0                  | 0               |
| Agriculture and Natural Resources                  | 0                  | 0               | 0                  | 0               | 9,742              | 0              | 0                  | 0               | 0                  | 0               |
| Highways   | 0                  | 0               | 0                  | 0               | 1,405              | 0              | 34,949             | 0               | 97,222             | 0               |
| Operating Grants and Contributions                 | 0                  | 0               | 0                  | 0               | 2,446,421          | 0              | 3,827,410          | 0               | 3,598,823          | 0               |
| Capital Grants and Contributions                   | 0                  | 4,204,232       | 0                  | 720,000         | 883,228            | 47,886,090     | 257,308            | 0               | 670,265            | 0               |
| Business-type Activities:                          |                    |                 |                    |                 |                    |                |                    |                 |                    |                 |
| Nursing Home:                                      |                    |                 |                    |                 |                    |                |                    |                 |                    |                 |
| Charges for Services                               | 0                  | 0               | 0                  | 0               | 6,259,989          | 0              | 6,599,099          | 0               | 7,112,743          | 0               |
| Operating Grants and Contributions                 | 0                  | 0               | 0                  | 0               | 0                  | 0              | 99,393             | 0               | 0                  | 0               |
| Component Unit - Bedford County School Department: |                    |                 |                    |                 |                    |                |                    |                 |                    |                 |
| Charges for Services                               | 0                  | 1,649,311       | 0                  | 1,763,138       | 0                  | 1,834,732      | 0                  | 1,783,300       | 0                  | 1,851,467       |
| Operating Grants and Contributions                 | 0                  | 4,350,335       | 0                  | 4,364,744       | 0                  | 5,142,503      | 0                  | 5,511,207       | 0                  | 6,095,074       |
| Capital Grants and Contributions                   | 0                  | 0               | 0                  | 0               | 0                  | 0              | 0                  | 0               | 0                  | 4,693,000       |
| Total Revenues                                     | 0                  | \$ 10,203,878   | 0                  | \$ 6,847,882    | \$ 15,242,187      | \$ 54,863,325  | \$ 16,100,660      | \$ 7,294,507    | \$ 17,379,633      | \$ 12,639,541   |
| Net (Expense)/Revenue                              | 0                  | \$ (31,786,403) | 0                  | \$ (35,686,941) | \$ (57,552,208)    | \$ 8,745,870   | \$ (15,505,767)    | \$ (42,218,861) | \$ (17,088,362)    | \$ (41,369,865) |
| Total  | 0                  | \$ (31,786,403) | 0                  | \$ (35,686,941) | \$ (57,552,208)    | \$ 8,745,870   | \$ (15,505,767)    | \$ (42,218,861) | \$ (17,088,362)    | \$ (41,369,865) |

(Continued)

Table 2

**Bedford County, Tennessee**  
**General Government and Discretely Presented Bedford County School Department**  
**Change in Net Assets**  
**Last Five Fiscal Years**  
**(accrual basis of accounting) (cont.)**

|   | Fiscal Year Ending |                |                    |                |                    |                |                    |                |                    |                |
|---|--------------------|----------------|--------------------|----------------|--------------------|----------------|--------------------|----------------|--------------------|----------------|
|   | 2005               |                | 2006               |                | 2007               |                | 2008               |                | 2009               |                |
|   | Primary Government | Component Unit |
| <b>General Revenues and Other Changes in Net Assets</b> |                    |                |                    |                |                    |                |                    |                |                    |                |
| Governmental Activities:                                |                    |                |                    |                |                    |                |                    |                |                    |                |
| Taxes   |                    |                |                    |                |                    |                |                    |                |                    |                |
| Property Taxes  | \$ 0               | \$ 7,445,897   | \$ 0               | \$ 7,627,506   | \$ 9,116,468       | \$ 7,929,745   | \$ 9,641,137       | \$ 7,905,927   | \$ 9,799,026       | \$ 7,964,843   |
| Sales Taxes   | 0                  | 1,726,182      | 0                  | 1,849,965      | 5,081,773          | 1,886,835      | 5,023,451          | 1,840,590      | 4,814,308          | 1,773,676      |
| Other Taxes   | 0                  | 120,438        | 0                  | 109,750        | 955,127            | 6,330          | 1,408,226          | 4,187          | 1,126,519          | 5,029          |
| Unrestricted Grants and Contributions                   | 0                  | 25,492,595     | 0                  | 27,531,753     | 878,838            | 29,178,157     | 333,573            | 34,010,955     | 698,500            | 34,893,374     |
| Investment Earnings                                     | 0                  | 248,046        | 0                  | 95,890         | 1,519,705          | 131,081        | 2,563,080          | 48,986         | 713,713            | 14,496         |
| Gain on Sale/Disposal of Capital Assets                 | 0                  | 0              | 0                  | 0              | 995,413            | 0              | 0                  | 0              | 0                  | 0              |
| Miscellaneous   | 0                  | 91,386         | 0                  | 120,958        | 48,471             | 1,245          | 39,123             | 57,446         | 190,650            | 158,916        |
| Total Governmental Activities                           | \$ 0               | \$ 35,124,544  | \$ 0               | \$ 37,335,822  | \$ 18,595,795      | \$ 39,133,393  | \$ 19,008,590      | \$ 43,868,091  | \$ 17,342,716      | \$ 44,810,334  |
| Business-type Activities:                               |                    |                |                    |                |                    |                |                    |                |                    |                |
| Investment Earnings                                     | \$ 0               | \$ 0           | \$ 0               | \$ 0           | \$ 109             | \$ 0           | \$ 65              | \$ 0           | \$ 59              | \$ 0           |
| Transfers   | 0                  | 0              | 0                  | 0              | 0                  | 0              | 0                  | 0              | 0                  | 0              |
| Total Business-type Activities                          | \$ 0               | \$ 0           | \$ 0               | \$ 0           | \$ 109             | \$ 0           | \$ 65              | \$ 0           | \$ 59              | \$ 0           |
| <b>Total</b>  | \$ 0               | \$ 35,124,544  | \$ 0               | \$ 37,335,822  | \$ 18,595,904      | \$ 39,133,393  | \$ 19,008,655      | \$ 43,868,091  | \$ 17,342,775      | \$ 44,810,334  |
| Prior-period Adjustment                                 | \$ -               | \$ 18,540      | \$ -               | \$ 88,872      | \$ (161,663)       | \$ -           | \$ (956,480)       | \$ -           | \$ -               | \$ -           |
| <b>Change in Net Assets</b>                             | \$ 0               | \$ 3,356,681   | \$ 0               | \$ 1,737,753   | \$ (39,117,967)    | \$ 47,879,263  | \$ 2,546,408       | \$ 1,649,230   | \$ 254,413         | \$ 3,440,469   |

Note(s): The primary government implemented Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments for the fiscal year ended June 30, 2007.

The Discretely Presented Bedford County School Department implemented Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments for the fiscal year ended June 30, 2003.

Table 3

**Bedford County, Tennessee**  
**General Government and Discretely Presented Bedford County School Department**  
**Governmental Activities Tax Revenues by Source**  
**Last Five Fiscal Years**  
**(accrual basis of accounting)**

| Fiscal Year Ending        | Property Tax | Local Option Sales Tax |           | Franchise Tax | Litigation Tax | Business Tax | Mineral Severance Tax |            | Wholesale Beer Tax |  | Other | Total |
|---------------------------|--------------|------------------------|-----------|---------------|----------------|--------------|-----------------------|------------|--------------------|--|-------|-------|
|                           |              |                        |           |               |                |              |                       |            |                    |  |       |       |
| <b>Primary Government</b> |              |                        |           |               |                |              |                       |            |                    |  |       |       |
| 2007                      | \$ 9,099,054 | \$ 5,084,727           | \$ 18,760 | \$ 230,095    | \$ 297,586     | \$ 154,085   | \$ 165,798            | \$ 569,936 | \$ 15,620,041      |  |       |       |
| 2008                      | 9,641,137    | 5,023,451              | 0         | 30,428        | 320,908        | 154,595      | 180,448               | 544,798    | 15,895,765         |  |       |       |
| 2009                      | 9,799,026    | 4,814,308              | 0         | 276,344       | 311,258        | 86,380       | 181,799               | 270,738    | 15,739,853         |  |       |       |
| <b>Component Unit</b>     |              |                        |           |               |                |              |                       |            |                    |  |       |       |
| 2005                      | 7,445,897    | 1,726,182              | 0         | 0             | 0              | 0            | 0                     | 120,438    | 9,292,517          |  |       |       |
| 2006                      | 7,627,506    | 1,849,965              | 0         | 0             | 0              | 0            | 0                     | 120,438    | 9,597,909          |  |       |       |
| 2007                      | 7,936,370    | 1,889,046              | 0         | 0             | 0              | 0            | 0                     | 181,251    | 10,006,667         |  |       |       |
| 2008                      | 7,905,927    | 1,840,590              | 0         | 0             | 0              | 0            | 0                     | 4,187      | 9,750,704          |  |       |       |
| 2009                      | 7,964,843    | 1,773,676              | 0         | 0             | 0              | 0            | 0                     | 5,029      | 9,743,548          |  |       |       |

Note(s): The primary government implemented Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments for the fiscal year ended June 30, 2007.

The discretely presented Bedford County School Department implemented Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments for the fiscal year ended June 30, 2003.

Table 4

**Bedford County, Tennessee**  
**General Government and Discretely Presented Bedford County School Department**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

|                                       | Fiscal Year Ending |              |              |               |               |              |               |               |               |               |
|---------------------------------------|--------------------|--------------|--------------|---------------|---------------|--------------|---------------|---------------|---------------|---------------|
|                                       | 2000               | 2001         | 2002         | 2003          | 2004          | 2005         | 2006          | 2007          | 2008          | 2009          |
| <b>Primary Government:</b>            |                    |              |              |               |               |              |               |               |               |               |
| General Fund                          |                    |              |              |               |               |              |               |               |               |               |
| Reserved                              | \$ 15,200          | \$ 119,760   | \$ 193,967   | \$ 31,849     | \$ 128,315    | \$ 42,412    | \$ 57,151     | \$ 102,703    | \$ 184,719    | \$ 282,804    |
| Unreserved                            | 1,173,811          | 1,411,113    | 977,363      | 510,714       | 485,993       | 789,596      | 2,673,039     | 4,017,340     | 3,434,641     | 3,990,325     |
| Total General Fund                    | \$ 1,189,011       | \$ 1,530,873 | \$ 1,171,330 | \$ 542,563    | \$ 614,308    | \$ 832,008   | \$ 2,730,190  | \$ 4,120,043  | \$ 3,619,360  | \$ 4,273,129  |
| <b>All Other Governmental Funds</b>   |                    |              |              |               |               |              |               |               |               |               |
| Reserved                              | \$ 0               | \$ 0         | \$ 953,313   | \$ 4,760,352  | \$ 4,040,063  | \$ 4,991,760 | \$ 6,149,374  | \$ 4,185,068  | \$ 2,581,807  | \$ 666,701    |
| Unreserved, Reported in:              |                    |              |              |               |               |              |               |               |               |               |
| Special Revenue Funds                 | 2,484,726          | 1,912,725    | 2,354,971    | 2,642,510     | 2,599,134     | 1,079,715    | 7,740,284     | 9,343,189     | 8,226,868     | 7,440,991     |
| Debt Service Funds                    | 3,456,877          | 2,103,651    | 881,507      | 685,672       | 441,216       | 269,254      | 429,110       | 1,689,527     | 3,686,389     | 4,332,615     |
| Capital Projects Funds                | 1,844              | 94,157       | 94,157       | (607,955)     | 91,053        | 99,929       | 104,941       | 3,259,358     | 231,780       | 64,539        |
| Total all Other Governmental Funds    | \$ 5,943,447       | \$ 4,110,533 | \$ 4,283,948 | \$ 7,480,579  | \$ 7,171,466  | \$ 6,440,658 | \$ 14,423,709 | \$ 18,477,142 | \$ 14,726,844 | \$ 12,504,846 |
| <b>Component Unit:</b>                |                    |              |              |               |               |              |               |               |               |               |
| General Fund (General Purpose School) |                    |              |              |               |               |              |               |               |               |               |
| Reserved                              | \$ 2,084,522       | \$ 2,431,931 | \$ 1,714,370 | \$ 1,692,852  | \$ 2,119,347  | \$ 2,182,018 | \$ 3,019,162  | \$ 2,639,156  | \$ 2,429,978  | \$ 3,458,476  |
| Unreserved                            | 3,080,995          | 4,016,952    | 3,863,829    | 3,522,147     | 3,416,543     | 3,467,797    | 3,596,076     | 5,126,482     | 8,247,874     | 7,270,619     |
| Total General Fund                    | \$ 5,165,517       | \$ 6,448,883 | \$ 5,578,199 | \$ 5,214,999  | \$ 5,535,890  | \$ 5,649,815 | \$ 6,615,238  | \$ 7,765,638  | \$ 10,677,852 | \$ 10,729,095 |
| <b>All other School Funds</b>         |                    |              |              |               |               |              |               |               |               |               |
| Reserved                              | \$ 246,431         | \$ 311,973   | \$ 442,380   | \$ 367,687    | \$ 14,871,633 | \$ 2,115,265 | \$ 522,289    | \$ 17,019,351 | \$ 26,252,895 | \$ 1,577,570  |
| Unreserved, Reported in:              |                    |              |              |               |               |              |               |               |               |               |
| Special Revenue Funds                 | 490,716            | 461,749      | 456,266      | 585,227       | 786,453       | 1,100,201    | 1,371,563     | 1,236,951     | 1,220,548     | 1,349,478     |
| Capital Projects Funds                | 1,158,466          | 583,891      | 495,938      | 14,159,173    | (2,083,146)   | 655,038      | 669,710       | 25,690,557    | (4,945,341)   | 1,080,491     |
| Total all Other Governmental Funds    | \$ 1,895,613       | \$ 1,357,613 | \$ 1,394,584 | \$ 15,112,087 | \$ 13,574,940 | \$ 3,870,504 | \$ 2,563,562  | \$ 43,946,859 | \$ 22,528,102 | \$ 4,007,539  |

Note(s): Negative reserves reflect a fund deficit.

Table 5

**Bedford County, Tennessee**  
**Changes in Fund Balances - Governmental Funds - Primary Government**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

|   | Fiscal Year Ending |               |               |                 |                |                |               |                 |                |                |
|---|--------------------|---------------|---------------|-----------------|----------------|----------------|---------------|-----------------|----------------|----------------|
|   | 2000               | 2001          | 2002          | 2003            | 2004           | 2005           | 2006          | 2007            | 2008           | 2009           |
| <b>Revenues</b>                                 |                    |               |               |                 |                |                |               |                 |                |                |
| Taxes   | \$ 7,489,742       | \$ 7,871,189  | \$ 9,114,093  | \$ 9,752,001    | \$ 11,805,571  | \$ 12,637,329  | \$ 14,866,540 | \$ 15,489,944   | \$ 16,054,169  | \$ 15,974,804  |
| Licenses and Permits                            | 30,632             | 31,354        | 29,248        | 31,862          | 45,720         | 73,933         | 153,269       | 298,936         | 206,756        | 162,490        |
| Fines and Forfeitures                           | 133,987            | 204,556       | 209,404       | 586,183         | 485,765        | 569,239        | 505,218       | 532,322         | 483,882        | 408,577        |
| Charges for Service                             | 1,835,101          | 2,256,150     | 2,533,090     | 2,746,763       | 2,673,154      | 2,560,178      | 2,310,872     | 2,157,381       | 1,683,451      | 1,687,630      |
| Other Local Revenue                             | 941,521            | 1,096,462     | 348,273       | 371,570         | 284,420        | 387,188        | 7,921,576     | 3,064,019       | 3,081,408      | 1,410,494      |
| Fees from Co. Officials                         | 0                  | 0             | 0             | 0               | 463,315        | 551,925        | 859,798       | 1,388,662       | 1,886,861      | 1,878,701      |
| State Revenues                                  | 2,964,302          | 3,259,180     | 3,453,486     | 3,364,940       | 3,169,082      | 3,704,388      | 3,664,481     | 3,885,086       | 3,787,242      | 4,265,779      |
| Federal Revenues                                | 23,373             | 124,958       | 633,697       | 265,564         | 281,016        | 551,148        | 453,488       | 698,997         | 559,095        | 619,997        |
| Other Govt/Citizens                             | 147,583            | 103,284       | 114,271       | 335,401         | 95,330         | 93,363         | 208,441       | 94,686          | 166,476        | 1,193,499      |
| Total Revenues                                  | \$ 13,566,241      | \$ 14,947,133 | \$ 16,435,562 | \$ 17,454,284   | \$ 19,303,373  | \$ 21,128,691  | \$ 30,943,683 | \$ 27,610,033   | \$ 27,909,340  | \$ 27,601,971  |
| <b>Expenditures</b>                             |                    |               |               |                 |                |                |               |                 |                |                |
| General Government                              | \$ 8,055,514       | \$ 8,098,288  | \$ 9,409,614  | \$ 983,505      | \$ 840,642     | \$ 958,335     | \$ 842,698    | \$ 1,131,972    | \$ 957,128     | \$ 1,132,685   |
| Finance   | 0                  | 0             | 0             | 824,821         | 822,160        | 920,844        | 936,555       | 910,450         | 1,273,122      | 1,575,772      |
| Admin. of Justice                               | 0                  | 0             | 0             | 1,082,073       | 1,131,813      | 1,119,850      | 1,090,968     | 1,193,135       | 1,371,633      | 1,614,493      |
| Public Safety                                   | 0                  | 0             | 0             | 3,515,838       | 3,865,931      | 3,994,685      | 4,626,765     | 4,551,316       | 4,920,472      | 6,020,806      |
| Public Health/Welfare                           | 0                  | 0             | 0             | 2,142,744       | 2,580,906      | 2,907,821      | 3,232,189     | 3,913,195       | 3,509,757      | 4,109,429      |
| Social, Cultural/Rec.                           | 0                  | 0             | 0             | 119,941         | 130,941        | 147,152        | 147,197       | 150,906         | 150,906        | 156,662        |
| Agriculture and                                 |                    |               |               |                 |                |                |               |                 |                |                |
| Natural Resource                                | 0                  | 0             | 0             | 162,111         | 170,098        | 188,622        | 188,875       | 209,328         | 208,244        | 198,356        |
| Other Operations                                | 0                  | 0             | 0             | 2,300,839       | 2,570,415      | 3,182,729      | 3,590,070     | 3,955,168       | 3,703,196      | 1,603,031      |
| Highway and Bridge                              | 3,738,414          | 3,650,954     | 2,582,789     | 2,999,970       | 4,031,114      | 3,124,085      | 2,989,907     | 3,264,191       | 3,974,033      | 2,872,158      |
| Debt Service:                                   |                    |               |               |                 |                |                |               |                 |                |                |
| Principal                                       | 2,569,967          | 2,462,766     | 2,414,033     | 2,072,667       | 1,906,380      | 2,744,982      | 2,851,932     | 3,400,324       | 4,056,691      | 5,548,386      |
| Interest  | 1,323,380          | 1,279,990     | 917,960       | 812,757         | 1,136,449      | 1,249,546      | 1,424,667     | 1,501,629       | 3,177,328      | 3,413,122      |
| Other charges                                   | 48,013             | 52,831        | 157,813       | 53,829          | 100,614        | 87,956         | 99,222        | 109,193         | 196,355        | 103,312        |
| Capital Projects                                | 69,811             | 1,931         | 0             | 14,043,250      | 1,328,278      | 5,393,586      | 1,048,976     | 50,699,865      | 4,729,371      | 5,714,988      |
| Total Expenditures                              | \$ 15,805,099      | \$ 15,546,760 | \$ 15,482,209 | \$ 31,114,345   | \$ 20,615,741  | \$ 26,020,193  | \$ 23,070,021 | \$ 74,990,672   | \$ 32,228,236  | \$ 34,063,200  |
| Excess of Revenues Over<br>(Under) Expenditures | \$ (2,238,858)     | \$ (599,627)  | \$ 953,353    | \$ (13,660,061) | \$ (1,312,368) | \$ (4,891,502) | \$ 7,873,662  | \$ (47,380,639) | \$ (4,318,896) | \$ (6,461,229) |

(Continued)

Table 5

**Bedford County, Tennessee**  
**Changes in Fund Balances - Governmental Funds - Primary Government**  
**Last Ten Fiscal Years (Cont.)**  
**(modified accrual basis of accounting)**

|  | Fiscal Year Ending |                |                |               |              |              |              |               |                |                |
|--|--------------------|----------------|----------------|---------------|--------------|--------------|--------------|---------------|----------------|----------------|
|  | 2000               | 2001           | 2002           | 2003          | 2004         | 2005         | 2006         | 2007          | 2008           | 2009           |
| <b>Other Financing Sources (Uses)</b>  |                    |                |                |               |              |              |              |               |                |                |
| Transfers in                           | \$ 374,245         | \$ 478,424     | \$ 422,170     | \$ 382,816    | \$ 300,412   | \$ 10,875    | \$ 227,755   | \$ 230,000    | \$ 349,400     | \$ 509,980     |
| Transfers out                          | (865,670)          | (969,849)      | (913,595)      | (474,241)     | (300,412)    | (10,875)     | (227,755)    | (304,000)     | (349,400)      | (509,980)      |
| Bond Proceeds                          | 0                  | 0              | 0              | 14,000,000    | 0            | 4,290,000    | 0            | 50,500,000    | 3,435,000      | 0              |
| Note Proceeds                          | 1,500,000          | 250,000        | 0              | 2,276,100     | 1,075,000    | 1,100,000    | 834,000      | 2,000,000     | 0              | 4,893,000      |
| Proceeds on Refunded Bonds             | 0                  | 0              | 5,130,000      | 0             | 0            | 0            | 0            | 0             | 0              | 0              |
| Payments to Refunded Bond Escrow Agent | 0                  | 0              | (5,114,056)    | 0             | 0            | 0            | 0            | 0             | (3,501,939)    | 0              |
| Premiums on Bonds Sold                 | 0                  | 0              | 0              | 43,250        | 0            | 3,445        | 0            | 443,599       | 134,854        | 0              |
| Transfer to Component Unit             | (600,000)          | (650,000)      | (675,000)      | 0             | 0            | 0            | 0            | 0             | 0              | 0              |
| Transfer from Component Unit           | 0                  | 0              | 11,000         | 0             | 0            | 0            | 0            | 0             | 0              | 0              |
| Total Other Financing Sources (Uses)   | \$ 408,575         | \$ (891,425)   | \$ (1,139,481) | \$ 16,227,925 | \$ 1,075,000 | \$ 5,393,445 | \$ 834,000   | \$ 52,869,599 | \$ 67,915      | \$ 4,893,000   |
| Net Change in Fund Balances            | \$ (1,830,283)     | \$ (1,491,052) | \$ (186,128)   | \$ 2,567,864  | \$ (237,368) | \$ 501,943   | \$ 8,707,662 | \$ 5,488,960  | \$ (4,250,981) | \$ (1,568,229) |

Debt Service as a Percentage of Noncapital Expenditures 25.0% 24.4% 22.5% 17.2% 16.3% 19.8% 19.9% 20.6% 27.0% 32.0%

**General Governmental TAX Revenues by Source**  
**Last Ten Fiscal Years (Cont.)**  
**(modified accrual basis of accounting)**

|                     | Fiscal Year Ending |              |              |              |               |               |               |               |               |               |
|---------------------|--------------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                     | 2000               | 2001         | 2002         | 2003         | 2004          | 2005          | 2006          | 2007          | 2008          | 2009          |
| Property Tax        | \$ 4,558,086       | \$ 4,712,251 | \$ 4,930,519 | \$ 5,070,416 | \$ 6,666,053  | \$ 7,053,712  | \$ 8,804,521  | \$ 9,316,418  | \$ 9,756,204  | \$ 9,635,803  |
| Sales Tax           | 2,181,249          | 2,277,113    | 3,409,853    | 3,876,398    | 4,270,941     | 4,698,803     | 5,069,703     | 5,084,727     | 5,026,899     | 4,874,050     |
| Litigation Tax      | 193,686            | 258,301      | 230,035      | 230,506      | 192,426       | 204,993       | 211,220       | 243,802       | 207,680       | 276,344       |
| Business Tax        | 220,208            | 259,667      | 219,099      | 258,091      | 273,437       | 285,712       | 311,223       | 297,586       | 320,908       | 311,258       |
| Mineral Severance   | 98,963             | 143,163      | 120,594      | 133,818      | 219,031       | 161,986       | 198,688       | 154,085       | 154,595       | 81,093        |
| Development Tax     | 0                  | 0            | 0            | 0            | 0             | 0             | 0             | 90,154        | 364,074       | 283,189       |
| Wholesale Beer Tax  | 113,318            | 135,970      | 137,504      | 135,727      | 136,016       | 141,249       | 175,744       | 165,798       | 180,448       | 181,799       |
| Bank Excise Tax     | 124,232            | 81,919       | 63,431       | 43,288       | 44,227        | 87,470        | 91,920        | 133,593       | 40,565        | 73,489        |
| Other Statutory Tax | 0                  | 2,805        | 3,058        | 3,757        | 3,440         | 3,404         | 3,521         | 3,781         | 2,796         | 257,779       |
|                     | \$ 7,489,742       | \$ 7,871,189 | \$ 9,114,093 | \$ 9,752,001 | \$ 11,805,571 | \$ 12,637,329 | \$ 14,866,540 | \$ 15,489,944 | \$ 16,054,169 | \$ 15,974,804 |

Table 6

**Bedford County, Tennessee**  
**Discretely Presented Bedford County School Department**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

|  | Fiscal Year Ending |               |               |               |                |                |               |               |                 |                 |
|--|--------------------|---------------|---------------|---------------|----------------|----------------|---------------|---------------|-----------------|-----------------|
|  | 2000               | 2001          | 2002          | 2003          | 2004           | 2005           | 2006          | 2007          | 2008            | 2009            |
| <b>Revenues</b>                              |                    |               |               |               |                |                |               |               |                 |                 |
| Local Taxes                                  | \$ 7,934,983       | \$ 8,217,588  | \$ 8,451,385  | \$ 8,736,861  | \$ 8,681,424   | \$ 9,261,220   | \$ 9,539,539  | \$ 10,006,667 | \$ 9,835,545    | \$ 9,816,402    |
| Licenses and Permits                         | 2,414              | 2,647         | 2,500         | 2,288         | 2,427          | 2,241          | 2,361         | 2,241         | 2,268           | 2,693           |
| Charges for Current Services                 | 1,285,379          | 1,276,112     | 1,334,026     | 1,440,421     | 1,528,310      | 1,649,311      | 1,756,323     | 1,795,873     | 1,773,948       | 1,850,006       |
| Investment Earnings                          | 109,353            | 76,671        | 22,970        | 13,964        | 145,552        | 248,046        | 95,890        | 131,081       | 48,986          | 14,496          |
| Other Local Revenues                         | 73,446             | 68,155        | 45,222        | 33,478        | 33,761         | 115,049        | 149,703       | 90,317        | 80,885          | 176,867         |
| State of Tennessee                           | 17,280,892         | 18,181,720    | 18,593,193    | 19,927,503    | 22,063,771     | 24,616,347     | 26,591,961    | 28,619,676    | 33,868,492      | 34,631,558      |
| Federal Government                           | 2,930,870          | 3,031,221     | 3,484,537     | 3,656,316     | 3,918,009      | 5,054,056      | 5,163,971     | 5,456,658     | 5,349,681       | 6,071,191       |
| Other Governments and Citizens Groups        | 0                  | 0             | 0             | 13,852,979    | 0              | 4,204,232      | 720,000       | 47,886,090    | 0               | 4,693,000       |
| Total Revenues                               | \$ 29,617,337      | \$ 30,854,114 | \$ 31,933,833 | \$ 47,663,810 | \$ 36,373,254  | \$ 45,150,502  | \$ 44,019,748 | \$ 93,988,603 | \$ 50,959,805   | \$ 57,256,213   |
| <b>Expenditures</b>                          |                    |               |               |               |                |                |               |               |                 |                 |
| Current:                                     |                    |               |               |               |                |                |               |               |                 |                 |
| Instruction                                  | \$ 16,852,540      | \$ 17,700,564 | \$ 19,957,087 | \$ 20,726,009 | \$ 22,257,817  | \$ 25,232,069  | \$ 25,760,059 | \$ 27,648,288 | \$ 30,247,351   | \$ 31,633,770   |
| Support services                             | 8,497,123          | 9,644,869     | 9,738,717     | 10,800,948    | 10,932,933     | 11,788,375     | 12,832,127    | 13,145,079    | 13,713,665      | 15,884,647      |
| Operation of non-instructional Services      | 1,938,525          | 2,120,633     | 2,204,186     | 2,205,074     | 2,402,154      | 2,551,481      | 2,905,851     | 3,349,192     | 4,005,947       | 3,895,651       |
| Capital Outlay                               | 130,357            | 106,862       | 695,605       | 351,942       | 301,784        | 479,132        | 505,346       | 490,529       | 542,722         | 721,148         |
| Capital Projects                             | 1,584,625          | 535,820       | 171,951       | 225,534       | 1,691,114      | 14,686,248     | 2,354,176     | 6,818,110     | 20,954,500      | 23,590,317      |
| Debt Service                                 | 0                  | 0             | 0             | 0             | 3,708          | 3,708          | 3,708         | 3,708         | 2,163           | 0               |
| Total Expenditures                           | \$ 29,003,170      | \$ 30,108,748 | \$ 32,767,546 | \$ 34,309,507 | \$ 37,589,510  | \$ 54,741,013  | \$ 44,361,267 | \$ 51,454,906 | \$ 69,466,348   | \$ 75,725,533   |
| Excess of Revenues Over (Under) Expenditures | \$ 614,167         | \$ 745,366    | \$ (833,713)  | \$ 13,354,303 | \$ (1,216,256) | \$ (9,590,511) | \$ (341,519)  | \$ 42,533,697 | \$ (18,506,543) | \$ (18,469,320) |
| <b>Other Financing Sources (Uses)</b>        |                    |               |               |               |                |                |               |               |                 |                 |
| Transfers in                                 | \$ 2,148           | \$ 17,097     | \$ 15,628     | \$ 16,862     | \$ 14,496      | \$ 11,274      | \$ 37,279     | \$ 18,185     | \$ 11,619       | \$ 25,149       |
| Transfers out                                | (2,148)            | (17,097)      | (15,628)      | (16,862)      | (14,496)       | (11,274)       | (37,279)      | (18,185)      | (11,619)        | (25,149)        |
| Total Financing Sources (Uses)               | \$ 0               | \$ 0          | \$ 0          | \$ 0          | \$ 0           | \$ 0           | \$ 0          | \$ 0          | \$ 0            | \$ 0            |
| Net Change in Fund Balances                  | \$ 614,167         | \$ 745,366    | \$ (833,713)  | \$ 13,354,303 | \$ (1,216,256) | \$ (9,590,511) | \$ (341,519)  | \$ 42,533,697 | \$ (18,506,543) | \$ (18,469,320) |

Table 7

**Bedford County, Tennessee**  
**General Government and Discretely Presented Bedford County School Department**  
**Governmental Tax Revenues by Source**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

| Fiscal Year Ending         | Property Tax <sup>1</sup> | Local Option Sales Tax <sup>2</sup> | Litigation Tax | Business Tax | Mineral Severance Tax | Wholesale Beer Tax | Bank Excise Tax | Interstate Telecommunications Tax | Other Statutory Local Taxes | Total        |
|----------------------------|---------------------------|-------------------------------------|----------------|--------------|-----------------------|--------------------|-----------------|-----------------------------------|-----------------------------|--------------|
|                            |                           |                                     |                |              |                       |                    |                 |                                   |                             |              |
| <b>Primary Government:</b> |                           |                                     |                |              |                       |                    |                 |                                   |                             |              |
| 2000                       | \$ 4,474,426              | \$ 2,181,249                        | \$ 193,686     | \$ 220,208   | \$ 98,963             | \$ 113,318         | \$ 124,232      | \$ 0                              | \$ 83,660                   | \$ 7,489,742 |
| 2001                       | 4,505,271                 | 2,280,113                           | 258,301        | 259,667      | 143,163               | 135,970            | 81,919          | 2,805                             | 89,043                      | 7,756,252    |
| 2002                       | 4,835,905                 | 3,409,853                           | 230,035        | 219,099      | 120,594               | 137,504            | 63,431          | 3,058                             | 94,614                      | 9,114,093    |
| 2003                       | 4,853,736                 | 3,876,398                           | 230,506        | 258,091      | 133,818               | 135,727            | 43,288          | 3,757                             | 105,489                     | 9,640,810    |
| 2004                       | 6,523,694                 | 4,270,941                           | 192,426        | 273,437      | 219,031               | 136,016            | 44,227          | 3,440                             | 142,359                     | 11,805,571   |
| 2005                       | 6,848,988                 | 4,698,803                           | 204,993        | 285,712      | 161,986               | 141,249            | 87,470          | 3,404                             | 202,124                     | 12,634,729   |
| 2006                       | 8,608,406                 | 5,069,703                           | 211,220        | 311,223      | 198,688               | 175,744            | 91,920          | 3,521                             | 196,115                     | 14,866,540   |
| 2007                       | 9,099,054                 | 5,084,727                           | 230,095        | 297,586      | 154,085               | 165,798            | 133,593         | 3,781                             | 321,225                     | 15,489,944   |
| 2008                       | 9,560,429                 | 5,026,899                           | 207,680        | 320,908      | 154,595               | 180,448            | 40,565          | 2,796                             | 559,849                     | 16,054,169   |
| 2009                       | 9,635,803                 | 4,874,050                           | 276,344        | 311,258      | 81,093                | 181,799            | 73,489          | 2,324                             | 538,644                     | 15,974,804   |
| <b>Component Unit:</b>     |                           |                                     |                |              |                       |                    |                 |                                   |                             |              |
| 2000                       | 6,475,178                 | 1,338,739                           | 0              | 0            | 0                     | 0                  | 0               | 0                                 | 121,066                     | 7,934,983    |
| 2001                       | 6,691,354                 | 1,384,520                           | 0              | 0            | 0                     | 0                  | 0               | 5,187                             | 136,527                     | 8,217,588    |
| 2002                       | 7,007,149                 | 1,301,467                           | 0              | 0            | 0                     | 0                  | 0               | 5,757                             | 137,012                     | 8,451,385    |
| 2003                       | 7,209,706                 | 1,378,712                           | 0              | 0            | 0                     | 0                  | 0               | 6,926                             | 141,517                     | 8,736,861    |
| 2004                       | 7,132,538                 | 1,400,475                           | 0              | 0            | 0                     | 0                  | 0               | 6,342                             | 142,069                     | 8,681,424    |
| 2005                       | 7,365,544                 | 1,713,618                           | 0              | 0            | 0                     | 0                  | 0               | 6,276                             | 175,782                     | 9,261,220    |
| 2006                       | 7,504,474                 | 1,841,770                           | 0              | 0            | 0                     | 0                  | 0               | 5,958                             | 187,337                     | 9,539,539    |
| 2007                       | 7,936,370                 | 1,889,046                           | 0              | 0            | 0                     | 0                  | 0               | 6,330                             | 174,921                     | 10,006,667   |
| 2008                       | 7,838,804                 | 1,838,767                           | 0              | 0            | 0                     | 0                  | 0               | 4,187                             | 153,787                     | 9,835,545    |
| 2009                       | 7,832,689                 | 1,795,056                           | 0              | 0            | 0                     | 0                  | 0               | 5,029                             | 183,628                     | 9,816,402    |

Note(s):

- (1) The property tax levy for the Primary Government was increased by \$.15 per 100 of assessed value for the 2004 fiscal year.  
(2) The local optional sales tax received by the Primary Government was increased by 1/4 of a percent on all taxable items during the 2000 fiscal year.

Table 8

**Bedford County, Tennessee**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

| Fiscal Year Ending June 30 | Real Property Assessed |               |                                 | Tangible Personal Property Assessed | Public Utility Property | Total Taxable Assessed Value (Inside City of Shelbyville) | Total Taxable Assessed Value (Outside City of Shelbyville) | Total Tax Assessed Value | Total Direct Tax Rate Inside | Total Direct Tax Rate Outside | Estimated Actual Taxable Value | Assessed Value as a Percentage of Actual Value |
|----------------------------|------------------------|---------------|---------------------------------|-------------------------------------|-------------------------|---|--|--------------------------|------------------------------|-------------------------------|--------------------------------|--|
|                            | Residential            | Commercial    | Industrial and Mineral Property |                                     |                         |   |  |                          |                              |                               |                                |  |
| 2000                       | \$ 213,110,900         | \$ 67,067,600 | \$ 50,221,161                   | \$ 50,221,161                       | \$26,723,225            | \$ 182,010,913  | \$ 156,106,415   | \$ 357,122,886           | \$3.01                       | \$ 1.91                       | \$ 1,266,542,922               | 28.06%   |
| 2001                       | 221,626,425            | 68,435,840    | 58,020,455                      | 58,020,455                          | 24,034,497              | 184,943,424   | 163,280,145  | 372,117,217              | 3.01                         | 1.91                          | 1,303,004,078                  | 28.56%   |
| 2002                       | 312,951,250            | 111,746,040   | 69,987,294                      | 69,987,294                          | 35,016,077              | 189,891,625   | 234,805,665  | 529,700,661              | 2.23                         | 1.47                          | 1,891,786,881                  | 28.00%   |
| 2003                       | 321,957,600            | 114,566,080   | 73,308,324                      | 73,308,324                          | 34,717,800              | 194,598,605   | 241,925,075  | 544,549,804              | 2.23                         | 1.47                          | 1,945,540,834                  | 27.99%   |
| 2004                       | 332,545,225            | 111,382,840   | 66,468,040                      | 66,468,040                          | 32,860,629              | 193,594,730   | 250,333,335  | 543,256,734              | 2.49                         | 1.47                          | 1,948,337,973                  | 27.88%   |
| 2005                       | 344,552,900            | 116,806,640   | 82,975,225                      | 82,975,225                          | 34,354,871              | 201,984,425   | 259,375,115  | 578,689,636              | 2.49                         | 1.47                          | 2,043,086,490                  | 28.32%   |
| 2006                       | 361,120,075            | 121,064,920   | 60,943,665                      | 60,943,665                          | 33,420,235              | 211,113,160   | 271,071,835  | 576,548,895              | 2.77                         | 1.47                          | 2,030,505,565                  | 28.39%   |
| 2007                       | 473,364,250            | 152,388,840   | 79,812,896                      | 79,812,896                          | 40,293,721              | 267,529,215   | 358,223,875  | 745,859,707              | 2.27                         | 1.41                          | 2,668,811,186                  | 27.95%   |
| 2008                       | 486,143,975            | 155,443,760   | 80,930,381                      | 80,930,381                          | 42,859,029              | 274,877,045   | 366,710,690  | 765,377,145              | 2.27                         | 1.41                          | 2,694,715,806                  | 28.40%   |
| 2009                       | 494,876,925            | 156,984,600   | 77,397,381                      | 77,397,381                          | 42,495,975              | 347,652,527   | 381,611,096  | 771,754,881              | 2.27                         | 1.41                          | 2,715,534,416                  | 28.42%   |

Source(s): Assessors' summary assessments and the Tennessee Comptroller of the Treasury - Division of Property Assessments.

Note(s): Exempt properties are not included in the assessed or estimated value. Tax rates are per \$100 of assessed value. A reappraisal was performed during the 2000 and 2005 tax years. Appraised to taxable values are based on the following table.

| Assessment Ratio Table |                               |
|------------------------|-------------------------------|
| Category               | Percentage of Appraised Value |
| Real Property:         |                               |
| Public Utilities       | 55%                           |
| Commercial             | 40%                           |
| Industrial             | 40%                           |
| Residential            | 25%                           |
| Farm                   | 25%                           |
| Agriculture            | 25%                           |
| Forest                 | 25%                           |
| Mineral                | 40%                           |
| Personal Property:     |                               |
| Public Utilities       | 55%                           |
| Commercial             | 30%                           |
| Industrial             | 30%                           |

Table 9

**Bedford County, Tennessee  
Property Tax Rates  
Direct and Overlapping Governments  
Last Ten Fiscal Years**

| Fiscal Year Ending <sup>1</sup> | Tax Year          | General Fund |              |             | Total <sup>2</sup> | City of Shelbyville Tennessee <sup>2,3</sup> |                                      | City of Wartrace Tennessee <sup>2,3</sup> |         | Total   |
|---------------------------------|-------------------|--------------|--------------|-------------|--------------------|--|--------------------------------------|---|---------|---------|
|                                 |                   | General Fund | Highway Fund | School Fund |                    | General Debt Service Fund                    | Bell Buckle Tennessee <sup>2,3</sup> | Wartrace Tennessee <sup>2,3</sup>         |         |         |
| 2000                            | 1999              | \$ 1.12      | \$ 0.08      | \$ 1.78     | \$ 0.03            | \$ 3.01                                      | \$ 1.91                              | \$ 0.34                                   | \$ 1.25 | \$ 4.92 |
| 2001                            | 2000 <sup>4</sup> | 0.83         | 0.06         | 1.32        | 0.02               | 2.23   | 1.47                                 | 0.34                                      | 0.86    | 3.70    |
| 2002                            | 2001              | 0.83         | 0.06         | 1.32        | 0.02               | 2.23   | 1.47                                 | 0.21                                      | 0.86    | 3.70    |
| 2003                            | 2002              | 1.13         | 0.05         | 1.29        | 0.02               | 2.49   | 1.47                                 | 0.21                                      | 1.00    | 3.96    |
| 2004                            | 2003              | 1.13         | 0.05         | 1.29        | 0.02               | 2.49   | 1.47                                 | 0.21                                      | 1.00    | 3.96    |
| 2005                            | 2004              | 1.41         | 0.05         | 1.29        | 0.02               | 2.77   | 1.47                                 | 0.21                                      | 1.00    | 4.24    |
| 2006                            | 2005 <sup>4</sup> | 1.05         | 0.04         | 1.06        | 0.12               | 2.27   | 1.41                                 | 0.15                                      | 1.00    | 3.68    |
| 2007                            | 2006              | 1.09         | 0.04         | 1.02        | 0.12               | 2.27   | 1.41                                 | 0.15                                      | 1.00    | 3.68    |
| 2008                            | 2007              | 1.11         | 0.04         | 1.02        | 0.10               | 2.27   | 1.41                                 | 0.15                                      | 1.00    | 3.68    |
| 2009                            | 2008              | 1.11         | 0.04         | 1.02        | 0.10               | 2.27   | 1.41                                 | 0.15                                      | 1.00    | 3.68    |

Source(s): Bedford County Commission's resolutions for tax levies by fiscal year and the City Recorders' Office.

Note(s):

<sup>1</sup> Taxes assessed in one fiscal year are for the benefit of the following fiscal year.

<sup>2</sup> Rates are applied per \$100 of assessed valuation.

<sup>3</sup> The cities of Shelbyville, Bell Buckle, and Wartrace are considered overlapping governments.

<sup>4</sup> A reappraisal was performed during the 2000 and 2005 tax years.

Table 10

**Bedford County, Tennessee  
Principal Property Taxpayers  
Current Year and Nine Years Ago**

| <b>Taxpayer</b>        | <b>Fiscal Year Ending<br/>2009</b>    |             |   | <b>Fiscal Year Ending<br/>2000</b>    |             |   |
|------------------------|---------------------------------------|-------------|---|---------------------------------------|-------------|---|
|                        | <b>Taxable<br/>Assessed<br/>Value</b> | <b>Rank</b> | <b>Percentage of<br/>Total Taxable<br/>Assessed<br/>Value</b> | <b>Taxable<br/>Assessed<br/>Value</b> | <b>Rank</b> | <b>Percentage of<br/>Total Taxable<br/>Assessed<br/>Value</b> |
| Calsonic Manufacturing | \$ 20,643,228                         | 1           | 2.7%  | \$ 23,600,310                         | 1           | 6.6%  |
| Sanford Corporation    | 12,197,320                            | 2           | 1.6%  | -                                     | -           | -   |
| Duck River Electric    | 16,257,911                            | 3           | 2.1%  | -                                     | -           | -   |
| Bemis                  | 10,042,285                            | 4           | 1.3%  | -                                     | -           | -   |
| Tyson Foods            | 8,463,556                             | 5           | 1.1%  | 3,014,228                             | 6           | 0.8%  |
| Pechiney Plastics      | 7,259,399                             | 6           | 0.9%  | -                                     | -           | -   |
| Walmart Stores East    | 7,253,899                             | 7           | 0.9%  | -                                     | -           | -   |
| Bellsouth Telecom      | 5,809,739                             | 8           | 0.8%  | -                                     | -           | -   |
| United Telephone       | 3,859,397                             | 9           | 0.5%  | -                                     | -           | -   |
| National Pen Corp      | 3,193,983                             | 10          | 0.4%  | 2,731,993                             | 8           | 0.8%  |
| Empire Berol USA       | -                                     | -           | -   | 4,772,017                             | 4           | 1.3%  |
| Eaton Corp.            | -                                     | -           | -   | 9,931,047                             | 2           | 2.8%  |
| American National Can  | -                                     | -           | -   | 9,933,181                             | 3           | 2.8%  |
| Stanley Tools          | -                                     | -           | -   | 2,833,012                             | 7           | 0.8%  |
| Paramont Package       | -                                     | -           | -   | 3,294,443                             | 5           | 0.9%  |
| Alcan Aluminum         | -                                     | -           | -   | 1,746,047                             | 10          | 0.5%  |
| Josten's               | -                                     | -           | -   | 1,993,226                             | 9           | 0.6%  |
| <b>Totals</b>          | <b>\$ 94,980,717</b>                  |             | <b>12.4%</b>  | <b>\$ 63,849,504</b>                  |             | <b>17.9%</b>  |

Table 11

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

| Fiscal Year Ending June 30 | Tax Year | Adjusted Total Tax Levy for Fiscal Year | Collected within the Fiscal Year of the Levy |                    | Collections in Subsequent Years |                    | Total Collections to Date |                    |
|----------------------------|----------|---|--|--------------------|---------------------------------|--------------------|---------------------------|--------------------|
|                            |          |   | Amount                                       | Percentage of Levy | Amount                          | Percentage of Levy | Amount                    | Percentage of Levy |
| 2000                       | 1999     | \$ 11,016,708                           | \$ 10,301,487                                | 93.51%             | \$                              | 657,104            | \$ 10,958,591             | 99.47%             |
| 2001                       | 2000     | 11,249,242                              | 10,542,590                                   | 93.72%             |                                 | 615,683            | 11,158,273                | 99.19%             |
| 2002                       | 2001     | 12,007,639                              | 11,144,432                                   | 92.81%             |                                 | 680,266            | 11,824,698                | 98.48%             |
| 2003                       | 2002     | 12,268,931                              | 11,371,139                                   | 92.68%             |                                 | 758,570            | 12,129,709                | 98.87%             |
| 2004                       | 2003     | 13,600,913                              | 12,704,251                                   | 93.41%             |                                 | 775,587            | 13,479,838                | 99.11%             |
| 2005                       | 2004     | 14,435,938                              | 13,380,786                                   | 92.69%             |                                 | 979,077            | 14,359,863                | 99.47%             |
| 2006                       | 2005     | 16,312,435                              | 15,102,863                                   | 92.58%             |                                 | 985,453            | 16,302,918                | 99.94%             |
| 2007                       | 2006     | 17,057,638                              | 15,934,087                                   | 93.41%             |                                 | 931,074            | 16,865,161                | 98.87%             |
| 2008                       | 2007     | 17,447,935                              | 16,317,276                                   | 93.52%             |                                 | 644,651            | 16,961,927                | 97.21%             |
| 2009                       | 2008     | 17,572,956                              | 16,406,187                                   | 93.36%             |                                 | 547,679            | 16,953,865                | 96.48%             |

Source(s): Trustee's tax rolls, trustee's tax collection records, and clerk and master's tax collections records.

Note(s): Property taxes are levied as of the first Monday in October. Taxes become delinquent and begin accumulating interest and penalties 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.

Table 12

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

| Fiscal<br>Year<br>Ending<br>June 30 | Governmental Activities |    |                          |    |                            |         | Total<br>Primary<br>Government <sup>1</sup> | Percentage<br>of Personal<br>Income <sup>2</sup> | Per<br>Capita <sup>2</sup> |                           |        |
|-------------------------------------|-------------------------|----|--------------------------|----|----------------------------|---------|---|--|----------------------------|---------------------------|--------|
|                                     | General<br>Obligation   |    | Rural<br>School<br>Bonds |    | Capital<br>Outlay<br>Notes |         |   |  |                            | Other<br>Loans<br>Payable |        |
|                                     | Bonds                   |    | Bonds                    |    | Notes                      | Payable |   |  |                            |                           |        |
| 2000                                | \$ 6,705,000            | \$ | 8,375,000                | \$ | 2,036,066                  | \$      | 11,081,400                                  | \$   | 28,197,466                 | 3.21%                     | \$ 746 |
| 2001                                | 6,395,000               |    | 7,955,000                |    | 1,395,100                  |         | 10,239,600                                  |  | 25,984,700                 | 2.89%                     | 674    |
| 2002                                | 6,070,000               |    | 7,710,000                |    | 666,667                    |         | 9,354,000                                   |  | 23,800,667                 | 2.59%                     | 608    |
| 2003                                | 5,675,000               |    | 21,330,000               |    | 2,276,100                  |         | 8,723,000                                   |  | 38,004,100                 | 3.86%                     | 952    |
| 2004                                | 5,265,000               |    | 21,085,000               |    | 2,937,720                  |         | 8,060,000                                   |  | 37,347,720                 | 3.51%                     | 914    |
| 2005                                | 4,835,000               |    | 24,180,000               |    | 3,440,738                  |         | 7,362,000                                   |  | 39,817,738                 | 3.51%                     | 943    |
| 2006                                | 4,390,000               |    | 23,125,000               |    | 3,563,806                  |         | 6,628,000                                   |  | 37,706,806                 | 3.15%                     | 875    |
| 2007                                | 10,425,000              |    | 65,880,000               |    | 4,645,482                  |         | 5,856,000                                   |  | 86,806,482                 | 6.83%                     | 1,970  |
| 2008                                | 6,275,000               |    | 68,035,000               |    | 3,388,791                  |         | 5,046,000                                   |  | 82,744,791                 | 6.27%                     | 1,838  |
| 2009                                | 6,040,000               |    | 65,350,000               |    | 6,505,405                  |         | 4,194,000                                   |  | 82,089,405                 | 6.18%                     | 1,805  |

Note(s):

<sup>1</sup> Details regarding the county's outstanding debt can be found in the notes to the financial statements.

<sup>2</sup> See the Schedule of Demographic and Economic Statistics, Table 17 for personal income and population data.

Table 13

**Bedford County, Tennessee**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

| Fiscal<br>Year<br>Ending<br>June 30 | General<br>Obligation<br>Bonds | Rural<br>School<br>Bonds | Total<br>Bonds | Total<br>Debt <sup>1</sup> | Less: Amounts<br>Available in |              | Total | Percentage<br>of Estimated<br>Actual<br>Taxable<br>Value of<br>Property <sup>2</sup> | Per<br>Capita <sup>3</sup> |
|-------------------------------------|--------------------------------|--------------------------|----------------|----------------------------|-------------------------------|--------------|-------|--|----------------------------|
|                                     |                                |                          |                |                            | General Debt<br>Service Fund  | Service Fund |       |  |                            |
| 2000                                | \$6,705,000                    | \$8,375,000              | \$15,080,000   | \$3,456,877                | \$11,623,123                  | 0.92%        | 307   |  |                            |
| 2001                                | 6,395,000                      | 7,955,000                | 14,350,000     | 2,103,651                  | 12,246,349                    | 0.94%        | 318   |  |                            |
| 2002                                | 6,070,000                      | 7,710,000                | 13,780,000     | 1,834,820                  | 11,945,180                    | 0.63%        | 305   |  |                            |
| 2003                                | 567,500                        | 21,330,000               | 21,897,500     | 3,059,581                  | 18,837,919                    | 0.97%        | 472   |  |                            |
| 2004                                | 5,265,000                      | 21,085,000               | 26,350,000     | 4,274,548                  | 22,075,452                    | 1.13%        | 540   |  |                            |
| 2005                                | 4,835,000                      | 24,180,000               | 29,015,000     | 5,189,955                  | 23,825,045                    | 1.17%        | 565   |  |                            |
| 2006                                | 4,390,000                      | 23,125,000               | 27,515,000     | 6,548,740                  | 20,966,260                    | 1.03%        | 486   |  |                            |
| 2007                                | 10,425,000                     | 65,880,000               | 76,305,000     | 4,485,627                  | 71,819,373                    | 2.69%        | 1,630 |  |                            |
| 2008                                | 6,275,000                      | 68,035,000               | 74,310,000     | 6,076,445                  | 68,233,555                    | 2.53%        | 1,515 |  |                            |
| 2009                                | 6,040,000                      | 65,350,000               | 71,390,000     | 4,963,594                  | 66,426,406                    | 2.45%        | 1,461 |  |                            |

Source(s): Debt amortization schedules

Note(s):

<sup>1</sup> Details regarding the county's outstanding debt can be found in the notes to the financial statements.

<sup>2</sup> See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on Table 8 for property value data.

<sup>3</sup> Population data can be found in the Schedule of Demographic and Economic Statistics on Table 17.

Table 14

**Bedford County, Tennessee**  
**Direct and Overlapping Governmental Activities Debt**  
**General Obligation Bonds and Notes**  
**As of June 30, 2009**

|  |                             | <u>% of<br/>Estimated<br/>Property<br/>Value</u> | <u>% of<br/>Assessed<br/>Property<br/>Value</u> |
|--|-----------------------------|--|---|
| <b><u>Direct Debt</u></b>                |                             |  |   |
| General Bonded Debt                      | \$ 71,390,000               | 2.65%  | 9.33%   |
| Capital Outlay Notes                     | 6,505,405                   |  |   |
| Other Loans Payable                      | 4,194,000                   |  |   |
| Less: General Debt Service Funds         | <u>(4,963,594)</u>          |  |   |
| Total Direct Debt                        | \$ 77,125,811               | 2.86%  | 10.08%  |
| <b><u>Overlapping Debt</u></b>           |                             |  |   |
| City of Shelbyville                      | \$ 498,976                  | 0.02%  | 0.07%   |
| City of Bell Buckle                      | 1,020,004                   | 0.04%  | 0.13%   |
| City of Wartrace                         | 909,397                     | 0.03%  | 0.12%   |
| City of Normandy                         | -                           | 0.00%  | 0.00%   |
| Total Overlapping Debt                   | <u>2,428,377</u>            |  |   |
| <b>Total Direct and Overlapping Debt</b> | <b>\$ <u>79,554,188</u></b> | <b>2.95%</b>                                     | <b>10.39%</b>                                   |

Source: City Recorders, Tables 8, 12

Note(s): Overlapping governments are those that are within the geographic boundaries of the county. This schedule presents outstanding debt of those overlapping governments that are within Bedford County. When considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government. The amount of the county's debt overlapping with a city is estimated based on that city's percentage of property tax assessment.

|                 |                |
|-----------------|----------------|
| Assessed Value  | \$ 765,377,145 |
| Estimated Value | 2,694,715,806  |

Table 15

**Bedford County, Tennessee  
Legal Debt Margin Information  
Last Ten Fiscal Years**

**Not Applicable to Bedford County, Tennessee**

Table 16

**Bedford County, Tennessee  
Pledged-Revenue Coverage  
Last Ten Fiscal Years**

**Not Applicable to Bedford County, Tennessee**

Table 17

**Bedford County, Tennessee**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

| Fiscal<br>Year<br>Ending<br>June 30 | Population <sup>1, 5</sup> | Personal<br>Income<br>(amounts<br>expressed in<br>thousands) <sup>1, 5</sup> | Per<br>Capita<br>Personal<br>Income <sup>1, 5</sup> | Median<br>Age <sup>2, 5</sup> | Bedford<br>County                 |  |
|-------------------------------------|----------------------------|--|---|-------------------------------|-----------------------------------|--|
|                                     |                            |  |   |                               | School<br>Enrollment <sup>3</sup> | Annual<br>Unemployment<br>Rate <sup>4, 5</sup> |
| 2000                                | 37,820                     | \$ 877,760   | \$ 23,209   | 34.9                          | 6,200                             | 4.7%   |
| 2001                                | 38,530                     | 898,109  | 23,309  | 34.9                          | 6,288                             | 5.2%   |
| 2002                                | 39,160                     | 918,232  | 23,448  | 34.9                          | 6,792                             | 5.5%   |
| 2003                                | 39,937                     | 985,791  | 24,684  | 35.0                          | 6,821                             | 6.9%   |
| 2004                                | 40,875                     | 1,064,118  | 26,033  | 35.0                          | 6,902                             | 5.4%   |
| 2005                                | 42,204                     | 1,135,971  | 26,916  | 34.9                          | 7,217                             | 5.4%   |
| 2006                                | 43,102                     | 1,197,493  | 27,783  | 35.0                          | 7,501                             | 5.2%   |
| 2007                                | 44,062                     | 1,271,738  | 28,862  | 34.9                          | 7,612                             | 4.9%   |
| 2008                                | 45,031                     | 1,319,630  | 29,305  | 34.9                          | 7,721                             | 6.0%   |
| 2009                                | 45,480                     | 1,328,881  | 29,219  | 35.0                          | 7,746                             | 6.6%   |

Source(s): Bureau of Economic Analysis, Regional Economic Accounts, U.S. Bureau of the Census, Tennessee Department of Education, and Tennessee Department of Labor & Workforce Development.

Note(s):

<sup>1</sup> Amounts were provided by the Bureau of Economic Analysis: Regional Economic Accounts. Personal income amounts for 2009 were estimated using a three-year average change of the three previous years. Per capita personal income was calculated by dividing personal income by population.

<sup>2</sup> U.S. Bureau of the Census amounts for 1990 and 2000 were used to interpolate intervening years. The 2000 amount is actual per United States Bureau of the Census. Fiscal years 2001-06 were calculated by taking a three-year average change of the three previous years. Amounts for fiscal years 2007, 2008, and 2009 are U.S. Census Bureau estimates.

<sup>3</sup> Enrollment amounts represent the weighted full-time equivalent average daily attendance.

<sup>4</sup> Unemployment data was provided by the U.S. Department of Labor, Bureau of Labor Statistics.

<sup>5</sup> Amounts are presented on a calendar year basis for the fiscal year in which the calendar year ended.

Table 18

**Bedford County, Tennessee**  
**Principal Employers**  
**Current Year and Nine Years Ago**

|                             | 2009             |             |  | 2000             |             |  |
|-----------------------------|------------------|-------------|--|------------------|-------------|--|
|                             | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total County Employment<sup>1</sup></u> | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total County Employment<sup>2</sup></u> |
| <u>Employer<sup>3</sup></u> |                  |             |  |                  |             |  |
| Tyson Foods                 | 1,200            | 1           | 5.38%  | 975              | 1           | 5.46%  |
| Calsonic Manufacturing      | 1,000            | 2           | 4.49%  | 714              | 3           | 4.00%  |
| Sanford Corporation         | 950              | 3           | 4.26%  | -                | -           | -  |
| Jostens, Inc.               | 590              | 4           | 2.65%  | 209              | 9           | 1.17%  |
| National Pen Corp           | 500              | 5           | 2.24%  | 660              | 4           | 3.70%  |
| Walmart Stores East         | 425              | 6           | 1.91%  | -                | -           | -  |
| Pechiney                    | 300              | 7           | 1.35%  | 500              | 5           | 2.80%  |
| Bemis                       | 225              | 8           | 1.01%  | -                | -           | -  |
| Coriscana Bedding, Inc.     | 131              | 9           | 0.59%  | -                | -           | -  |
| Century Mold Co., Inc.      | 120              | 10          | 0.54%  | -                | -           | -  |
| Empire Berol USA            | -                | -           | -  | 900              | 2           | 5.04%  |
| Eaton Corporation           | -                | -           | -  | 500              | 6           | 2.80%  |
| Stanley Tools               | -                | -           | -  | 250              | 7           | 1.40%  |
| Goggin Truck Lines          | -                | -           | -  | 250              | 8           | 1.40%  |
| Nationwide Express, Inc.    | -                | -           | -  | 200              | 10          | 1.12%  |
| <b>Total</b>                | <b>5,441</b>     |             | <b>24.41%</b>  | <b>5,158</b>     |             | <b>28.88%</b>  |

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

Note(s):

- <sup>1</sup> Percentage is based on June 2009 employment data provided by the U.S. Department of Labor, Bureau of Labor Statistics.
- <sup>2</sup> Percentage is based on 2000 employment data provided by the U.S. Department of Labor, Bureau of Labor Statistics.
- <sup>3</sup> Employer information does not include local governments' employees.

Table 19

**Bedford County, Tennessee**  
**Full-time Equivalent Employees by Function**  
**Last Ten Fiscal Years**

|                        | <b>Fiscal Year Ending</b> |             |             |             |             |             |             |             |             |             |
|------------------------|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                        | <u>2000</u>               | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> |
| <b>Function:</b>       |                           |             |             |             |             |             |             |             |             |             |
| General Government     | 114                       | 103         | 139         | 133         | 144         | 150         | 152         | 194         | 194         | 205         |
| Finance                | 0                         | 0           | 0           | 0           | 0           | 0           | 0           | 8           | 8           | 10          |
| Justice                | 11                        | 16          | 20          | 20          | 19          | 19          | 17          | 19          | 24          | 34          |
| Public Safety          | 104                       | 102         | 96          | 93          | 87          | 93          | 122         | 110         | 110         | 108         |
| Health and Welfare     | 4                         | 9           | 13          | 11          | 13          | 13          | 18          | 20          | 18          | 10          |
| Agriculture            | 1                         | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Other                  | 0                         | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           |
| Road and Bridge        | 44                        | 41          | 41          | 42          | 45          | 42          | 40          | 40          | 38          | 27          |
| <b>Total</b>           | <b>278</b>                | <b>272</b>  | <b>310</b>  | <b>301</b>  | <b>310</b>  | <b>318</b>  | <b>350</b>  | <b>392</b>  | <b>393</b>  | <b>395</b>  |
| <b>Component Unit:</b> |                           |             |             |             |             |             |             |             |             |             |
| Education              | 815                       | 830         | 845         | 865         | 890         | 905         | 925         | 945         | 961         | 972         |

Source: Bedford County Finance Department.

Table 20

**Bedford County, Tennessee**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

| Function                          | Fiscal Year Ending |        |        |        |        |        |        |        |        |        |
|-----------------------------------|--------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|                                   | 2000               | 2001   | 2002   | 2003   | 2004   | 2005   | 2006   | 2007   | 2008   | 2009   |
| <b>General Government</b>         |                    |        |        |        |        |        |        |        |        |        |
| Registered voters                 | 18,074             | 15,874 | 16,945 | 17,581 | 18,390 | 19,596 | 20,586 | 21,069 | 23,238 | 23,124 |
| Building permits issued           |                    |        |        |        |        |        |        |        |        |        |
| Single family homes               | n/a                | n/a    | n/a    | n/a    | n/a    | n/a    | 294    | 169    | 135    | 78     |
| All other permits                 | n/a                | n/a    | n/a    | n/a    | n/a    | n/a    | 195    | 158    | 137    | 201    |
| <b>Public Safety</b>              |                    |        |        |        |        |        |        |        |        |        |
| Physical arrests                  | n/a                | n/a    | n/a    | n/a    | n/a    | 1,598  | 1,628  | 1,641  | 1,776  | 569    |
| Traffic citations                 | n/a                | n/a    | n/a    | n/a    | n/a    | 1,847  | 1,894  | 2,008  | 2,092  | 2,003  |
| Warrants served                   | n/a                | n/a    | n/a    | n/a    | n/a    | 10,281 | 10,305 | 10,418 | 10,716 | 13,458 |
| Summary of inmate days:           |                    |        |        |        |        |        |        |        |        |        |
| Felons-convicted                  | n/a                | n/a    | n/a    | n/a    | n/a    | 20,151 | 21,254 | 20,452 | 23,660 | 28,467 |
| Misdemeanant-convicted            | n/a                | n/a    | n/a    | n/a    | n/a    | 52,864 | 55,757 | 53,653 | 62,069 | 26,317 |
| Pretrial                          | n/a                | n/a    | n/a    | n/a    | n/a    | 239    | 252    | 242    | 280    | 22,866 |
| Other                             | n/a                | n/a    | n/a    | n/a    | n/a    | 111    | 117    | 113    | 130    | 422    |
| Total inmate days                 |                    |        |        |        |        | 73,365 | 77,380 | 74,460 | 86,139 | 78,072 |
| Other daily inmate information    |                    |        |        |        |        |        |        |        |        |        |
| Average daily population          | n/a                | n/a    | n/a    | n/a    | n/a    | 201    | 212    | 204    | 236    | 243    |
| Daily inmate capacity of facility | n/a                | n/a    | n/a    | n/a    | n/a    | 215    | 204    | 217    | 217    | 217    |
| <b>Public Health</b>              |                    |        |        |        |        |        |        |        |        |        |
| Ambulance - call volume           | n/a                | n/a    | n/a    | n/a    | 4,764  | 4,618  | 4,769  | 4,810  | 5,418  | 5,135  |
| Response time - average minutes   | n/a                | n/a    | n/a    | n/a    | 11     | 11     | 11     | 11     | 11     | 10     |
| Animal control                    |                    |        |        |        |        |        |        |        |        |        |
| Requests for service              | n/a                | n/a    | n/a    | n/a    | n/a    | 1,291  | 912    | 796    | 1,494  | 922    |
| Animals impounded                 | n/a                | n/a    | n/a    | n/a    | n/a    | 1,720  | 1,475  | 1,701  | 1,977  | 1,615  |
| Animals adopted                   | n/a                | n/a    | n/a    | n/a    | n/a    | 77     | 103    | 171    | 266    | 211    |

(Continued)

Table 20

**Bedford County, Tennessee**  
**Operating Indicators by Function (Cont.)**

| Function (Cont.)                      | Fiscal Year Ending |             |             |             |             |             |             |             |             |             |
|---------------------------------------|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                                       | <u>2000</u>        | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> |
| <b><u>Road and Bridge</u></b>         |                    |             |             |             |             |             |             |             |             |             |
| Street resurfaced (miles)             | n/a                | n/a         | n/a         | 34          | 20          | 22          | 25          | 35          | 20          | 11          |
| <b><u>Sanitation</u></b>              |                    |             |             |             |             |             |             |             |             |             |
| Solid waste department                |                    |             |             |             |             |             |             |             |             |             |
| Refuse collected (in tons)            | n/a                | n/a         | n/a         | n/a         | n/a         | n/a         | n/a         | 11,400      | 11,448      | 11,115      |
| Recyclables collected (in tons)       |                    |             |             |             |             |             |             |             |             |             |
| Paper                                 | n/a                | n/a         | n/a         | n/a         | n/a         | n/a         | n/a         | 121         | 126         | 116         |
| Batteries                             | n/a                | n/a         | n/a         | n/a         | n/a         | n/a         | n/a         | 7           | 6           | 5           |
| Plastics                              | n/a                | n/a         | n/a         | n/a         | n/a         | n/a         | n/a         | 0           | 0           | 0           |
| Metals                                | n/a                | n/a         | n/a         | n/a         | n/a         | n/a         | n/a         | 365         | 397         | 498         |
| Tires                                 | n/a                | n/a         | n/a         | n/a         | n/a         | n/a         | n/a         | 680         | 675         | 679         |
| Used oil (gallons)                    | n/a                | n/a         | n/a         | n/a         | n/a         | n/a         | n/a         | 85          | 80          | 4,604       |
| <b><u>Component Unit:</u></b>         |                    |             |             |             |             |             |             |             |             |             |
| Bedford County School Department      |                    |             |             |             |             |             |             |             |             |             |
| Weighted Full-time Equivalent Average | 8,052              | 8,135       | 8,181       | 8,160       | 8,110       | 8,227       | 8,352       | 8,352       | 8,517       | 8,628       |
| Daily Attendance                      | 336                | 436         | 365         | 380         | 426         | 408         | 426         | 458         | 478         | 505         |
| Number Graduated                      |                    |             |             |             |             |             |             |             |             |             |

N/A = Information is not available for this time period.

Sources: Election Commission, Building Codes, Sheriff's Department, Ambulance Department, County Animal Control, Highway Department, and Solid Waste Department.

Table 21

**Bedford County, Tennessee**  
**Capital Assets Statistics by Function**  
**Last Ten Fiscal Years**

| Function  | Fiscal Year Ending |             |             |             |             |             |             |             |             |             |
|---|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|   | <u>2000</u>        | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> |
| <b>Highways and Streets</b>   |                    |             |             |             |             |             |             |             |             |             |
| Number of Miles   | N/A                | N/A         | N/A         | N/A         | 663         | 668         | 673         | 678         | 679         | 683         |
| Number of Bridges   | N/A                | N/A         | N/A         | N/A         | 189         | 189         | 191         | 191         | 191         | 191         |
| <b>Public Safety</b>  |                    |             |             |             |             |             |             |             |             |             |
| Number of Correctional Facilities                                     | 1                  | 1           | 1           | 1           | 1           | 2           | 2           | 2           | 2           | 2           |
| <b>Health and Welfare</b>   |                    |             |             |             |             |             |             |             |             |             |
| Nursing Home  | 1                  | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Number of Beds  | 90                 | 90          | 90          | 90          | 90          | 90          | 90          | 90          | 90          | 90          |
| Dispatch Station  | 0                  | 0           | 0           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Ambulance Stations  | 2                  | 2           | 3           | 3           | 3           | 3           | 3           | 4           | 4           | 4           |
| Number of Ambulance Units   | 5                  | 5           | 7           | 7           | 7           | 7           | 7           | 8           | 8           | 8           |
| Sanitation/Solid Waste Department                                     |                    |             |             |             |             |             |             |             |             |             |
| Number of Trucks  | 3                  | 4           | 4           | 4           | 4           | 4           | 4           | 4           | 4           | 4           |
| Health Department Facilities  | 1                  | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| <b>Facilities and Services Not Included in the Primary Government</b> |                    |             |             |             |             |             |             |             |             |             |
| <b>Education:</b>   |                    |             |             |             |             |             |             |             |             |             |
| Form of Administration  |                    |             |             |             |             |             |             |             |             |             |
| Number of Schools   |                    |             |             |             |             |             |             |             |             |             |
| Elementary Schools  | 7                  | 7           | 7           | 7           | 7           | 7           | 7           | 7           | 7           | 7           |
| Middle Schools  | 1                  | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| High Schools  | 3                  | 3           | 3           | 3           | 3           | 3           | 3           | 3           | 3           | 3           |
| K-12 Schools  |                    |             |             |             |             |             |             |             |             |             |
| Alternative School  | 1                  | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |

Sources: Bedford County Highway Department, Sheriff's Department, Ambulance Department, Solid Waste Department, Board of Education.  
N/A = Information is not available for this time period.

---

---

## SINGLE AUDIT SECTION

---

---

This page is left blank intentionally.



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

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

November 24, 2009

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

To the County Mayor and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bedford County, Tennessee, as of and for the year ended June 30, 2009, which collectively comprise Bedford County's basic financial statements and have issued our report thereon dated November 24, 2009. 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 Bedford County Nursing Home and the discretely presented Emergency Communications District of Bedford County as described in our report on Bedford 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 Bedford 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 Bedford County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Bedford 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: 09.01, 09.02, 09.03, 09.04, and 09.05.

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 Bedford 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 09.01 to be a material weakness.

### Compliance and Other Matters

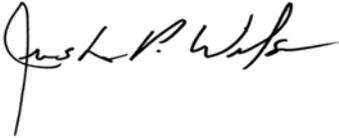
As part of obtaining reasonable assurance about whether Bedford County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

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

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

This report is intended solely for the information and use of management, the county mayor, superintendent of schools, highway superintendent, Board of County Commissioners, Board of Education, Solid Waste Authority Board, others within Bedford 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, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a long vertical stroke extending downwards from the end.

Justin P. Wilson  
Comptroller of the Treasury

JPW/yu

This page is left blank intentionally.



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

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

November 24, 2009

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

To the County Mayor and Board of County Commissioners:

Compliance

We have audited the compliance of Bedford 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, 2009. Bedford 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 Bedford County's management. Our responsibility is to express an opinion on Bedford 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 Bedford 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 Bedford County's compliance with those requirements.

In our opinion, Bedford 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, 2009.

#### Internal Control Over Compliance

The management of Bedford 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 Bedford 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 Bedford 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 Bedford County as of and for the year ended June 30, 2009, and have issued our report thereon dated November 24, 2009. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise Bedford 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.

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

This report is intended solely for the information and use of management, the county mayor, superintendent of schools, highway superintendent, County Commission, Board of Education, Solid Waste Authority Board, others within Bedford 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, appearing to read "Justin P. Wilson". The signature is written in a cursive style with a large initial "J" and a long, sweeping underline.

Justin P. Wilson  
Comptroller of the Treasury

JPW/yu

This page is left blank intentionally.

Bedford County, Tennessee  
Schedule of Expenditures of Federal Awards and State Grants (1)  
For the Year-Ended June 30, 2009

| Federal/Pass-through Agency/State<br>Grantor Program Title                        | Federal<br>CFDA<br>Number | Pass-through<br>Entity Identifying<br>Number | Expenditures        |
|---|---------------------------|--|---------------------|
| U.S. Department of Agriculture:   |                           |  |                     |
| Passed-through State Department of Agriculture:                                   |                           |  |                     |
| National School Lunch Program (Commodities - Noncash Assistance)                  | 10.555                    | (2)  | \$ 189,225 (6)      |
| Passed-through State Department of Education:                                     |                           |  |                     |
| Child Nutrition Cluster:  |                           |  |                     |
| School Breakfast Program  | 10.553                    | (2)  | 509,228             |
| National School Lunch Program   | 10.555                    | (2)  | 1,600,949 (6)       |
| Fresh Fruit and Vegetable Program   | 10.582                    | (2)  | 82,938              |
| Total U.S. Department of Agriculture  |                           |  | <u>\$ 2,382,340</u> |
| U.S. Department of Housing and Urban Development:                                 |                           |  |                     |
| Passed-through State Department of Economic and Community Development:            |                           |  |                     |
| Community Development Block Grants/State's Program                                | 14.228                    | GG-08-25152-00                               | \$ 500,000          |
| Total U.S. Department of Housing and Urban Development                            |                           |  | <u>\$ 500,000</u>   |
| U.S. Department of Transportation:  |                           |  |                     |
| Passed-through State Department of Transportation:                                |                           |  |                     |
| State and Community Highway Safety  | 20.600                    | Z-09-214721-00                               | \$ 4,757            |
| Alcohol Open Container Requirements   | 20.607                    | Z-09-214582-00                               | 32,615              |
| Total U.S. Department of Transportation   |                           |  | <u>\$ 37,372</u>    |
| U.S. Department of Education:   |                           |  |                     |
| Passed-through State Department of Human Services:                                |                           |  |                     |
| Rehabilitation Services - Vocational Rehabilitation Grants to States              | 84.126                    | GG-09-25451-00                               | \$ 27,479           |
| Passed-through State Department of Labor and Workforce Development:               |                           |  |                     |
| Adult Education-State Grant Program   | 84.002                    | (3)  | 142,387             |
| Passed-through State Department of Education:                                     |                           |  |                     |
| Title 1 Grants to Local Educational Agencies                                      | 84.010                    | N/A  | 1,376,042           |
| Migrant Education - State Grant Program   | 84.011                    | N/A  | 11,587              |
| Special Education Cluster:  |                           |  |                     |
| Special Education - Grants to States  | 84.027                    | (2)  | 1,187,315           |
| Special Education - Preschool Grants  | 84.173                    | N/A  | 37,173              |
| Career and Technical Education - Basic Grants to States                           | 84.048                    | N/A  | 100,916             |
| Safe and Drug-Free Schools and Communities - State Grants                         | 84.186                    | (2)  | 12,140              |
| State Grants for Innovative Programs  | 84.298                    | N/A  | 5,021               |
| Education Technology State Grants   | 84.318                    | (2)  | 51,325              |
| English Language Acquisition Grants   | 84.365                    | N/A  | 123,917             |
| Improving Teacher Quality State Grants  | 84.367                    | N/A  | 321,446             |
| State Fiscal Stabilization Funds (SFSF) - Education State Grants,<br>Recovery Act | 84.394                    | (2)  | 390,700             |
| Total U.S. Department of Education  |                           |  | <u>\$ 3,787,448</u> |
| U.S. Department of Election Assistance Commission:                                |                           |  |                     |
| Passed-through Tennessee Secretary of State:                                      |                           |  |                     |
| Help America Vote Act Requirements Payments                                       | 90.401                    | Z-09-217187-00                               | \$ 27,500           |
| Total U.S. Department of Election Assistance Commission                           |                           |  | <u>\$ 27,500</u>    |
| U.S. Department of Homeland Security:   |                           |  |                     |
| Passed-through State Department of Military:                                      |                           |  |                     |
| Emergency Management Performance Grants   | 97.042                    | (4)  | 55,125              |
| Total U.S. Department of Homeland Security  |                           |  | <u>\$ 55,125</u>    |
| Total Expenditures of Federal Grants  |                           |  | <u>\$ 6,789,785</u> |

(Continued)

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

| Federal/Pass-through Agency/State<br>Grantor Program Title                    | Federal<br>CFDA<br>Number | Contract<br>Number | Expenditures      |
|---|---------------------------|--------------------|-------------------|
| <b>State Grants</b>   |                           |                    |                   |
| State Reappraisal Program - Comptroller of the Treasury                       | N/A                       | (2)                | \$ 13,080         |
| Juvenile Justice - State Commission on Children and Youth                     | N/A                       | Z-09-228026-00     | 9,000             |
| Lottery for Education - After-School Programs - State Department of Education | N/A                       | (2)                | 43,335            |
| Adult Education - State Department of Labor and Workforce Development         | N/A                       | (5)                | 47,460            |
| Litter Program - State Department of Transportation                           | N/A                       | Z-09-212720-00     | 40,759            |
| Rural Local Health Services - State Department of Health                      | N/A                       | (7)                | 326,070           |
| Waste Tire Grant - State Department of Environment and Conservation           | N/A                       | Z-08-212955-02     | 28,400            |
| Coordinated School Health Expansion - State Department of Health              | N/A                       | (2)                | 110,754           |
| Safe Schools Act of 03 - State Department of Education                        | N/A                       | (2)                | 42,600            |
| Voluntary Pre-Kindergarten Program - State Department of Education            | N/A                       | (2)                | 205,770           |
| <b>Total State Grants</b>   |                           |                    | <u>\$ 867,228</u> |

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) Z-08-021211-00: \$13,402; Z-08-020758-00: \$7,052; Z-09-213234-00: \$24,110; Z-09-213440-00: \$97,823.
- (4) GG-08-26317-00: \$27,000; 34101-0000000669: \$28,125.
- (5) Z-08-021211-00: \$4,467; Z-08-020758-00: \$2,349; Z-09-213234-00: \$8,036; Z-09-213440-00: \$32,608.
- (6) Total for CFDA No. 10.555 is \$1,790,174.
- (7) Z-08-020404-00: \$20,341; Z-09-213779-00: \$305,729.

Bedford County, Tennessee  
Schedule of Audit Findings Not Corrected  
June 30, 2009

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Comprehensive Annual Financial Report for Bedford County, Tennessee, for the year ended June 30, 2008, which have not been corrected.

**OFFICE OF COUNTY MAYOR**

| <u>Finding Number</u> | <u>Page Number</u> | <u>Subject</u>  |
|-----------------------|--------------------|---|
| 08.05                 | 271                | The Office of Zoning and Building Inspections had deficiencies in controls over its information system environment. |

**OFFICE OF SHERIFF**

| <u>Finding Number</u> | <u>Page Number</u> | <u>Subject</u>   |
|-----------------------|--------------------|--|
| 08.07                 | 272                | The office had deficiencies in the operation of the commissary |

**OTHER FINDING**

| <u>Finding Number</u> | <u>Page Number</u> | <u>Subject</u>   |
|-----------------------|--------------------|--|
| 08.08                 | 274                | Duties were not segregated adequately in the Offices of Zoning and Building Inspections; Juvenile Detention; County Clerk; Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; Register; and Sheriff |

This page is left blank intentionally.

---

---

**BEDFORD COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2009**

---

---

**PART I, SUMMARY OF AUDITOR'S RESULTS**

1. Our report on the financial statements of Bedford County is unqualified.
2. The audit of the financial statements of Bedford County disclosed significant deficiencies in internal control. One of these deficiencies was considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that are material to the financial statements.
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 Fresh Fruit and Vegetable Program (CFDA Nos. 10.553, 10.555, and 10.582); Community Development Block Grants/State's Program (CFDA No. 14.228); Special Education Cluster: Special Education – Grants to States and Special Education – Preschool Grants (CFDA Nos. 84.027 and 84.173); and State Fiscal Stabilization Funds (SFSF) – Education State Grants, Recovery Act (CFDA Nos. 84.394) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Bedford 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 responses of the finance director are paraphrased in this report.

### **OFFICE OF FINANCE DIRECTOR**

**FINDING 09.01**      **MATERIAL AUDIT ADJUSTMENTS WERE REQUIRED FOR PROPER FINANCIAL STATEMENT PRESENTATION**  
(Internal Control – Material Weakness Under Government Auditing Standards)

At June 30, 2009, certain general ledger account balances in the General Debt Service and Education Capital Projects funds were not materially correct, and audit adjustments were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require Bedford County to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the county's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the county has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

### **RECOMMENDATION**

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

### **MANAGEMENT'S RESPONSE – FINANCE DIRECTOR**

We concur with this finding. Our accounting records have improved greatly under the County Financial Management System of 1981, and we were able to close the books very soon after year-end. We detected the errors after the books were closed. We have reviewed these errors with the auditors, and steps have been taken to strengthen internal controls and prevent these errors from recurring.

**OFFICE OF COUNTY MAYOR**

**FINDING 09.02      **THE OFFICE OF ZONING AND BUILDING INSPECTIONS HAD DEFICIENCIES IN CONTROLS OVER ITS INFORMATION SYSTEM ENVIRONMENT****

(Internal Control – Significant Deficiency Under Government Auditing Standards)

The following significant deficiencies relating to the office’s information system environment were identified. These deficiencies exists because management failed to correct the finding noted in the prior-year audit report.

- A.     The application does not provide a record of changes to previously issued receipts. Users had the capability to change information on receipts, leaving no evidence of the original receipt. This lack of application controls could allow inappropriate system activity.
  
- B.     The application does not provide a report that lists all transactions in sequential order. Without a report, it is difficult to account for all issued receipts.
  
- C.     Permits and receipts can be deleted from the application. A log is available that lists all deleted transactions; however, this log is not being reviewed by management. The failure to review this log could result in inappropriate system activity not being detected.

**RECOMMENDATION**

Management should contact their software vendor concerning the removal of the capability to change receipts. Removing this capability would help to ensure the reliability and integrity of information maintained by the system. A report that lists all transactions in sequential order should be available. This report should include totals by transaction type. Management should contact their software vendor to have the capability to delete receipts and permits removed from the system. Instead, a void option should be used. At the present time, management should review the deletion log on a routine basis for inappropriate activity.

---

**FINDING 09.03      **THE OFFICE OF ZONING AND BUILDING INSPECTIONS HAD DEFICIENCIES IN COMPUTER SYSTEM BACKUP PROCEDURES****

(Internal Control – Significant Deficiency Under Government Auditing Standards)

System backups were not stored off-site until several months into the fiscal year. Sound business practices dictate that off-site storage of system backups be implemented. This deficiency is the result of management’s failure to implement adequate disaster recovery planning procedures. In the event of a disaster, all backup data could be destroyed,

resulting in costly delays in generating and recording information accounted for through the automated process. Proper system backup procedures are now in place.

---

## **OFFICE OF SHERIFF**

### **FINDING 09.04      **THE OFFICE HAD DEFICIENCIES IN THE OPERATION OF THE COMMISSARY** (Internal Control – Significant Deficiency Under Government Auditing Standards)**

We noted the following weaknesses in internal controls that increase the risks of theft or loss. These weaknesses are the result of the lack of management oversight.

- A. Duties related to the operation of the commissary were not segregated adequately. Collections were received from inmates and others by various jail and workhouse employees. These collections were remitted to one employee who was principally responsible for accounting for commissary operations. This employee enters information into the computer accounting system, makes the bank deposits, reconciles bank statements, and disburses funds.
- B. The bank statements for the commissary checking account were not reconciled with general ledger controls. The bank balance at June 30, 2009, was determined using bank statements and alternative auditing procedures.
- C. The sheriff did not include commissary activity on the annual financial report as required by Section 5-8-505, Tennessee Code Annotated. This statute requires all county officials having public funds in their charge or custody to file a complete annual financial report with the county mayor and county clerk.
- D. As of June 30, 2009, commissary records reflected accumulated bank charges for processing fees totaling \$2,816, which have been deducted from the bank account; however, these charges were not properly posted to the accounting records to reduce the profit account.
- E. The software application used by the commissary has the capability of generating audit logs that display changes made by users. Since this log provides the only audit trail of these changes, it should be reviewed daily for inappropriate activity; however, officials did not generate and review the audit logs.

## **RECOMMENDATION**

To strengthen internal controls over operations, the sheriff should segregate duties adequately among employees using available resources. Officials should reconcile bank statements with general ledger controls monthly, and any errors noted should be corrected promptly. The annual financial report should include commissary activity for the year.

Bank charges should be properly posted to reduce the profit account. Audit logs should be generated and reviewed by supervisory personnel.

---

## **OTHER FINDING AND RECOMMENDATION**

**FINDING 09.05**      **DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE OFFICES OF ZONING AND BUILDING INSPECTIONS; JUVENILE DETENTION; COUNTY CLERK; CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK; CLERK AND MASTER; REGISTER; AND SHERIFF**  
(Internal Control – Significant Deficiency Under Government Auditing Standards)

Duties were not segregated adequately among the official and employees in the Offices of Zoning and Building Inspections; Juvenile Detention; County Clerk; Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; Register; and Sheriff. Employees responsible for maintaining accounting records were also involved in receipting, depositing, and/or disbursing funds. Accounting standards provide that internal controls be designed to provide reasonable assurance of the reliability of financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

### **RECOMMENDATION**

Officials should segregate duties to the extent possible using available resources.

### **MANAGEMENT'S RESPONSE FOR OFFICES OF ZONING AND BUILDING INSPECTIONS AND JUVENILE DETENTION – FINANCE DIRECTOR**

There are limitations due to the small number of employees; however, steps are being taken to segregate duties as much as possible and implement some mitigating controls.

**PART III, FINDINGS AND QUESTIONED  
COSTS FOR FEDERAL AWARDS**

There were no findings and questioned costs for federal awards.

**BEDFORD COUNTY, TENNESSEE  
AUDITEE REPORTING RESPONSIBILITIES  
For the Year Ended June 30, 2009**

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