
ANNUAL FINANCIAL REPORT

BLEDSON COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2009



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**ANNUAL FINANCIAL REPORT
BLEDSOE COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2009**

***DEPARTMENT OF AUDIT
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Comptroller of the Treasury***

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

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State Auditors***

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BLEDSOE COUNTY, TENNESSEE TABLE OF CONTENTS

	Exhibit	Page(s)
Audit Highlights		9-10
<u>INTRODUCTORY SECTION</u>		11
Bledsoe County Officials		13
<u>FINANCIAL SECTION</u>		15
Independent Auditor's Report		17-19
BASIC FINANCIAL STATEMENTS:		21
Government-wide Financial Statements:		
Statement of Net Assets	A	23
Statement of Activities	B	24-25
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	26-27
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	C-2	28
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	29-30
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	31
Fiduciary Funds:		
Statement of Fiduciary Assets and Liabilities	D	32
Notes to the Financial Statements		33-69
REQUIRED SUPPLEMENTARY INFORMATION:		71
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Fund	E-1	73-75
Ambulance Service Fund	E-2	76
Highway/Public Works Fund	E-3	77
Schedule of Funding Progress – Pension Plan – Primary Government and Discretely Presented Bledsoe County School Department	E-4	78
Schedule of Funding Progress – Other Postemployment Benefits Plan – Discretely Presented Bledsoe County School Department	E-5	79
Notes to the Required Supplementary Information		81

	Exhibit	Page(s)
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		83
Nonmajor Governmental Funds:		85-86
Combining Balance Sheet	F-1	87
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	F-2	88-89
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
Courthouse and Jail Maintenance Fund	F-3	90
Public Library Fund	F-4	91
Solid Waste/Sanitation Fund	F-5	92
Drug Control Fund	F-6	93
Other Special Revenue Fund	F-7	94
Major Governmental Fund:		95
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget:		
General Debt Service Fund	G	97
Fiduciary Funds:		99
Combining Statement of Fiduciary Assets and Liabilities	H-1	101
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	H-2	102
Component Unit:		
Discretely Presented Bledsoe County School Department:		103
Statement of Activities	I-1	105
Balance Sheet – Governmental Funds	I-2	106
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	I-3	107
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	I-4	108
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	I-5	109
Combining Balance Sheet – Nonmajor Governmental Funds	I-6	110
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	I-7	111
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
General Purpose School Fund	I-8	112-113
School Federal Projects Fund	I-9	114
Central Cafeteria Fund	I-10	115
Education Debt Service Fund	I-11	116
Miscellaneous Schedules:		117
Schedule of Changes in Long-term Bonds and Notes – Primary Government and Discretely Presented Bledsoe County School Department	J-1	119

	Exhibit	Page(s)
Schedule of Long-term Debt Requirements by Year -- Primary Government and Discretely Presented Bledsoe County School Department	J-2	120-121
Schedule of Transfers -- Primary Government and Discretely Presented Bledsoe County School Department	J-3	122
Schedule of Salaries and Official Bonds of Principal Officials -- Primary Government and Discretely Presented Bledsoe County School Department	J-4	123
Schedule of Detailed Revenues -- All Governmental Fund Types	J-5	124-133
Schedule of Detailed Revenues -- All Governmental Fund Types -- Discretely Presented Bledsoe County School Department	J-6	134-135
Schedule of Detailed Expenditures -- All Governmental Fund Types	J-7	136-152
Schedule of Detailed Expenditures -- All Governmental Fund Types -- Discretely Presented Bledsoe County School Department	J-8	153-166
Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balances -- City Agency Funds	J-9	167
<u>SINGLE AUDIT SECTION</u>		169
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <u>Government Auditing Standards</u>		171-173
Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With <u>OMB Circular A-133</u>		175-177
Schedule of Expenditures of Federal Awards and State Grants		179-180
Schedule of Audit Findings Not Corrected		181
Schedule of Findings and Questioned Costs		183-188
Auditee Reporting Responsibilities		189

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Audit Highlights
Annual Financial Report
Bledsoe County, Tennessee
For the Year Ended June 30, 2009

Scope

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

Results

Our report on the aggregate discretely presented component units is qualified because the financial statements do not include one component unit whose financial statements were not available from other auditors at the date of this report. Our report on the governmental activities, each major fund, and the aggregate remaining fund information is unqualified.

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

Findings

The following are summaries of the audit findings:

OFFICE OF COUNTY MAYOR

- ◆ The Ambulance Service Fund required material audit adjustments for proper financial statement presentation.
- ◆ The Ambulance Service did not review software audit logs.

OFFICE OF SHERIFF

- ◆ The sheriff administered a Christmas charity program through the department's records and operating accounts.

OTHER FINDINGS

- ◆ County officials had not adopted a central system of accounting, budgeting, and purchasing.
- ◆ Duties were not segregated adequately at the Ambulance Service and in the Offices of County Mayor; Road Superintendent; Director of Schools; Trustee; County Clerk;

Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; Register; and Sheriff.

- ◆ The general sessions judge also served as county attorney, school board attorney, and delinquent tax attorney, contrary to opinions issued by the state attorney general.

INTRODUCTORY SECTION

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Bledsoe County Officials
June 30, 2009

Officials

Gregg Ridley, County Mayor
Tom Frazier, Road Superintendent
Phil Kiper, Director of Schools
Deanna Rains, Trustee
Phillip Cagle, Assessor of Property
Carolyn Terry, County Clerk
Jamey Roberson, Circuit, General Sessions, and Juvenile Courts Clerk
Greg Forgey, Clerk and Master
Emma Boynton, Register
James Morris, Sheriff

Board of County Commissioners

Craig Mercer, Chairman
Tim Campbell
Junior Hankins
Greg Johnson
Charles Raines
Robert Reese
Tanya Roberson
Henry Sapp
Ronald Sapp
Roger Simmons
Carlos Smith
Gordon Smith
Perry Swafford

Board of Education

Michael Deakins, Chairman
Michelle Collier
Sue Everett
Will Frady
Stephen Smith
Alfred Terry
Charlie Young

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FINANCIAL SECTION

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STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
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JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
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INDEPENDENT AUDITOR'S REPORT

October 9, 2009

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

To the County Mayor and Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bledsoe County, Tennessee, as of and for the year ended June 30, 2009, which collectively comprise Bledsoe County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Bledsoe County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented Bledsoe County Emergency Communications District, which represent 2.8 percent and 1.39 percent, respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Bledsoe County Emergency Communications District, is based on the report of the other auditors.

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

The financial statements of the Bledsoe County Nursing Home, a component unit requiring discrete presentation, had not been made available by other auditors as of the date of this report. Accordingly, the aggregate discretely presented component units financial statements referred to above do not include amounts for the Bledsoe County Nursing Home, which should be included to conform with accounting principles generally accepted in the United States of America. The effects on the financial statements of the aggregate discretely presented component units are not reasonably determinable.

In our opinion, based on our audit and the report of the other auditors, except for the effects of not including the financial statements of the Bledsoe County Nursing Home as discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate discretely presented component units of Bledsoe County, Tennessee, as of June 30, 2009, and the results of operations of the aggregate discretely presented component units, for the year ended, in conformity with accounting principles generally accepted in the United States of America.

Additionally, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Bledsoe County, Tennessee, as of June 30, 2009, and the respective changes in financial position, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 9, 2009, on our consideration of Bledsoe 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., Grundy County has implemented the provisions of Governmental Accounting Standards Board Statement No. 45 Accounting and Financial Reporting by Employers for Postemployment Benefits Plans Other Than Pension Plans; 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.

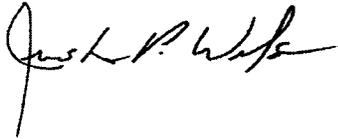
The management of Bledsoe County did not prepare a management's discussion and analysis. The management's discussion and analysis section is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America.

The budgetary comparison, pension, and other postemployment benefits information on pages 73 through 81 are not required parts of the basic financial statements but they do provide supplementary information required by accounting principles generally accepted in

the United States of America. 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 Bledsoe 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 Bledsoe County School Department (a discretely presented component unit), and miscellaneous schedules, 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 Bledsoe County School Department (a discretely presented component unit), and the miscellaneous schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on it.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury

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BASIC FINANCIAL STATEMENTS

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Exhibit A

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

	Primary Government Governmental Activities	Component Units	
		Bledsoe County School Department	Bledsoe County Emergency Communications District
<u>ASSETS</u>			
Cash	\$ 86,391	\$ 26,098	\$ 168,238
Equity in Pooled Cash and Investments	8,680,635	1,837,603	0
Accounts Receivable	1,303,590	0	9,574
Allowance for Uncollectibles	(732,778)	0	0
Due from Other Governments	307,286	198,609	22,689
Property Taxes Receivable	2,408,130	1,579,886	0
Allowance for Uncollectible Property Taxes	(106,650)	(77,842)	0
Prepaid Items	0	0	10,741
Deferred Charges - Debt Issuance Cost	222,530	0	0
Capital Assets:			
Assets Not Depreciated:			
Land	163,140	380,847	0
Construction in Progress	783,276	0	0
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	1,388,235	10,131,176	92,547
Infrastructure	4,384,244	105,355	0
Other Capital Assets	356,923	1,171,527	138,614
Total Assets	<u>\$ 19,244,952</u>	<u>\$ 15,353,259</u>	<u>\$ 442,403</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 2,207	\$ 104,320	\$ 920
Payroll Deductions Payable	0	972	0
Accrued Interest Payable	1,040	84,264	0
Customer Deposits Payable	0	4,222	0
Capital Outlay Notes Payable	0	9,000	0
Deferred Revenue - Current Property Taxes	2,158,368	1,380,526	0
Noncurrent Liabilities:			
Due Within One Year	220,071	465,000	0
Due in More Than One Year (net of deferred amount on refunding and unamortized premiums on debt)	8,738,215	10,795,378	0
Total Liabilities	<u>\$ 11,119,901</u>	<u>\$ 12,843,682</u>	<u>\$ 920</u>
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	\$ (1,581,809)	\$ 1,324,905	\$ 0
Invested in Capital Assets	0	0	231,161
Restricted for:			
General Purposes	45,796	105,468	0
Courthouse and Jail Maintenance	3,928	0	0
Public Library	16,212	0	0
Solid Waste/Sanitation	30,624	0	0
Ambulance Service	877,580	0	0
Drug Control	19,867	0	0
Highway/Public Works	1,221,165	0	0
Debt Service	504,133	169,203	0
School Federal Projects	0	55,350	0
Central Cafeteria	0	274,681	0
Capital Projects	6,728,889	0	0
Other Purposes	31,050	0	0
Unrestricted	227,616	579,970	210,322
Total Net Assets	<u>\$ 8,125,051</u>	<u>\$ 2,509,577</u>	<u>\$ 441,483</u>

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

Exhibit B

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

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets						
	Primary Government			Component Units			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Bledsoe County School Department	Bledsoe County Emergency Communications District
Primary Government:							
Governmental Activities:							
General Government	\$ 611,364	\$ 97,093	\$ 10,817	\$ 0	\$ (503,454)	\$ 0	\$ 0
Finance	349,961	192,795	6,654	0	(150,512)	0	0
Administration of Justice	935,496	157,655	11,250	0	(766,591)	0	0
Public Safety	722,681	202,093	112,234	0	(408,354)	0	0
Public Health and Welfare	1,059,155	712,923	131,039	114,456	(100,737)	0	0
Social, Cultural, and Recreational Services	80,319	3,685	0	0	(76,634)	0	0
Agriculture and Natural Resources	66,181	0	0	0	(66,181)	0	0
Other Operations	19,298	138,622	29	0	119,353	0	0
Highways/Public Works	1,396,113	0	1,483,091	49,673	136,651	0	0
Interest on Long-term Debt	29,168	0	0	0	(29,168)	0	0
Other Debt Service	110,135	0	0	0	(110,135)	0	0
Total Governmental Activities	\$ 5,379,871	\$ 1,504,866	\$ 1,755,114	\$ 164,129	\$ (1,955,762)	\$ 0	\$ 0
Total Primary Government	\$ 5,379,871	\$ 1,504,866	\$ 1,755,114	\$ 164,129	\$ (1,955,762)	\$ 0	\$ 0
Component Units:							
Bledsoe County School Department	\$ 16,468,467	\$ 333,488	\$ 2,360,839	\$ 0	\$ 0	\$ (13,774,140)	\$ 0
Bledsoe County Emergency Communications District	260,810	115,076	102,823	13,303	0	0	(29,608)
Total Component Units	\$ 16,729,277	\$ 448,564	\$ 2,463,662	\$ 13,303	\$ 0	\$ (13,774,140)	\$ (29,608)

(Continued)

Exhibit B

Bledsoe County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets			
	Primary Government		Component Units	
	Charges for Services	Expenses	Total Governmental Activities	Bledsoe County School Department Emergency Communications District
Program Revenues		Total Governmental Activities	Bledsoe County School Department	Bledsoe County Emergency Communications District
Operating Grants and Contributions	Capital Grants and Contributions			
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes			\$ 1,362,424	\$ 0
Property Taxes Levied for Solid Waste			0	0
Property Taxes Levied for Debt Service			82,358	0
Local Option Sales Taxes			621,006	0
Litigation Tax - General			0	0
Business Tax			30,848	0
Wholesale Beer Tax			108,174	0
Other Local Taxes			0	0
Grants and Contributions Not Restricted to Specific Programs			298,918	0
Unrestricted Investment Income			113,791	1,284
Miscellaneous			24,249	0
Total General Revenues			\$ 2,372,642	\$ 1,284
Change in Net Assets			\$ 416,880	\$ (28,324)
Net Assets, July 1, 2008			7,762,087	469,807
Prior-period Adjustment			(53,916)	0
Net Assets, June 30, 2009			\$ 8,125,051	\$ 441,483

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

Exhibit C-1

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

	Major Funds					Nonmajor Funds		Total Governmental Funds
	General	Ambulance Service	Highway / Public Works	General Debt Service	General Capital Projects	Other		
						Governmental Funds	Governmental Funds	
\$	0	78,555	0	0	0	7,836	\$	86,391
	191,923	228,854	963,495	491,279	6,728,339	76,745		8,680,635
	0	1,302,949	0	0	0	641		1,303,590
	0	(732,778)	0	0	0	0		(732,778)
	38,824	0	257,670	0	0	10,792		307,286
	7,388	0	0	0	0	0		7,388
	1,499,357	0	0	669,469	0	239,304		2,408,130
	(73,874)	0	0	(22,271)	0	(10,505)		(106,650)
	\$ 1,663,618	\$ 877,580	\$ 1,221,165	\$ 1,138,477	\$ 6,728,339	\$ 324,813	\$	11,953,992

ASSETS

Cash	
Equity in Pooled Cash and Investments	
Accounts Receivable	
Allowance for Uncollectibles	
Due from Other Governments	
Due from Other Funds	
Property Taxes Receivable	
Allowance for Uncollectible Property Taxes	
Total Assets	

LIABILITIES AND FUND BALANCES

Liabilities	
Accounts Payable	
Due to Other Funds	
Deferred Revenue - Current Property Taxes	
Deferred Revenue - Delinquent Property Taxes	
Other Deferred Revenues	
Total Liabilities	

Fund Balances

Reserved for Encumbrances	
Reserved for Alcohol and Drug Treatment	
Reserved for Drug Court	
Reserved for Sexual Offender Registration	
Reserved for Computer System - Register	
Reserved for Automation Purposes - General Sessions Court	
Reserved for Automation Purposes - Chancery Court	
Reserved for Capital Outlay	

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	Ambulance Service	Highway / Public Works	General Debt Service	General Capital Projects	Other Governmental Funds		
\$ 190,024 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	190,024
0	307,295	1,101,337	0	0	88,257	0	1,496,889
0	0	0	492,079	0	0	0	492,079
0	0	0	0	826,239	550	0	826,789
\$ 238,317 \$	\$ 307,410 \$	\$ 1,101,337 \$	\$ 492,079 \$	\$ 6,728,339 \$	\$ 89,137 \$	\$ 89,137 \$	\$ 8,956,619
\$ 1,663,618 \$	\$ 877,580 \$	\$ 1,221,165 \$	\$ 1,138,477 \$	\$ 6,728,339 \$	\$ 324,813 \$	\$ 324,813 \$	\$ 11,953,992

LIABILITIES AND FUND BALANCES (Cont.)

Fund Balances (Cont.)
 Unreserved, Reported In:
 General Fund
 Special Revenue Funds
 Debt Service Funds
 Capital Projects Funds
 Total Fund Balances

Total Liabilities and Fund Balances

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

Exhibit C-2

Bledsoe 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)		\$ 8,956,619
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Add: land	\$ 163,140	
Add: construction in progress	783,276	
Add: buildings and improvements net of accumulated depreciation	1,388,235	
Add: infrastructure net of accumulated depreciation	4,384,244	
Add: other capital assets net of accumulated depreciation	<u>356,923</u>	7,075,818
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	\$ (8,790,000)	
Less: notes payable	(41,942)	
Less: deferred premium on debt issuances	(60,661)	
Add: deferred amount on refunding	12,446	
Add: deferred charges - debt issuance cost	222,530	
Less: compensated absences payable	(78,129)	
Less: interest accrued on bonds and notes	<u>(1,040)</u>	(8,736,796)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>829,410</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 8,125,051</u>

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

Exhibit C-3

Bledsoe 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	Ambulance Service	Highway / Public Works	General Debt Service	General Capital Projects	Other	Governmental Funds	
Revenues								
Local Taxes	\$ 1,612,994	\$ 0	\$ 0	\$ 163,953	\$ 0	\$ 0	\$ 162,631	\$ 1,939,578
Licenses and Permits	6,749	0	0	613	0	0	1,935	9,297
Fines, Forfeitures, and Penalties	30,018	0	0	0	0	0	9,890	39,908
Charges for Current Services	6,513	602,135	0	0	0	0	4,446	613,094
Other Local Revenues	134,152	532	7,338	106,672	6,853	0	11,623	267,170
Fees Received from County Officials	363,563	0	0	0	0	0	0	363,563
State of Tennessee	340,304	0	1,541,264	20,963	0	0	80,808	1,983,339
Federal Government	120,676	0	0	0	0	0	106,014	226,690
Other Governments and Citizens Groups	36,677	0	0	0	0	0	180,000	216,677
Total Revenues	\$ 2,651,646	\$ 602,667	\$ 1,548,602	\$ 292,201	\$ 6,853	\$ 0	\$ 557,347	\$ 5,659,316
Expenditures								
Current:								
General Government	\$ 636,834	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,839	\$ 644,673
Finance	345,207	0	0	0	0	0	133	345,340
Administration of Justice	402,355	0	0	0	0	0	2,205	404,560
Public Safety	1,103,248	0	0	0	0	0	186,614	1,289,862
Public Health and Welfare	105,487	631,160	0	0	0	0	208,203	944,850
Social, Cultural, and Recreational Services	10,942	0	0	0	0	0	65,247	76,189
Agriculture and Natural Resources	58,434	0	0	0	0	0	0	58,434
Other Operations	19,298	0	0	0	0	0	0	19,298
Highways	0	0	1,566,484	0	0	0	38,452	1,604,936
Debt Service:								
Principal on Debt	0	0	0	75,000	675,000	0	40,714	790,714
Interest on Debt	0	0	0	44,631	24,938	0	2,486	72,055
Other Debt Service	0	0	0	37,312	295,353	0	0	332,665
Capital Projects	0	0	0	0	514,523	0	106,014	620,537
Total Expenditures	\$ 2,681,805	\$ 631,160	\$ 1,566,484	\$ 156,943	\$ 1,509,814	\$ 0	\$ 657,907	\$ 7,204,113
Excess (Deficiency) of Revenues Over Expenditures	\$ (30,159)	\$ (28,493)	\$ (17,882)	\$ 135,258	\$ (1,502,961)	\$ 0	\$ (100,560)	\$ (1,544,797)

(Continued)

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

	Major Funds					Nonmajor Funds		Total Governmental Funds
	General	Ambulance Service	Highway / Public Works	General Debt Service	General Capital Projects	Other Governmental Funds	Governmental Funds	
Other Financing Sources (Uses)								
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,800,000	\$ 0	\$ 0	\$ 7,800,000
Notes Issued	0	0	0	0	425,000	0	0	425,000
Refunding Debt Issued	0	0	0	990,000	0	0	0	990,000
Premiums on Debt Issued	0	0	0	35,799	25,052	0	0	60,851
Insurance Recovery	11,179	0	0	0	0	0	0	11,179
Transfers In	0	0	0	0	0	0	61,139	61,139
Transfers Out	(61,139)	0	0	0	0	0	0	(61,139)
Payments to Refunded Debt Escrow Agent	0	0	0	(992,446)	0	0	0	(992,446)
Total Other Financing Sources (Uses)	\$(49,960)	\$ 0	\$ 0	\$ 33,353	\$ 8,250,052	\$ 61,139	\$ 0	\$ 8,294,584
Net Change in Fund Balances	\$ (80,119)	\$ (28,493)	\$ (17,882)	\$ 168,611	\$ 6,747,091	\$ (39,421)	\$ 0	\$ 6,749,787
Fund Balance, July 1, 2008	318,436	335,903	1,119,219	323,468	(18,752)	128,558	0	2,206,832
Fund Balance, June 30, 2009	\$ 238,317	\$ 307,410	\$ 1,101,337	\$ 492,079	\$ 6,728,339	\$ 89,137	\$ 0	\$ 8,956,619

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

Exhibit C-4

Bledsoe 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)		\$ 6,749,787
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 1,060,986	
Less: current year depreciation expense	<u>(268,662)</u>	792,324
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2008	\$ (703,344)	
Add: deferred delinquent property taxes and other deferred June 30, 2009	<u>829,410</u>	126,066
(3) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Less: note proceeds	\$ (425,000)	
Less: bond proceeds	(8,790,000)	
Less: change in premium on debt issuance	(60,661)	
Add: change in deferred debt issuance cost	222,530	
Add: principal payments on bonds	75,000	
Add: principal payments on notes	715,714	
Add: payment to refunding agent	<u>992,446</u>	(7,269,971)
(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	\$ 42,887	
Change in compensated absences payable	<u>(24,213)</u>	18,674
Change in net assets of governmental activities (Exhibit B)		<u>\$ 416,880</u>

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

Exhibit D

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 671,319
Cash Shortage	2,238
Due from Other Governments	<u>27,869</u>
Total Assets	<u>\$ 701,426</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 27,869
Due to Litigants, Heirs, and Others	<u>673,557</u>
Total Liabilities	<u>\$ 701,426</u>

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Bledsoe 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 Bledsoe County:

A. Reporting Entity

Bledsoe County is a public municipal corporation governed by an elected 13-member board. As required by GAAP, these financial statements present Bledsoe County (the primary government) and its component units. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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 Bledsoe County School Department operates the public school system in the county, and the voters of Bledsoe 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 Bledsoe 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.

Bledsoe County Nursing Home provides nursing care to the citizens of Bledsoe County, and the Bledsoe County Commission appoints its governing body. Patient charges provide the majority of the revenues for the entity. Before the issuance of debt instruments, the nursing home must obtain the County Commission's approval. The financial statements of the Bledsoe County Nursing Home were not available from other auditors in time for inclusion in this report.

The Bledsoe County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Bledsoe County, and the Bledsoe 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 Bledsoe County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the School Department are included in this report as listed in the table of contents. Although required by GAAP, the financial statements of the Bledsoe County Nursing Home were not available in time for inclusion, as previously mentioned. Complete financial statements of the Bledsoe County Nursing Home and the Bledsoe County Emergency Communications District can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Bledsoe County Nursing Home
107 Wheeler Town Avenue
Pikeville, TN 37367

Bledsoe County Emergency Communications District
305 Alan P. Deakins Road
Pikeville, TN 37367

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. However, the primary government of Bledsoe County does not have any business-type activities to report. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Bledsoe County School Department component unit only reports governmental activities in the government-wide financial statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other

items not properly included among program revenues are reported instead as general revenues.

Bledsoe County issues all debt for the discretely presented Bledsoe County School Department. During the year ended June 30, 2009, no debt issues were contributed by the county to the School Department.

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

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

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

Fund financial statements of Bledsoe 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. Funds are organized into three major categories: governmental, proprietary, and fiduciary. However, Bledsoe County has no proprietary funds to report. An emphasis is placed on major funds within the governmental category.

Separate financial statements are provided for governmental funds and fiduciary funds. Major individual governmental funds 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. Bledsoe County considers grants and similar revenues to be available if they are collected within 60 days after year end.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Bledsoe 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.

Ambulance Service Fund – This fund is used to account for the transactions of the county’s Ambulance Service.

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

General Debt Service Fund – This fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs.

General Capital Projects Fund – This fund is used to account for the construction of the new Bledsoe County Detention Center.

Additionally, Bledsoe 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 Bledsoe 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 Bledsoe County School Department reports the following major governmental fund:

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

Additionally, the School Department reports the following fund types:

Special Revenue Funds – These 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.

Debt Service Fund – The Education Debt Service Fund accounts for the accumulation of resources for, and the payment of, education related long-term debt principal, interest, and related costs.

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 or Equity

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 and the discretely presented Bledsoe 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 Debt Service Fund. Bledsoe 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 receivable are shown with an allowance for uncollectibles. Ambulance receivables allowance is based on historical collection data. The allowance for uncollectible property taxes is equal to 2.74 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.

3. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than five 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 county and the School Department are depreciated using the straight-line method over the following estimated useful lives:

Buildings and Improvements	25 - 40
Other Capital Assets	5 - 30
Infrastructure	20 - 50

4. Compensated Absences

It is the county's policy to permit employees to accumulate earned but unused vacation beyond year-end. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for vacation pay is reported in the governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements. Employees are allowed to accumulate sick leave days equal to the number of days earned in a year; however, the granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded.

The general policy of the discretely presented Bledsoe County School Department does not allow for the accumulation of vacation days beyond year-end for professional personnel. All professional personnel (teachers) of the School Department are allowed to accumulate unlimited sick leave days. The granting of sick leave has no guaranteed payment attached, and therefore, is not required to be accrued or recorded.

5. 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 are recognized to the extent that the liabilities have matured (come due for payment) each period.

6. Net Assets and Fund Equity

In the government-wide 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.

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.

7. Prior-period Adjustments

Primary Government

Capital assets were restated \$53,916 from the prior-year because of a change in the accrued leave policy.

Discretely Presented Bledsoe County School Department

Capital assets of the discretely presented Bledsoe County School Department were restated \$320,481 from the prior-year because the liability for other postemployment benefits (\$291,896) as of July 1, 2008, had been omitted, and beginning accumulated depreciation balances (\$28,585) were corrected.

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 Bledsoe County School Department

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

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

Primary Government

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

Discretely Presented Bledsoe County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

The budgetary level of control is at the major category level established by the State Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, County Mayor/Executive, County Attorney, etc.). Management may make revisions within major categories, but only the County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

B. Cash Shortage

The Office of Sheriff had a cash shortage of \$2,238.38 as of June 30, 2009. The shortage was liquidated by the sheriff from personal funds on September 9, 2009. Details of this cash shortage are discussed in the Schedule of Findings and Questioned Costs section of this report.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Bledsoe County and the Bledsoe 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, depositing, 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 in the fund financial statements 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, Bledsoe 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 Bledsoe County and the discretely presented Bledsoe County School Department since both pool their deposits and investments through the county trustee.

<u>Investments</u>	<u>Maturities</u>	<u>Cost</u>
State Treasurer's Investment Pool	Daily	\$ 6,836,614

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. Bledsoe 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. Bledsoe County has no investment policy that would further limit its investment choices. As of June 30, 2009, Bledsoe 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

Governmental Activities:

	Balance 7-1-08	Increases	Balance 6-30-09
Capital Assets Not Depreciated:			
Land	\$ 163,140	\$ 0	\$ 163,140
Construction in Progress	268,752	514,524	783,276
Total Capital Assets Not Depreciated	\$ 431,892	\$ 514,524	\$ 946,416
Capital Assets Depreciated:			
Buildings and Improvements	\$ 1,850,733	\$ 0	\$ 1,850,733
Infrastructure	5,704,273	392,309	6,096,582
Other Capital Assets	2,275,656	154,153	2,429,809
Total Capital Assets Depreciated	\$ 9,830,662	\$ 546,462	\$ 10,377,124
Less Accumulated Depreciated For:			
Buildings and Improvements	\$ 419,957	\$ 42,541	\$ 462,498
Infrastructure	1,575,997	136,341	1,712,338
Other Capital Assets	1,983,106	89,780	2,072,886
Total Accumulated Depreciation	\$ 3,979,060	\$ 268,662	\$ 4,247,722

Governmental Activities (Cont.):

	Balance 7-1-08	Increases	Balance 6-30-09
Total Capital Assets Depreciated, Net	\$ 5,851,602	\$ 277,800	\$ 6,129,402
Governmental Activities Capital Assets, Net	\$ 6,283,494	\$ 792,324	\$ 7,075,818

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

Governmental Activities:

General Government	\$ 14,725
Finance	2,940
Administration of Justice	12,412
Public Safety	24,387
Public Health and Welfare	22,820
Social, Cultural, and Recreational Services	3,972
Agriculture and Natural Resources	3,920
Highways/Public Works	<u>183,486</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 268,662</u>

Discretely Presented Bledsoe County School Department**Governmental Activities:**

	Balance 7-1-08	Increases	Balance 6-30-09
Capital Assets Not Depreciated:			
Land	\$ 380,847	\$ 0	\$ 380,847
Total Capital Assets Not Depreciated	<u>\$ 380,847</u>	<u>\$ 0</u>	<u>\$ 380,847</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 14,642,073	\$ 0	\$ 14,642,073
Infrastructure	132,274	0	132,274
Other Capital Assets	2,275,608	37,369	2,312,977
Total Capital Assets Depreciated	<u>\$ 17,049,955</u>	<u>\$ 37,369</u>	<u>\$ 17,087,324</u>

Governmental Activities (Cont.):

	Balance 7-1-08	Increases	Balance 6-30-09
Less Accumulated Depreciated For:			
Buildings and Improvements	\$ 4,171,064	\$ 339,833	\$ 4,510,897
Infrastructure	19,785	7,134	26,919
Other Capital Assets	980,819	160,631	1,141,450
Total Accumulated Depreciation	\$ 5,171,668	\$ 507,598	\$ 5,679,266
Total Capital Assets Depreciated, Net	\$ 11,878,287	\$ (470,229)	\$ 11,408,058
Governmental Activities Capital Assets, Net	\$ 12,259,134	\$ (470,229)	\$ 11,788,905

Increase in depreciation includes an adjustment of \$28,585 to correct beginning accumulated depreciation balances.

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

Governmental Activities:

Instruction	\$ 3,057
Support Services	458,236
Operation of Non-Instructional Services	<u>17,720</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 479,013</u>

C. Insurance Recoveries

Primary Government

During the year, the county suffered damages to an air conditioning unit, a Sheriff's Department vehicle, and a volunteer fire department vehicle. Insurance recoveries of \$11,179 were used to repair the damages.

Discretely Presented Bledsoe County School Department

During the year, the School Department suffered damage to an air conditioning unit at the middle school and wind damage to the roof of the central office building. Insurance recoveries of \$14,550 were used to repair the damages.

D. Construction Commitments

At June 30, 2009, the General Capital Projects Fund had uncompleted construction contracts of approximately \$5,737,100 for an architect, project manager, and contractor for the construction of a jail. Funding has been received for these future expenditures.

E. Interfund Receivables, Payables, and Transfers

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

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government: General	Nonmajor governmental	\$ 7,388
Discretely Presented School Department: Nonmajor governmental	General Purpose School	484

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.

Interfund Transfers:

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

Primary Government

<u>Transfer Out</u>	<u>Transfer In</u> <u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>
General Fund	\$ 61,139

Discretely Presented Bledsoe County School Department

<u>Transfers Out</u>	<u>Transfers In</u>	
	<u>General Purpose School Fund</u>	<u>Nonmajor Governmental Fund</u>
General Purpose School Fund	\$ 0	\$ 340,000
Nonmajor governmental fund	17,249	0
Total	\$ 17,249	\$ 340,000

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.

F. Commitment – Discretely Presented Bledsoe County School Department

In a prior year, the Tennessee Department of Environment and Conservation performed assessment and remediation activities on a leaking underground gas storage tank at the Bledsoe County bus garage. The state incurred total costs of \$308,316 for cleaning up the site as specified in an Amended Agreed Final Order between the county and the state dated July 20, 2004. Bledsoe County agreed to pay the state all costs related to this clean-up at a rate of \$500 per month. During the 2008-09 year, the School Department paid \$6,000 to the state from the Education Debt Service Fund. On June 30, 2009, the outstanding balance owed by the School Department was \$210,316, which has been included in the School Department’s long-term debt in this report.

G. Long-term Debt

Primary Government

General Obligation Bonds and Notes

The county issues general obligation bonds 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 and capital outlay notes are direct obligations and pledge the full faith and credit of the government. General obligation bonds and capital outlay notes were issued for original terms of up to 32 years for bonds and up to six years for notes. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds and notes

included in long-term debt as of June 30, 2009, will be retired from the General Debt Service and Solid Waste/Sanitation funds.

General obligation bonds and the capital outlay note outstanding as of June 30, 2009, are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-09
General Obligation/ Refunding Bond	2 to 4.5 %	\$ 8,790,000	\$ 8,790,000
Capital Outlay Note	3	234,000	41,942

The annual requirements to amortize the general obligation bond and note outstanding as of June 30, 2009, including interest payments, are presented in the following tables:

Year Ending June 30	Note		
	Principal	Interest	Total
2010	\$ 41,942	\$ 1,258	\$ 43,200
Total	\$ 41,942	\$ 1,258	\$ 43,200

Year Ending June 30	Bond		
	Principal	Interest	Total
2010	\$ 100,000	\$ 355,125	\$ 455,125
2011	100,000	353,125	453,125
2012	145,000	351,125	496,125
2013	150,000	347,500	497,500
2014	160,000	343,000	503,000
2015-2019	885,000	1,638,512	2,523,512
2020-2024	1,055,000	1,466,800	2,521,800
2025-2029	1,315,000	1,237,800	2,552,800
2030-2034	1,680,000	935,913	2,615,913
2035-2039	2,135,000	532,188	2,667,188
2040-2041	1,065,000	73,575	1,138,575
Total	\$ 8,790,000	\$ 7,634,663	\$ 16,424,663

There is \$492,079 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$711, based on the 2000 federal census. Debt per capita, including the bond and note, totaled \$714, 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	Compensated Absences
Balance, July 1, 2008	\$ 1,055,000	\$ 332,656	\$ 0
Prior-period Adjustment	0	0	53,916
Additions	8,790,000	425,000	78,129
Deductions	(75,000)	(715,714)	(53,916)
Debt Refunded	(980,000)	0	0
Balance, June 30, 2009	\$ 8,790,000	\$ 41,942	\$ 78,129
Balance Due Within One Year	\$ 100,000	\$ 41,942	\$ 78,129

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2009	\$ 8,910,071
Less: Balance Due Within One Year	(220,071)
Less: Deferred Amount on Refunding	(12,446)
Add: Unamortized Premium on Debt	60,661
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 8,738,215</u>

Discretely Presented Bledsoe County School Department

Changes in Long-term Liabilities

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

The county issues general obligation bonds and contributes the funds to the School Department 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 issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds and capital outlay notes are direct obligations and pledge the full faith and credit of the government. General obligation bonds and capital outlay notes outstanding were issued for original terms of up to 25 years for bonds and ten years for notes. Repayment terms are generally structured with increasing amounts of principal maturing as interest

requirements decrease over the term of the debt. All bonds and notes included in long-term debt as of June 30, 2009, will be retired from the Education Debt Service and General Purpose School funds.

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

Type	Interest Rate	Original Amount of Issue	Balance 6-30-09
General Obligation Bonds	3 to 4.7 %	\$ 7,500,000	\$ 6,170,000
General Obligation Bonds - Refunding	2 to 4.25	5,510,000	4,285,000
Capital Outlay Note	0	90,000	9,000

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

Year Ending June 30	Note Principal
2010	\$ 9,000
Total	\$ 9,000

Year Ending June 30	Bond		
	Principal	Interest	Total
2010	\$ 450,000	\$ 435,445	\$ 885,445
2011	470,000	418,795	888,795
2012	495,000	400,733	895,733
2013	515,000	381,756	896,756
2014	535,000	361,753	896,753
2015-2019	3,055,000	1,456,172	4,511,172
2020-2024	3,475,000	714,542	4,189,542
2025-2027	1,460,000	105,516	1,565,516
Total	\$ 10,455,000	\$ 4,274,712	\$ 14,729,712

There is \$215,836 available in the Education Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$845, based on the 2000 federal census. Debt per capita, including bonds and the note totaled \$846, 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:

	<u>Bonds</u>	<u>Notes</u>
Balance, July 1, 2008	\$ 10,895,000	\$ 18,000
Deductions	(440,000)	(9,000)
Balance, June 30, 2009	<u>\$ 10,455,000</u>	<u>\$ 9,000</u>
Balance Due Within One Year	<u>\$ 450,000</u>	<u>\$ 9,000</u>

	<u>Other Postemployment Benefits</u>	<u>Long-term Commitment</u>
Balance, July 1, 2008	\$ 0	\$ 216,316
Prior-period Adjustment	291,896	0
Additions	294,166	0
Deductions	0	(6,000)
Balance, June 30, 2009	<u>\$ 586,062</u>	<u>\$ 210,316</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 6,000</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2009	\$ 11,260,378
Less: Balance Due Within One Year	<u>(465,000)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 10,795,378</u>

H. On-Behalf Payments – Discretely Presented Bledsoe County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Bledsoe 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 \$27,438 and \$6,295, respectively. The School

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

I. Short-term Debt

Bledsoe County issued tax anticipation notes in advance of property tax collections and deposited the proceeds in the General (\$550,000) and Solid Waste/Sanitation (\$50,000) funds. These notes were necessary because funds were not available to meet current obligations coming due before current tax collections. Short-term debt activity for the year ended June 30, 2009, was as follows:

	Balance 7-1-08		Issued		Redeemed		Balance 6-30-09
Tax Anticipation Notes	\$ 0	\$	600,000	\$	(600,000)	\$	0

V. OTHER INFORMATION

A. Risk Management

Primary Government

The county is exposed to various risks related to general liability, property, casualty, and workers' compensation losses. The county is a member of the Local Government Property and Causality Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The county pays an annual premium to the LGPCF for its general liability, property, and casualty insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims exceeding \$100,000 for each insured event.

Bledsoe County, with the exception of the Highway Department, provides health insurance coverage to its employees through 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 the fund. The state statute provides for the LGGIF to be self-sustaining through member premiums.

The Bledsoe County Highway Department provides commercial health insurance coverage to its employees. Settled claim have not exceeded this commercial coverage over the past three fiscal years.

Bledsoe County's and the Highway Department's pre-65 age retirees are not allowed to remain in either program.

Discretely Presented Bledsoe County School Department

The discretely presented Bledsoe 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.

The School Department continues to carry commercial insurance for all other risks of loss, including general liability, property, casualty, and workers' compensation. Settled claims did not exceed this commercial coverage in the past two fiscal years.

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, the discretely presented Bledsoe County School Department had only recognized the current year cost (expense) of these benefits. GASB Statement No. 45 was implemented for the School Department prospectively with a zero net OPEB obligation back to July 1, 2007. GASB Statement No. 45 had no effect on the financial statements of the Bledsoe County primary government for the year ended June 30, 2009, since the county does not currently provide any postemployment benefits to its employees. However, it is reasonably expected that the primary government may provide OPEB benefits in subsequent years.

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 Bledsoe County for the year ended June 30, 2009, since the county had none of the obligating events. However, it is reasonably expected that Bledsoe 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 Bledsoe County for the year ended June 30, 2009, since the county had no endowment real estate investments. However, it is reasonably expected that Bledsoe County could have endowment real estate investments in subsequent years.

C. Subsequent Events

On July 6, 2009, the county's General Debt Service Fund issued tax anticipation notes of \$250,000 for the General Fund (\$200,000) and for the Solid Waste/Sanitation Fund (\$50,000) for temporary operating funds.

On August 14, 2009, the county's General Fund borrowed a \$450,000 tax anticipation note for temporary operating funds.

On September 9, 2009, the sheriff liquidated the cash shortage of \$2,238.38.

D. Contingent Liabilities

Bledsoe County, the Bledsoe County Highway Department, and various county officials are named as defendants in a lawsuit seeking injunctive relief concerning various roads located in multiple subdivisions and compensatory and punitive damages in excess of \$10,000,000. The trial court divided this matter and conducted the injunctive relief portion of this action in November 2003. The court entered an adverse ruling against Bledsoe County and the Bledsoe Highway Department and granted the requested injunctive relief for a portion of the roads located within one or more developments of Hasty-Greene Investments, Inc. Certain portions of the claims for damages have now been resolved. Certain damages may or may not fall within the purview of the county's insurance liability carrier, and as such, payable by the carrier. Compensatory and punitive damages, if any, cannot be reasonably estimated.

There are several other pending lawsuits in which the county is involved. The county attorney estimates that the potential claims against the county not covered by insurance resulting from such litigation would not materially affect the financial statements of the county.

E. Change in Administration

On August 15, 2008, Clettis McDaniel left the Office of Director of Schools and was succeeded by Phil Kiper.

F. Joint Ventures

The Bledsoe/Sequatchie Landfill Board is responsible for a closed regional sanitary landfill, which is owned by Bledsoe County, Sequatchie County, the City of Dunlap, and the City of Pikeville. The landfill is governed by a ten-member board, including the county mayor and two members appointed by the County Commission. The remaining seven members are appointed by the other joint owners. Bledsoe County has control over budgeting and financing the joint venture only to the extent of representation by the three board members and is responsible for funding approximately 39 percent of any postclosure care costs. Bledsoe County made no contributions to the board during the year. Complete financial statements for the Bledsoe/Sequatchie Landfill Board can be obtained from the board's administrative office at the following address:

Administrative Office:

Bledsoe/Sequatchie Landfill
P.O. Box 149
Pikeville, TN 37367

The Twelfth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twelfth Judicial District and the municipalities within the district. The district is composed of Bledsoe, Franklin, Bledsoe, Marion, Rhea, and Sequatchie 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 the participating law enforcement agencies within the judicial district. Bledsoe County made no contributions to the DTF for the year ended June 30, 2009, and does not have any equity interest in this joint venture. Complete financial statements for the DTF can be obtained from their administrative office at the following address:

Administrative Office:

District Attorney General
Twelfth Judicial District
375 Church Street, Suite 300
Dayton, TN 37321

G. Retirement Commitments

Employees

Plan Description

Employees of Bledsoe County are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979, become vested after five years of service and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of Tennessee Code Annotated. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Bledsoe 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.

Funding Policy

Bledsoe 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 8.65 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Bledsoe County is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2009, Bledsoe County's annual pension cost of \$367,222 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. Bledsoe 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 17 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	\$367,222	100%	\$0
6-30-08	350,472	100	0
6-30-07	327,066	100	0

Funded Status and Funding Progress

As of July 1, 2007, the most recent actuarial valuation date, the plan was 86.42 percent funded. The actuarial accrued liability for benefits was \$10 million, and the actuarial value of assets was \$8.64 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$1.36 million. The covered payroll (annual payroll of active employees covered by the plan) was \$4 million, and the ratio of the UAAL to the covered payroll was 36.82 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 benefits 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 Bledsoe 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.

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 Bledsoe 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 Bledsoe 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 \$447,160, \$431,344, and \$405,653, respectively, equal to the required contributions for each year.

H. Other Postemployment Benefits (OPEB)

Plan Description

The discretely presented Bledsoe County School Department participates in the state-administered Local Education Group Insurance Plan for healthcare benefits. For accounting purposes, this plan is an agent multiple-employer defined benefit OPEB plan. Benefits are established and amended by an insurance committee created by Section 8-27-302, Tennessee Code Annotated for teachers. 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 the plan develop their own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state provides a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. During the year ended June 30, 2009, the Bledsoe County School Department contributed \$53,185 for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	<u>Local Education Group Plan</u>
ARC	\$ 347,000
Interest on the NPO	13,135
Adjustment to the ARC	<u>(12,784)</u>
Annual OPEB cost	\$ 347,351
Amount of contribution	<u>(53,185)</u>
Increase/decrease in NPO	\$ 294,166
Net OPEB obligation, 7-1-08	<u>291,896</u>
 Net OPEB obligation, 6-30-09	 <u><u>\$ 586,062</u></u>

Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-08	Local Education Group	\$ 347,000	15.88 %	\$ 291,896
6-30-09	"	347,351	15.31	586,062

* Data only available for two years.

Funded Status and Funding Progress

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

	<u>Local Education Group Plan</u>
Actuarial valuation date	7-1-07
Actuarial accrued liability (AAL)	\$ 2,964,000
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 2,964,000
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 4,370,158
UAAL as a % of covered payroll	67.82%

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.

In addition to the other postemployment benefits described above, the Board of Education agreed by contract to pay the county's and the individual's portion of the medical and health insurance expenses for the previous two directors (Thad Colvard and Clettis McDaniel, who left employment August 15, 2006, and August 15, 2008, respectively). These payments will be made through the group plan currently available or acquired for board employees in the future, beginning immediately upon the retirement or resignation of the director of schools, through and until such date that the director attains Medicare insurance coverage. During the year, expenditures totaling \$8,723 were recognized for postemployment healthcare for these previous two directors.

I. Purchasing Laws

Office of County Mayor

Purchasing procedures for the Bledsoe County Mayor's Office are governed by the County Purchasing Law of 1983, Section 5-14-201, Tennessee Code Annotated (TCA). This act provides for all purchases exceeding \$10,000

(excluding emergency purchases) to be made based on competitive bids solicited through newspaper advertisement.

Office of Road Superintendent

Purchasing procedures for the Highway Department are governed by provisions of Chapter 153, Private Acts of 1941, and the Uniform Road Law, Section 54-7-113, TCA, which provide for purchases exceeding \$10,000 to be made after public advertisement and solicitation of competitive bids.

Office of Director of Schools

Purchasing procedures for the School Department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, TCA, which provides for the county Board of Education, through its executive committee (director of schools and chairman of the Board of Education), to make all purchases. This statute also requires competitive bids to be solicited through newspaper advertisement on all purchases exceeding \$10,000.

VI. OTHER NOTES - DISCRETELY PRESENTED BLEDSOE COUNTY EMERGENCY COMMUNICATIONS DISTRICT

A. Summary of Significant Accounting Policies

The Bledsoe County Emergency Communications District was established for the purpose of providing an enhanced level of 911 services to the Bledsoe County citizens by acquiring certain types of equipment that enable emergency service providers to respond more rapidly and more effectively due to increased speed in the transmittal of critical information and improved reliability of address and information. It is a component unit of Bledsoe County. The district must file a budget with Bledsoe County each year. Any bond issued by the district is subject to approval by Bledsoe County. On July 1, 2004, the district entered into an inter-local agreement with Bledsoe County that appears to give all authority of the district, its operations, and assets to the county. (See Note VI.I)

The district uses the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when incurred. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units, and by the Financial Accounting Standards Board. As allowed in Section P80 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, the board has elected not to apply to its proprietary activities Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedures issued after November 30, 1989.

Depreciation

Depreciation is computed at rates designed to amortize the cost of the individual assets over their useful lives. Depreciation begins when the capital assets are placed in service. Depreciation is summarized as follows:

	Depreciation Method	Estimated Useful Life Years	2009 Depreciation
Buildings and Improvements	S/L	10-40	\$ 3,306
Furniture and Fixtures	S/L	5-10	2,292
Office Equipment	S/L	5-10	2,106
Communications Equipment	S/L	5-10	<u>35,477</u>
Total			<u>\$ 43,181</u>

Major Source of Revenue

The major source of operating revenue is emergency telephone and wireless surcharges. Non-operating revenue consists of a grant given by the State Emergency Communications Board to help the district employ dispatchers, interest, and miscellaneous income.

B. Cash and Cash Investments

Tennessee Code Annotated (TCA) requires Tennessee banks and savings and loan associations to secure a governmental entity's deposits by pledging government securities as collateral. The market value of pledged securities must equal 105 percent of the entity's deposits. The entity may waive collateral requirements for deposits that are fully insured up to \$100,000 by the Federal Deposit Insurance Corporation (FDIC) or Savings Association Insurance Fund (SAIF).

The following is a schedule of bank accounts at June 30, 2009:

Checking - First National	\$ <u>168,238</u>
---------------------------	-------------------

At June 30, 2009, the carrying amount of the Bledsoe County Emergency Communications District's cash deposits was \$168,238. The district's deposit accounts are covered up to \$250,000 by the FDIC. Any amounts over \$250,000 are covered by the government collateralization pool of which First National Bank is a member. The district is authorized to deposit and invest funds according to the provisions of Section 5-8-301 of TCA. [Acts 1992, ch. 891, sct. 10].

C. Risk Management

Bledsoe County Emergency Communications District had bonds covering certain members of the board at June 30, 2009. The district is exposed to other areas of risk including theft, property damage, and public liabilities. The district is covered under the county's policy for these areas of risk. There have been no losses or settlements during the past three years that have exceeded coverage amounts.

D. Capital Assets

The following is a schedule of equipment at June 30, 2009:

<u>Assets</u>	<u>Balance</u> <u>6-30-08</u>	<u>Additions</u>	<u>Balance</u> <u>6-30-09</u>
Building and Improvements	\$ 105,688	\$ 0	\$ 105,688
Furniture and Fixtures	15,752	0	15,752
Office Equipment	10,101	0	10,101
Communications Equipment	242,688	33,920	276,608
Total	\$ 374,229	\$ 33,920	\$ 408,149

<u>Assets</u>	<u>Accumulated</u> <u>Depreciation</u> <u>6-30-08</u>	<u>Current</u> <u>Year</u> <u>Depreciation</u>	<u>Accumulated</u> <u>Depreciation</u> <u>6-30-09</u>
Building and Improvements	\$ 9,835	\$ 3,306	\$ 13,141
Furniture and Fixtures	8,221	2,292	10,513
Office Equipment	5,053	2,106	7,159
Communications Equipment	110,698	35,477	146,175
Total	\$ 133,807	\$ 43,181	\$ 176,988

E. Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits with original maturities of three months or less with local financial institutions.

F. Accounts Receivable/Due from State

The amounts due to the district from the wireless charges and other government agencies include the following:

Bledsoe Telephone Coop	\$ 9,452
BellSouth Telecommunications	<u>122</u>
Total Accounts Receivable	<u>\$ 9,574</u>
State of Tennessee - ECB	<u>\$ 22,689</u>
Total Due from State - ECB	<u>\$ 22,689</u>

G. Compensated Absences

There were no compensated absences for June 30, 2009.

H. Calculation of Invested in Capital Assets

Net Book Value	\$ 231,161
Current and Non-Current Debt	<u>0</u>
Invested in Capital Assets	<u>\$ 231,161</u>

I. Inter-local Agreements

An Inter-local Agreement was entered into January 16, 2008, between Bledsoe County and the district. This agreement gives the county through the Mayor's Office:

- Authority to manage all county radio communications.
- Complete authority over employees necessary for operations at the center.
- Authority to perform maintenance of the addressing, mapping, and GIS in accordance with guidelines of the Tennessee Emergency Communications Board (TECB).
- And citizen's access to the center's conference room for board and committee meetings and rights to public records as defined by state law.

The revised agreement returns to the district:

- Any interest and title to the center and grounds as it may have possessed. The district hereby grants the county a license to use the center for purposes described herein. The county will keep the center in good condition.
- Any interest in ownership of PSAP equipment previously acquired by the county. The district hereby grants the county a license to use the PSAP equipment for the purposes described herein. The county shall be responsible to maintain all equipment.
- Any equipment not needed or no longer functional.
- The district shall annually provide to the county cost recovery payments to offset adequately staged by trained and competent personnel, to the

extent that funds are available to the district and authorized by the TECB.

- The county will remain responsible for paying costs associated with the radio system, including, but not limited to, towers, repeaters, generators, and tower equipment buildings, as and when required.

Another Inter-local Agreement was entered into April 16, 2008, between Bledsoe County 911 District and Sequatchie County 911 District. The purpose of this agreement is for technical services to be performed by the professional staff of the Sequatchie district, including, but not limited to the following:

- The development of new information, and the correction of existing information, necessary for the proper functioning of the Bledsoe ECD's enhanced 9-1-1 (E-911) system, which information includes, but is not limited to, the master street addressing guide (MSAG);
- The conversion of the information into an appropriate format so that mapping stat, including that data within a geographic information system (GIS), may be properly accessed;
- The merger of the Bledsoe ECD information with the MSAG maintained by the Bledsoe Telephone Cooperative (BTC) so that the E-911 system will properly identify the location of callers; the purging of outdated information from E-911 databases; and the loading of updated information;
- The development of a GIS that meets standards of the Tennessee Emergency Communications Board (TECB) and the State of Tennessee Office of Information Resources, Division of GIS (OIR-GIS); and,
- The training of a person designated by the Bledsoe ECD so that all information may be maintained in compliance with requirements of the TECB and OIR-GIS.

Services provided by the Sequatchie ECD:

- The 1st phase of the project is for the Sequatchie ECD to build a proper information foundation. To assist in this phase of the project, the Bledsoe ECD hereby grants to the Sequatchie ECD full and complete access to all information in its possession, or in the possession of other parties, including the BTC and MSAG Data Consultants, Inc., a private company that developed and maintains Bledsoe ECD information.
- The 2nd phase will follow. It will include the review of all existing information, and the editing/correcting of inaccurate or outdated information.
- The 3rd phase will be to convert the AutoCAD file structure into an ESRI format to meet accepted mapping standards as promulgated by OIR-GIS. This conversion will enable GIS information (street centerlines, structures, etc.) to be maintained with current software and hardware.
- The 4th phase will be to merge the MSAG and other database information with the BTC MSAG so that accurate information, including Automatic

Location Information (ALI), is provided to the 911 Center when there is an E-911 event.

- The 5th phase will be to purge all databases that supply information to the 911 center, and to load corrected data onto the system network.
- The 6th and final phase will be to provide training to a person designated by the Bledsoe ECD so that this person may perform updated and maintain the new information and databases to insure compliance with TECB and OIR-GIS requirements.

Compensation and Adjustment

The Bledsoe ECD will remit payment to the Sequatchie ECD in the total amount of \$2,500 per month during the course of the project. Payment will be made on or before the first day of each month, commencing on the first day of the month following the signing of the agreement. If at any time during the project, either party deems the amount of compensation in need of adjustment, the parties will confer informally and seek to make equitable changes.

Reporting

The Sequatchie ECD will provide monthly reports on project-related activities to the chairman of the Bledsoe ECD, detailing work performed.

Special Equipment

In the event the Sequatchie ECD determines that special equipment, such as an appropriately configured computer or other hardware and software, may be needed for performance of the phases described above, including equipment that may be required by the Bledsoe ECD-designated trainee, or services by a third-party vendor, a written recommendation will be made to the Bledsoe ECD, through the chairman of the Bledsoe ECD Board of Directors, who may determine whether to authorize the purchase of the special equipment and/or services, subject to such authorization as may be provided by the Bledsoe ECD Board of Directors.

Termination

Either party may terminate the agreement at anytime for any reason by giving written notice to the other party. If termination occurs during a month, the compensation payment shall be pro-rated accordingly.

J. Budgetary Process

The district is required to file a budget with the county each year. The budget is presented on the accrual basis of accounting and is a legally adopted nonappropriated budget approved by Bledsoe County with line-item level of budgetary control.

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**REQUIRED SUPPLEMENTARY
INFORMATION**

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Exhibit E-1

Bledsoe 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 (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures		Variance with Final Budget - Positive (Negative)
				Budgetary Basis)	Budgeted Amounts	
				Original	Final	
Revenues						
Local Taxes	\$ 1,612,994	\$ 0	\$ 0	\$ 1,580,296	\$ 1,604,659	\$ 8,335
Licenses and Permits	6,749	0	0	4,375	4,375	2,374
Fines, Forfeitures, and Penalties	30,018	0	0	30,329	30,329	(311)
Charges for Current Services	6,513	0	0	8,240	8,240	(1,727)
Other Local Revenues	134,152	0	0	175,600	175,600	(41,448)
Fees Received from County Officials	363,563	0	0	354,400	365,364	(1,301)
State of Tennessee	340,304	0	0	394,559	393,559	(53,255)
Federal Government	120,676	0	0	155,000	129,000	(8,324)
Other Governments and Citizens Groups	36,677	0	0	0	35,000	1,677
Total Revenues	\$ 2,651,646	\$ 0	\$ 0	\$ 2,702,799	\$ 2,746,126	\$ (94,480)
Expenditures						
General Government						
County Commission	\$ 52,722	\$ 0	\$ 0	\$ 52,722	\$ 56,700	\$ 3,978
Board of Equalization	0	0	0	0	400	400
County Mayor/Executive	145,245	(60)	0	145,185	148,427	5,340
County Attorney	9,599	0	0	9,599	14,000	4,401
Election Commission	102,028	0	407	102,435	114,030	11,595
Register of Deeds	110,342	(617)	0	109,725	111,517	1,792
Planning	13,778	0	0	13,778	15,200	1,422
County Buildings	72,721	(5,000)	0	67,721	114,130	46,409
Other General Administration	130,399	0	69	130,468	132,500	6,086
Finance						
Property Assessor's Office	118,300	0	0	118,300	120,399	2,099
Reappraisal Program	17,142	0	0	17,142	18,100	958

(Continued)

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Expenditures (Cont.)							
Finance (Cont.)							
County Trustee's Office	\$ 105,600	\$ 0	\$ 0	\$ 105,600	\$ 108,211	\$ 108,211	\$ 2,611
County Clerk's Office	104,165	(95)	0	104,070	103,780	104,070	0
Administration of Justice							
Circuit Court	156,254	(1,530)	0	154,724	152,451	155,200	476
General Sessions Court	96,076	0	0	96,076	95,221	96,091	15
Chancery Court	119,283	0	296	119,579	119,640	128,640	9,061
Juvenile Court	30,742	0	0	30,742	32,913	32,913	2,171
Public Safety							
Sheriff's Department	603,730	(2,988)	1,500	602,242	663,408	640,233	37,991
Jail	362,164	(1,714)	225	360,675	362,335	389,635	28,960
Fire Prevention and Control	18,500	0	0	18,500	18,500	18,500	0
Civil Defense	106,904	(8,338)	0	98,566	103,550	111,550	12,984
Rescue Squad	6,000	0	0	6,000	6,000	6,000	0
County Coroner/Medical Examiner	5,950	0	0	5,950	6,900	6,900	950
Public Health and Welfare							
Local Health Center	31,755	0	0	31,755	46,112	46,112	14,357
Dental Health Program	65,931	0	0	65,931	83,000	83,000	17,069
Alcohol and Drug Programs	838	0	0	838	2,400	2,400	1,562
Crippled Children Services	971	0	0	971	971	971	0
General Welfare Assistance	5,992	0	0	5,992	6,000	6,902	910
Social, Cultural, and Recreational Services							
Senior Citizens Assistance	4,000	0	0	4,000	4,000	4,000	0
Libraries	0	0	0	0	61,139	0	0
Parks and Fair Boards	6,942	0	0	6,942	6,700	6,942	0

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Expenditures (Cont.)							
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	\$ 55,434	\$ 0	\$ 0	\$ 55,434	\$ 63,671	\$ 63,429	\$ 7,995
Soil Conservation	3,000	0	0	3,000	0	3,000	0
<u>Other Operations</u>							
Other Economic and Community Development	12,073	0	0	12,073	300	15,300	3,227
Veterans' Services	5,654	0	0	5,654	9,990	10,990	5,336
Contributions to Other Agencies	1,571	0	0	1,571	1,600	1,600	29
Total Expenditures	\$ 2,681,805	\$ (20,342)	\$ 2,497	\$ 2,663,960	\$ 2,898,335	\$ 2,894,144	\$ 230,184
Excess (Deficiency) of Revenues Over Expenditures	\$ (30,159)	\$ 20,342	\$ (2,497)	\$ (12,314)	\$ (195,536)	\$ (148,018)	\$ 135,704
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 11,179	\$ 0	\$ 0	\$ 11,179	\$ 0	\$ 11,179	\$ 0
Transfers Out	(61,139)	0	0	(61,139)	0	(61,139)	0
Total Other Financing Sources (Uses)	\$ (49,960)	\$ 0	\$ 0	\$ (49,960)	\$ 0	\$ (49,960)	\$ 0
Net Change in Fund Balance Fund Balance, July 1, 2008	\$ (80,119)	\$ 20,342	\$ (2,497)	\$ (62,274)	\$ (195,536)	\$ (197,978)	\$ 135,704
	318,436	(20,342)	0	298,094	232,000	232,000	66,094
Fund Balance, June 30, 2009	\$ 238,317	\$ 0	\$ (2,497)	\$ 235,820	\$ 36,464	\$ 34,022	\$ 201,798

Exhibit E-2

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 602,135 \$	0 \$	0 \$	602,135 \$	525,000 \$	540,000 \$	62,135
Other Local Revenues	532	0	0	532	7,400	7,400	(6,868)
Total Revenues	\$ 602,667 \$	0 \$	0 \$	602,667 \$	532,400 \$	547,400 \$	55,267
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Ambulance/Emergency Medical Services	\$ 631,160 \$	(1,991) \$	115 \$	629,284 \$	760,500 \$	780,500 \$	151,216
Total Expenditures	\$ 631,160 \$	(1,991) \$	115 \$	629,284 \$	760,500 \$	780,500 \$	151,216
Excess (Deficiency) of Revenues Over Expenditures	\$ (28,493) \$	1,991 \$	(115) \$	(26,617) \$	(228,100) \$	(233,100) \$	206,483
Net Change in Fund Balance Fund Balance, July 1, 2008	\$ (28,493) \$	1,991 \$	(115) \$	(26,617) \$	(228,100) \$	(233,100) \$	206,483
	335,903	(1,991)	0	333,912	235,000	235,000	98,912
Fund Balance, June 30, 2009	\$ 307,410 \$	0 \$	(115) \$	307,295 \$	6,900 \$	1,900 \$	305,395

Exhibit E-3

Bledsoe County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works 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	\$ 7,338	\$ 5,000	\$ 5,000	\$ 2,338
State of Tennessee	1,541,264	1,648,742	1,648,742	(107,478)
Total Revenues	<u>\$ 1,548,602</u>	<u>\$ 1,653,742</u>	<u>\$ 1,653,742</u>	<u>\$ (105,140)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 131,855	\$ 141,917	\$ 146,107	\$ 14,252
Highway and Bridge Maintenance	879,102	1,077,890	1,084,520	205,418
Operation and Maintenance of Equipment	250,664	288,885	299,065	48,401
Quarry Operations	2,245	2,500	2,500	255
Other Charges	60,906	87,100	79,100	18,194
Employee Benefits	241,712	263,000	263,000	21,288
Capital Outlay	0	311,000	298,000	298,000
Total Expenditures	<u>\$ 1,566,484</u>	<u>\$ 2,172,292</u>	<u>\$ 2,172,292</u>	<u>\$ 605,808</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (17,882)</u>	<u>\$ (518,550)</u>	<u>\$ (518,550)</u>	<u>\$ 500,668</u>
Net Change in Fund Balance	\$ (17,882)	\$ (518,550)	\$ (518,550)	\$ 500,668
Fund Balance, July 1, 2008	<u>1,119,219</u>	<u>1,141,755</u>	<u>1,141,755</u>	<u>(22,536)</u>
Fund Balance, June 30, 2009	<u>\$ 1,101,337</u>	<u>\$ 623,205</u>	<u>\$ 623,205</u>	<u>\$ 478,132</u>

Exhibit E-4

Bledsoe County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Bledsoe County School Department
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	6-30-07	\$ 8,646	\$ 10,005	\$ 1,359	86.42 %	\$ 3,691	32.82%
6-30-08	6-30-07	8,646	10,005	1,359	86.42	3,691	32.82

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

Exhibit E-5

Bledsoe County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plan
Discretely Presented Bledsoe County School Department
June 30, 2009

Local Education Group Plan

(Dollar amounts in thousands)

Fiscal Year Ended*	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6-30-08	7-1-07	\$ 0	\$ 2,964	\$ 2,964	0 %	\$ 4,405	67.29 %
6-30-09	7-1-07	0	2,964	2,964	0	4,405	67.29

*Data only available for two years.

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BLEDSON 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 County Commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

The budgetary level of control is at the major category level established by the State Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, County Mayor/Executive, County Attorney, etc.). Management may make revisions within major categories, but only the County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

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

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Nonmajor Governmental Funds

Special Revenue Funds

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

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

Public Library Fund – The Public Library Fund is used to account for transactions of the Bledsoe County Public Library.

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for the transactions related to the disposal of solid waste.

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

Other Special Revenue Fund – The Other Special Revenue Fund is used to account for some transactions of the Bledsoe County Emergency Communications District, a discretely presented component unit, based upon a contract with the district. The district contributes funds to the county, and the county manages the operating expenses for the district.

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

Capital Projects Funds

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

Community Development/Industrial Park Fund – The Community Development/Industrial Park Fund is used to account for community development projects.

HUD Grant Projects Fund – The HUD Grant Projects Fund is used to account for the HOME Investment Program.

Exhibit F-1

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

	Special Revenue Funds						Constitu- tional Officers - Fees	Total	Capital Projects Fund		Total Nonmajor Governmental Funds
	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Drug Control	Other Special Revenue	HUD Grant Projects			0 \$	550	
Cash	0 \$	523 \$	0 \$	0 \$	0 \$	7,313 \$	7,836 \$	0 \$	0 \$	7,836	
Equity in Pooled Cash and Investments	3,928	15,689	5,372	19,867	31,339	0	76,195	550	550	76,745	
Accounts Receivable	0	0	566	0	0	75	641	0	0	641	
Due from Other Governments	0	0	10,792	0	0	0	10,792	0	0	10,792	
Property Taxes Receivable	0	0	239,304	0	0	0	239,304	0	0	239,304	
Allowance for Uncollectible Property Taxes	0	0	(10,505)	0	0	0	(10,505)	0	0	(10,505)	
Total Assets	3,928 \$	16,212 \$	245,529 \$	19,867 \$	31,339 \$	7,388 \$	324,263 \$	550 \$	550 \$	324,813	

ASSETS

LIABILITIES AND FUND BALANCES

Liabilities										
Accounts Payable	0 \$	0 \$	0 \$	0 \$	289 \$	0 \$	289 \$	0 \$	0 \$	289
Due to Other Funds	0	0	0	0	0	7,388	7,388	0	0	7,388
Deferred Revenue - Current Property Taxes	0	0	214,905	0	0	0	214,905	0	0	214,905
Deferred Revenue - Delinquent Property Taxes	0	0	13,094	0	0	0	13,094	0	0	13,094
Total Liabilities	0 \$	0 \$	227,999 \$	0 \$	289 \$	7,388 \$	235,676 \$	0 \$	0 \$	235,676
Fund Balances										
Reserved for Encumbrances	0 \$	330 \$	0 \$	0 \$	0 \$	0 \$	330 \$	0 \$	0 \$	330
Unreserved	3,928	15,882	17,530	19,867	31,050	0	88,257	550	550	88,807
Total Fund Balances	3,928 \$	16,212 \$	17,530 \$	19,867 \$	31,050 \$	0 \$	88,587 \$	550 \$	550 \$	89,137
Total Liabilities and Fund Balances	3,928 \$	16,212 \$	245,529 \$	19,867 \$	31,339 \$	7,388 \$	324,263 \$	550 \$	550 \$	324,813

Bledsoe 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					Other Special Revenue
	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Drug Control		
Revenues						
Local Taxes	\$ 667	\$ 0	\$ 161,964	\$ 0	\$ 0	\$ 0
Licenses and Permits	1,322	0	613	0	0	0
Fines, Forfeitures, and Penalties	5,636	0	0	4,254	0	0
Charges for Current Services	0	2,086	0	0	0	0
Other Local Revenues	0	3,386	8,226	0	0	11
State of Tennessee	29	2,200	78,579	0	0	0
Federal Government	0	0	0	0	0	0
Other Governments and Citizens Groups	0	0	0	0	0	180,000
Total Revenues	\$ 7,654	\$ 7,672	\$ 249,382	\$ 4,254	\$ 180,011	
Expenditures						
Current:						
General Government	\$ 7,839	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Finance	0	0	0	0	0	0
Administration of Justice	0	0	0	0	0	0
Public Safety	0	0	0	1,856	0	184,736
Public Health and Welfare	0	0	208,203	0	0	0
Social, Cultural, and Recreational Services	0	65,247	0	0	0	0
Highways	0	0	38,452	0	0	0
Debt Service:						
Principal on Debt	0	0	40,714	0	0	0
Interest on Debt	0	0	2,486	0	0	0
Capital Projects	0	0	0	0	0	0
Total Expenditures	\$ 7,839	\$ 65,247	\$ 289,855	\$ 1,856	\$ 184,736	
Excess (Deficiency) of Revenues Over Expenditures	\$ (185)	\$ (57,575)	\$ (40,473)	\$ 2,398	\$ (4,725)	
Other Financing Sources (Uses)						
Transfers In	\$ 0	\$ 61,139	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Financing Sources (Uses)	\$ 0	\$ 61,139	\$ 0	\$ 0	\$ 0	\$ 0
Net Change in Fund Balances Fund Balance, July 1, 2008	\$ (185)	\$ 3,564	\$ (40,473)	\$ 2,398	\$ (4,725)	\$ 35,775
Fund Balance, June 30, 2009	\$ 4,113	\$ 12,648	\$ 58,003	\$ 17,469	\$ 19,867	\$ 31,050

(Continued)

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

	Special Revenue Funds (Cont.)	Capital Projects Funds			Total Nonmajor Governmental Funds
		Community/ Industrial Park	HUD Grant Projects	Total	
Revenues					
Local Taxes	\$ 162,631	\$ 0	\$ 0	\$ 0	\$ 162,631
Licenses and Permits	1,935	0	0	0	1,935
Fines, Forfeitures, and Penalties	9,890	0	0	0	9,890
Charges for Current Services	4,446	0	0	0	4,446
Other Local Revenues	11,623	0	0	0	11,623
State of Tennessee	80,808	0	0	0	80,808
Federal Government	0	106,014	0	106,014	106,014
Other Governments and Citizens Groups	180,000	0	0	0	180,000
Total Revenues	\$ 451,333	\$ 106,014	\$ 0	\$ 106,014	\$ 557,347
Expenditures					
Current:					
General Government	\$ 7,839	\$ 0	\$ 0	\$ 0	\$ 7,839
Finance	133	0	0	0	133
Administration of Justice	2,205	0	0	0	2,205
Public Safety	186,614	0	0	0	186,614
Public Health and Welfare	208,203	0	0	0	208,203
Social, Cultural, and Recreational Services	65,247	0	0	0	65,247
Highways	38,452	0	0	0	38,452
Debt Service:					
Principal on Debt	40,714	0	0	0	40,714
Interest on Debt	2,486	0	0	0	2,486
Capital Projects	0	106,014	0	106,014	106,014
Total Expenditures	\$ 551,893	\$ 106,014	\$ 0	\$ 106,014	\$ 657,907
Excess (Deficiency) of Revenues Over Expenditures	\$ (100,560)	\$ 0	\$ 0	\$ 0	\$ (100,560)
Other Financing Sources (Uses)					
Transfers In	\$ 61,139	\$ 0	\$ 0	\$ 0	\$ 61,139
Total Other Financing Sources (Uses)	\$ 61,139	\$ 0	\$ 0	\$ 0	\$ 61,139
Net Change in Fund Balances	\$ (39,421)	\$ 0	\$ 0	\$ 0	\$ (39,421)
Fund Balance, July 1, 2008	128,008	0	550	550	128,558
Fund Balance, June 30, 2009	\$ 88,587	\$ 0	\$ 550	\$ 550	\$ 89,137

Exhibit F-3

Bledsoe County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Courthouse and Jail Maintenance Fund
For the Year Ended June 30, 2009

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 667	\$ 544	\$ 544	\$ 123
Licenses and Permits	1,322	800	800	522
Fines, Forfeitures, and Penalties	5,636	6,000	6,000	(364)
Other Local Revenues	0	3,500	3,500	(3,500)
State of Tennessee	29	0	0	29
Total Revenues	\$ 7,654	\$ 10,844	\$ 10,844	\$ (3,190)
<u>Expenditures</u>				
<u>General Government</u>				
County Buildings	\$ 7,839	\$ 13,090	\$ 13,090	\$ 5,251
Total Expenditures	\$ 7,839	\$ 13,090	\$ 13,090	\$ 5,251
Excess (Deficiency) of Revenues Over Expenditures	\$ (185)	\$ (2,246)	\$ (2,246)	\$ 2,061
Net Change in Fund Balance	\$ (185)	\$ (2,246)	\$ (2,246)	\$ 2,061
Fund Balance, July 1, 2008	4,113	3,407	3,407	706
Fund Balance, June 30, 2009	\$ 3,928	\$ 1,161	\$ 1,161	\$ 2,767

Exhibit F-4

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 2,086	\$ 0	\$ 2,086	\$ 1,613	\$ 1,613	\$ 473
Other Local Revenues	3,386	0	3,386	2,179	2,179	1,207
State of Tennessee	2,200	0	2,200	0	2,201	(1)
Total Revenues	\$ 7,672	\$ 0	\$ 7,672	\$ 3,792	\$ 5,993	\$ 1,679
<u>Expenditures</u>						
<u>Social, Cultural, and Recreational Services</u>						
Libraries	\$ 65,247	\$ 330	\$ 65,577	\$ 61,696	\$ 68,546	\$ 2,969
Total Expenditures	\$ 65,247	\$ 330	\$ 65,577	\$ 61,696	\$ 68,546	\$ 2,969
Excess (Deficiency) of Revenues Over Expenditures	\$ (57,575)	\$ (330)	\$ (57,905)	\$ (57,904)	\$ (62,553)	\$ 4,648
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 61,139	\$ 0	\$ 61,139	\$ 61,139	\$ 61,139	\$ 0
Total Other Financing Sources (Uses)	\$ 61,139	\$ 0	\$ 61,139	\$ 61,139	\$ 61,139	\$ 0
Net Change in Fund Balance Fund Balance, July 1, 2008	\$ 3,564	\$ (330)	\$ 3,234	\$ 3,235	\$ (1,414)	\$ 4,648
	12,648	0	12,648	12,648	12,648	0
Fund Balance, June 30, 2009	\$ 16,212	\$ (330)	\$ 15,882	\$ 15,883	\$ 11,234	\$ 4,648

Exhibit F-5

Bledsoe County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 161,964	\$ 0	\$ 161,964	\$ 162,579	\$ 162,579	\$ (615)
Licenses and Permits	613	0	613	370	370	243
Other Local Revenues	8,226	0	8,226	18,000	18,000	(9,774)
State of Tennessee	78,579	0	78,579	60,237	82,002	(3,423)
Total Revenues	\$ 249,382	\$ 0	\$ 249,382	\$ 241,186	\$ 262,951	\$ (13,569)
<u>Expenditures</u>						
<u>Public Health and Welfare</u>						
Convenience Centers	\$ 195,338	(2,120)	\$ 193,218	\$ 172,767	\$ 200,000	\$ 6,782
Landfill Operation and Maintenance	12,865	0	12,865	56,100	12,900	35
<u>Highways</u>						
Litter and Trash Collection	38,452	(24)	38,428	46,854	46,854	8,426
<u>Principal on Debt</u>						
General Government	40,714	0	40,714	0	40,714	0
Interest on Debt						
General Government	2,486	0	2,486	0	2,486	0
Total Expenditures	\$ 289,855	(2,144)	\$ 287,711	\$ 275,721	\$ 302,954	\$ 15,243
Excess (Deficiency) of Revenues Over Expenditures	\$ (40,473)	\$ 2,144	\$ (38,329)	\$ (34,535)	\$ (40,003)	\$ 1,674
Net Change in Fund Balance Fund Balance, July 1, 2008	\$ (40,473)	\$ 2,144	\$ (38,329)	\$ (34,535)	\$ (40,003)	\$ 1,674
	58,003	(2,144)	55,859	44,342	44,342	11,517
Fund Balance, June 30, 2009	\$ 17,530	\$ 0	\$ 17,530	\$ 9,807	\$ 4,339	\$ 13,191

Exhibit F-6

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 4,254	\$ 3,925	\$ 3,925	\$ 329
Total Revenues	\$ 4,254	\$ 3,925	\$ 3,925	\$ 329
<u>Expenditures</u>				
<u>Public Safety</u>				
Sheriff's Department	\$ 1,836	\$ 15,000	\$ 15,000	\$ 13,164
Drug Enforcement	20	2,200	2,200	2,180
Total Expenditures	\$ 1,856	\$ 17,200	\$ 17,200	\$ 15,344
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,398	\$ (13,275)	\$ (13,275)	\$ 15,673
Net Change in Fund Balance	\$ 2,398	\$ (13,275)	\$ (13,275)	\$ 15,673
Fund Balance, July 1, 2008	17,469	15,000	15,000	2,469
Fund Balance, June 30, 2009	\$ 19,867	\$ 1,725	\$ 1,725	\$ 18,142

Exhibit F-7

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Other Local Revenues	\$ 11 \$	0 \$	11 \$	0 \$	0 \$	11
Other Governments and Citizens Groups	180,000	0	180,000	180,000	180,000	0
Total Revenues	\$ 180,011 \$	0 \$	180,011 \$	180,000 \$	180,000 \$	11
<u>Expenditures</u>						
<u>Public Safety</u>						
Other Public Safety	\$ 184,736 \$	(438) \$	184,298 \$	205,382 \$	205,382 \$	21,084
Total Expenditures	\$ 184,736 \$	(438) \$	184,298 \$	205,382 \$	205,382 \$	21,084
Excess (Deficiency) of Revenues Over Expenditures	\$ (4,725) \$	438 \$	(4,287) \$	(25,382) \$	(25,382) \$	21,095
Net Change in Fund Balance Fund Balance, July 1, 2008	\$ (4,725) \$	438 \$	(4,287) \$	(25,382) \$	(25,382) \$	21,095
Fund Balance, June 30, 2009	35,775	(438)	35,337	40,000	40,000	(4,663)
	\$ 31,050 \$	0 \$	31,050 \$	14,618 \$	14,618 \$	16,432

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.

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Exhibit G

Bledsoe 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	\$ 163,953	\$ 160,866	\$ 160,866	\$ 3,087
Licenses and Permits	613	350	350	263
Other Local Revenues	106,672	99,522	99,522	7,150
State of Tennessee	20,963	14,179	14,179	6,784
Total Revenues	\$ 292,201	\$ 274,917	\$ 274,917	\$ 17,284
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 75,000	\$ 76,000	\$ 76,000	\$ 1,000
<u>Interest on Debt</u>				
General Government	44,631	46,000	46,000	1,369
<u>Other Debt Service</u>				
General Government	37,312	4,647	38,000	688
Total Expenditures	\$ 156,943	\$ 126,647	\$ 160,000	\$ 3,057
Excess (Deficiency) of Revenues Over Expenditures	\$ 135,258	\$ 148,270	\$ 114,917	\$ 20,341
<u>Other Financing Sources (Uses)</u>				
Refunding Debt Issued	\$ 990,000	\$ 0	\$ 990,000	\$ 0
Premiums on Debt Issued	35,799	0	35,799	0
Payments to Refunded Debt Escrow Agent	(992,446)	0	(992,446)	0
Total Other Financing Sources (Uses)	\$ 33,353	\$ 0	\$ 33,353	\$ 0
Net Change in Fund Balance	\$ 168,611	\$ 148,270	\$ 148,270	\$ 20,341
Fund Balance, July 1, 2008	323,468	322,913	322,913	555
Fund Balance, June 30, 2009	\$ 492,079	\$ 471,183	\$ 471,183	\$ 20,896

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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.

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Exhibit H-1

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

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 671,319	\$ 671,319
Cash Shortage	0	2,238	2,238
Due from Other Governments	27,869	0	27,869
Total Assets	<u>\$ 27,869</u>	<u>\$ 673,557</u>	<u>\$ 701,426</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 27,869	\$ 0	\$ 27,869
Due to Litigants, Heirs, and Others	0	673,557	673,557
Total Liabilities	<u>\$ 27,869</u>	<u>\$ 673,557</u>	<u>\$ 701,426</u>

Exhibit H-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 175,466	\$ 175,466	\$ 0
Due from Other Governments	26,430	27,869	26,430	27,869
Total Assets	\$ 26,430	\$ 203,335	\$ 201,896	\$ 27,869
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 26,430	\$ 203,335	\$ 201,896	\$ 27,869
Total Liabilities	\$ 26,430	\$ 203,335	\$ 201,896	\$ 27,869
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 764,629	\$ 2,190,627	\$ 2,283,937	\$ 671,319
Cash Shortage	0	2,238	0	2,238
Accounts Receivable	15	0	15	0
Total Assets	\$ 764,644	\$ 2,192,865	\$ 2,283,952	\$ 673,557
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 764,644	\$ 2,192,865	\$ 2,283,952	\$ 673,557
Total Liabilities	\$ 764,644	\$ 2,192,865	\$ 2,283,952	\$ 673,557
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 764,629	\$ 2,190,627	\$ 2,283,937	\$ 671,319
Equity in Pooled Cash and Investments	0	175,466	175,466	0
Cash Shortage	0	2,238	0	2,238
Accounts Receivable	15	0	15	0
Due from Other Governments	26,430	27,869	26,430	27,869
Total Assets	\$ 791,074	\$ 2,396,200	\$ 2,485,848	\$ 701,426
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 26,430	\$ 203,335	\$ 201,896	\$ 27,869
Due to Litigants, Heirs, and Others	764,644	2,192,865	2,283,952	673,557
Total Liabilities	\$ 791,074	\$ 2,396,200	\$ 2,485,848	\$ 701,426

Bledsoe County School Department

This section presents combining and individual fund financial statements for the Bledsoe County School Department, a discretely presented component unit. The School Department uses a General Fund, two Special Revenue Funds, and a Debt Service 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.

Education Debt Service Fund – The Education Debt Service Fund is used to account for the accumulation of resources for, and the payment of, education related long-term debt principal, interest, and related costs.

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Exhibit I-1

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

Functions/Programs	Program Revenues		Expenses	Net (Expense) Revenue and Changes in Net Assets	
	Charges for Services	Operating Grants and Contributions		Total	Governmental Activities
Governmental Activities:					
Instruction	\$ 8,600,896	\$ 24,202	\$ 24,202	\$ 1,302,487	\$ (7,274,207)
Support Services	5,548,376	300	300	0	(5,548,076)
Operation of Non-Instructional Services	1,734,075	308,986	308,986	1,058,352	(366,737)
Capital Outlay	126,319	0	0	0	(126,319)
Interest on Long-term Debt	450,422	0	0	0	(450,422)
Other Debt Service	8,379	0	0	0	(8,379)
Total Governmental Activities	\$ 16,468,467	\$ 333,488	\$ 333,488	\$ 2,360,839	\$ (13,774,140)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 1,362,424
Property Taxes Levied for Debt Service					82,358
Local Option Sales Taxes					621,006
Other Local Taxes					2,923
Grants and Contributions Not Restricted to Specific Programs					11,707,462
Unrestricted Investment Earnings					1,862
Miscellaneous					24,756
Total General Revenues					\$ 13,802,791
Change in Net Assets					\$ 28,651
Net Assets, July 1, 2008					2,801,407
Prior-period Adjustment					(320,481)
Net Assets, June 30, 2009					\$ 2,509,577

Exhibit I-2

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

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
	<u>General</u>	<u>Other</u>	<u>Governmental</u>
	<u>Purpose</u>	<u>Governmental</u>	<u>Governmental</u>
	<u>School</u>	<u>Funds</u>	<u>Funds</u>
<u>ASSETS</u>			
Cash	\$ 0	\$ 26,098	\$ 26,098
Equity in Pooled Cash and Investments	1,314,011	523,592	1,837,603
Due from Other Governments	114,920	83,689	198,609
Due from Other Funds	0	484	484
Property Taxes Receivable	1,488,475	91,411	1,579,886
Allowance for Uncollectible Property Taxes	(73,338)	(4,504)	(77,842)
Total Assets	\$ 2,844,068	\$ 720,770	\$ 3,564,838
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 51,477	\$ 52,843	\$ 104,320
Payroll Deductions Payable	641	331	972
Due to Other Funds	484	0	484
Current Liabilities Payable from Restricted Assets:			
Customer Deposits Payable	0	4,222	4,222
Capital Outlay Notes Payable	9,000	0	9,000
Deferred Revenue - Current Property Taxes	1,300,650	79,876	1,380,526
Deferred Revenue - Delinquent Property Taxes	107,287	6,631	113,918
Other Deferred Revenues	17,606	31,000	48,606
Total Liabilities	\$ 1,487,145	\$ 174,903	\$ 1,662,048
<u>Fund Balances</u>			
Reserved for Career Ladder - Extended Contract	\$ 9,913	\$ 0	\$ 9,913
Reserved for Career Ladder Program	6,290	0	6,290
Reserved for Basic Education Program	89,265	0	89,265
Reserved for Title I Grants to Local Education Agencies	0	17,102	17,102
Reserved for Special Education - Grants to States	0	24,710	24,710
Other Federal Reserves	0	13,538	13,538
Unreserved, Reported In:			
General Fund	1,251,455	0	1,251,455
Special Revenue Funds	0	274,681	274,681
Debt Service Funds	0	215,836	215,836
Total Fund Balances	\$ 1,356,923	\$ 545,867	\$ 1,902,790
Total Liabilities and Fund Balances	\$ 2,844,068	\$ 720,770	\$ 3,564,838

Exhibit I-3

Bledsoe County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
Discretely Presented Bledsoe 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 I-2)	\$	1,902,790
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Add: land	\$	380,847
Add: buildings and improvements net of accumulated depreciation		10,131,176
Add: infrastructure net of accumulated depreciation		105,355
Add: other capital assets net of accumulated depreciation		<u>1,171,527</u>
		11,788,905
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	\$	(10,455,000)
Less: note payable		(9,000)
Less: other postemployment benefits liability		(586,062)
Less: accrued interest on bonds		(84,264)
Less: other long-term liabilities		<u>(210,316)</u>
		(11,344,642)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>162,524</u>
Net assets of governmental activities (Exhibit A)	\$	<u><u>2,509,577</u></u>

Exhibit I-4

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

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General	Other	Total
	Purpose	Govern- mental	Governmental
	School	Funds	Funds
<u>Revenues</u>			
Local Taxes	\$ 1,560,178	\$ 511,385	\$ 2,071,563
Licenses and Permits	5,859	310	6,169
Charges for Current Services	0	308,986	308,986
Other Local Revenues	62,883	1,862	64,745
State of Tennessee	11,343,551	21,607	11,365,158
Federal Government	260,118	2,335,510	2,595,628
Total Revenues	<u>\$ 13,232,589</u>	<u>\$ 3,179,660</u>	<u>\$ 16,412,249</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 7,463,973	\$ 852,169	\$ 8,316,142
Support Services	4,437,861	677,179	5,115,040
Operation of Non-Instructional Services	639,927	1,025,737	1,665,664
Capital Outlay	126,319	0	126,319
Debt Service:			
Principal on Debt	9,000	440,000	449,000
Interest on Debt	0	450,970	450,970
Other Debt Service	0	14,379	14,379
Total Expenditures	<u>\$ 12,677,080</u>	<u>\$ 3,460,434</u>	<u>\$ 16,137,514</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 555,509</u>	<u>\$ (280,774)</u>	<u>\$ 274,735</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 14,550	\$ 0	\$ 14,550
Transfers In	17,249	340,000	357,249
Transfers Out	(340,000)	(17,249)	(357,249)
Total Other Financing Sources (Uses)	<u>\$ (308,201)</u>	<u>\$ 322,751</u>	<u>\$ 14,550</u>
Net Change in Fund Balances	\$ 247,308	\$ 41,977	\$ 289,285
Fund Balance, July 1, 2008	1,109,615	503,890	1,613,505
Fund Balance, June 30, 2009	<u>\$ 1,356,923</u>	<u>\$ 545,867</u>	<u>\$ 1,902,790</u>

Exhibit I-5

Bledsoe County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Bledsoe 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 I-4)		\$ 289,285
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated 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	\$ 37,369	
Less: current year depreciation expense	<u>(479,013)</u>	(441,644)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund.		
Add: deferred delinquent property taxes and other deferred June 30, 2009	\$ 162,524	
Less: deferred delinquent property taxes and other deferred June 30, 2008	<u>(142,896)</u>	19,628
(3) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Add: principal payments on bonds	\$ 440,000	
Add: principal payments on note	9,000	
Add: payments on other long-term liabilities	<u>6,000</u>	455,000
(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 payable	\$ (294,166)	
Change in accrued interest payable	<u>548</u>	<u>(293,618)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 28,651</u>

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

	Special Revenue Funds			Total	Debt Service Fund		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Education Debt Service		Education Debt Service		
					Debt Service	Education Debt Service	
\$	0	26,098	0	26,098	0	0	26,098
	63,337	276,671	183,584	340,008	183,584	0	523,592
	20,837	0	62,852	20,837	62,852	0	83,689
	484	0	0	484	0	0	484
	0	0	91,411	0	91,411	0	91,411
	0	0	(4,504)	0	(4,504)	0	(4,504)
\$	84,658	302,769	333,343	387,427	333,343	0	720,770

ASSETS

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

Total Assets

LIABILITIES AND FUND BALANCES

Liabilities	
Accounts Payable	
Payroll Deductions Payable	
Current Liabilities Payable from Restricted Assets:	
Customer Deposits Payable	
Deferred Revenue - Current Property Taxes	
Deferred Revenue - Delinquent Property Taxes	
Other Deferred Revenues	
Total Liabilities	

Fund Balances

Reserved for Title I Grants to Local Education Agencies	
Reserved for Special Education - Grants to States	
Other Federal Reserves	
Unreserved	
Total Fund Balances	

Total Liabilities and Fund Balances

Exhibit I-7

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

	Special Revenue Funds			Debt Service Fund	Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Total	Education Debt Service	
Revenues					
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 511,385	\$ 511,385
Licenses and Permits	0	0	0	310	310
Charges for Current Services	0	308,986	308,986	0	308,986
Other Local Revenues	0	1,862	1,862	0	1,862
State of Tennessee	0	10,999	10,999	10,608	21,607
Federal Government	1,576,046	759,464	2,335,510	0	2,335,510
Total Revenues	\$ 1,576,046	\$ 1,081,311	\$ 2,657,357	\$ 522,303	\$ 3,179,660
Expenditures					
Current:					
Instruction	\$ 852,169	\$ 0	\$ 852,169	\$ 0	\$ 852,169
Support Services	677,179	0	677,179	0	677,179
Operation of Non-Instructional Services	0	1,025,737	1,025,737	0	1,025,737
Debt Service:					
Principal on Debt	0	0	0	440,000	440,000
Interest on Debt	0	0	0	450,970	450,970
Other Debt Service	0	0	0	14,379	14,379
Total Expenditures	\$ 1,529,348	\$ 1,025,737	\$ 2,555,085	\$ 905,349	\$ 3,460,434
Excess (Deficiency) of Revenues Over Expenditures	\$ 46,698	\$ 55,574	\$ 102,272	\$ (383,046)	\$ (280,774)
Other Financing Sources (Uses)					
Transfers In	\$ 0	\$ 0	\$ 0	\$ 340,000	\$ 340,000
Transfers Out	(17,249)	0	(17,249)	0	(17,249)
Total Other Financing Sources (Uses)	\$ (17,249)	\$ 0	\$ (17,249)	\$ 340,000	\$ 322,751
Net Change in Fund Balances	\$ 29,449	\$ 55,574	\$ 85,023	\$ (43,046)	\$ 41,977
Fund Balance, July 1, 2008	25,901	219,107	245,008	258,882	503,890
Fund Balance, June 30, 2009	\$ 55,350	\$ 274,681	\$ 330,031	\$ 215,836	\$ 545,867

Exhibit I-8

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,560,178	\$ 1,575,909	\$ 1,575,909	\$ (15,731)
Licenses and Permits	5,859	4,462	4,462	1,397
Other Local Revenues	62,883	79,216	79,216	(16,333)
State of Tennessee	11,343,551	11,263,763	11,297,496	46,055
Federal Government	260,118	278,408	308,337	(48,219)
Total Revenues	<u>\$ 13,232,589</u>	<u>\$ 13,201,758</u>	<u>\$ 13,265,420</u>	<u>\$ (32,831)</u>
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 5,592,078	\$ 5,695,347	\$ 5,651,665	\$ 59,587
Alternative Instruction Program	62,162	53,255	63,545	1,383
Special Education Program	1,414,674	1,408,883	1,438,605	23,931
Vocational Education Program	314,082	303,185	314,461	379
Adult Education Program	80,977	58,279	80,977	0
<u>Support Services</u>				
Attendance	43,916	46,937	46,937	3,021
Health Services	192,908	201,812	201,659	8,751
Other Student Support	288,170	289,439	289,438	1,268
Regular Instruction Program	462,349	470,536	470,610	8,261
Special Education Program	134,780	135,700	135,700	920
Vocational Education Program	42,443	42,477	42,477	34
Adult Programs	60,512	66,158	71,709	11,197
Other Programs	33,733	0	33,733	0
Board of Education	223,127	241,857	241,656	18,529
Director of Schools	141,578	155,679	147,151	5,573
Office of the Principal	538,399	550,701	550,731	12,332
Fiscal Services	159,384	159,649	162,445	3,061
Operation of Plant	1,074,407	1,140,024	1,140,078	65,671
Maintenance of Plant	269,288	219,244	283,044	13,756
Transportation	772,867	1,000,771	828,171	55,304
<u>Operation of Non-Instructional Services</u>				
Food Service	25,226	76,024	76,024	50,798
Community Services	206,676	216,682	216,682	10,006
Early Childhood Education	408,025	408,023	408,025	0
<u>Capital Outlay</u>				
Regular Capital Outlay	126,319	100,000	208,800	82,481
<u>Principal on Debt</u>				
Education	9,000	9,000	9,000	0
Total Expenditures	<u>\$ 12,677,080</u>	<u>\$ 13,049,662</u>	<u>\$ 13,113,323</u>	<u>\$ 436,243</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 555,509</u>	<u>\$ 152,096</u>	<u>\$ 152,097</u>	<u>\$ 403,412</u>

(Continued)

Exhibit I-8

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 14,550	\$ 0	\$ 0	\$ 14,550
Transfers In	17,249	15,000	15,000	2,249
Transfers Out	(340,000)	(340,000)	(340,000)	0
Total Other Financing Sources (Uses)	<u>\$ (308,201)</u>	<u>\$ (325,000)</u>	<u>\$ (325,000)</u>	<u>\$ 16,799</u>
Net Change in Fund Balance	\$ 247,308	\$ (172,904)	\$ (172,903)	\$ 420,211
Fund Balance, July 1, 2008	<u>1,109,615</u>	<u>1,099,009</u>	<u>1,099,009</u>	<u>10,606</u>
Fund Balance, June 30, 2009	<u>\$ 1,356,923</u>	<u>\$ 926,105</u>	<u>\$ 926,106</u>	<u>\$ 430,817</u>

Exhibit I-9

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 1,576,046	\$ 1,835,017	\$ 1,836,953	\$ (260,907)
Total Revenues	\$ 1,576,046	\$ 1,835,017	\$ 1,836,953	\$ (260,907)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 404,112	\$ 490,319	\$ 474,013	\$ 69,901
Special Education Program	416,248	512,672	500,823	84,575
Vocational Education Program	31,809	30,271	31,809	0
<u>Support Services</u>				
Other Student Support	64,167	53,387	64,263	96
Regular Instruction Program	509,051	624,582	629,364	120,313
Special Education Program	62,406	64,729	88,753	26,347
Vocational Education Program	986	2,000	986	0
Fiscal Services	5,000	5,000	5,000	0
Transportation	35,569	54,327	42,697	7,128
Total Expenditures	\$ 1,529,348	\$ 1,837,287	\$ 1,837,708	\$ 308,360
Excess (Deficiency) of Revenues Over Expenditures	\$ 46,698	\$ (2,270)	\$ (755)	\$ 47,453
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 1,560	\$ 1,560	\$ (1,560)
Transfers Out	(17,249)	(24,263)	(25,778)	8,529
Total Other Financing Sources (Uses)	\$ (17,249)	\$ (22,703)	\$ (24,218)	\$ 6,969
Net Change in Fund Balance	\$ 29,449	\$ (24,973)	\$ (24,973)	\$ 54,422
Fund Balance, July 1, 2008	25,901	24,973	24,973	928
Fund Balance, June 30, 2009	\$ 55,350	\$ 0	\$ 0	\$ 55,350

Exhibit I-10

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 308,986	\$ 317,300	\$ 317,300	\$ (8,314)
Other Local Revenues	1,862	2,300	2,300	(438)
State of Tennessee	10,999	11,562	11,562	(563)
Federal Government	759,464	745,300	745,300	14,164
Total Revenues	<u>\$ 1,081,311</u>	<u>\$ 1,076,462</u>	<u>\$ 1,076,462</u>	<u>\$ 4,849</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 978,373	\$ 1,110,255	\$ 1,110,255	\$ 131,882
Community Services	47,364	64,000	64,000	16,636
Total Expenditures	<u>\$ 1,025,737</u>	<u>\$ 1,174,255</u>	<u>\$ 1,174,255</u>	<u>\$ 148,518</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 55,574</u>	<u>\$ (97,793)</u>	<u>\$ (97,793)</u>	<u>\$ 153,367</u>
Net Change in Fund Balance	\$ 55,574	\$ (97,793)	\$ (97,793)	\$ 153,367
Fund Balance, July 1, 2008	<u>219,107</u>	<u>215,967</u>	<u>215,967</u>	<u>3,140</u>
Fund Balance, June 30, 2009	<u>\$ 274,681</u>	<u>\$ 118,174</u>	<u>\$ 118,174</u>	<u>\$ 156,507</u>

Exhibit I-11

Bledsoe County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Bledsoe County School Department
Education 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	\$ 511,385	\$ 490,388	\$ 490,388	\$ 20,997
Licenses and Permits	310	231	231	79
State of Tennessee	10,608	11,000	11,000	(392)
Total Revenues	<u>\$ 522,303</u>	<u>\$ 501,619</u>	<u>\$ 501,619</u>	<u>\$ 20,684</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 440,000	\$ 446,000	\$ 440,000	\$ 0
<u>Interest on Debt</u>				
Education	450,970	450,970	450,970	0
<u>Other Debt Service</u>				
Education	14,379	8,954	14,954	575
Total Expenditures	<u>\$ 905,349</u>	<u>\$ 905,924</u>	<u>\$ 905,924</u>	<u>\$ 575</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (383,046)</u>	<u>\$ (404,305)</u>	<u>\$ (404,305)</u>	<u>\$ 21,259</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 340,000	\$ 340,000	\$ 340,000	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 340,000</u>	<u>\$ 340,000</u>	<u>\$ 340,000</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (43,046)	\$ (64,305)	\$ (64,305)	21,259
Fund Balance, July 1, 2008	258,882	256,661	256,661	2,221
Fund Balance, June 30, 2009	<u>\$ 215,836</u>	<u>\$ 192,356</u>	<u>\$ 192,356</u>	<u>\$ 23,480</u>

MISCELLANEOUS SCHEDULES

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Bledsoe County, Tennessee
Schedule of Changes in Long-term Notes and Bonds
Primary Government and Discretely Presented Bledsoe County School Department
For the Year Ended June 30, 2009

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-08	Issued During Period	Debt Refunded	Paid and/or Mated During Period	Outstanding 6-30-09
PRIMARY GOVERNMENT									
NOTES PAYABLE									
<u>Payable through Solid Waste Sanitation Fund</u>									
Bledsoe - Sequatchie Landfill Closure	\$ 234,000	3	8-29-03	8-29-09	\$ 82,656	\$ 0	\$ 0	\$ 40,714	\$ 41,942
<u>Payable through General Capital Projects Fund</u>									
Jail	350,000	3.397	12-14-07	6-2-09	\$ 250,000	\$ 100,000	\$ 0	\$ 350,000	\$ 0
Jail	325,000	3.45	10-15-08	6-2-09	0	325,000	0	325,000	0
Total Payable through General Capital Projects Fund					\$ 250,000	\$ 425,000	\$ 0	\$ 675,000	\$ 0
Total Notes Payable					\$ 332,656	\$ 425,000	\$ 0	\$ 715,714	\$ 41,942
BONDS PAYABLE									
<u>Payable through General Debt Service Fund</u>									
Public Improvement Bond Series 1998	1,600,000	3.6 to 4.5	9-1-1998	9-1-18	\$ 1,055,000	\$ 0	\$ 980,000	\$ 75,000	\$ 0
General Obligation/Refunding Bond Series 2009	8,790,000	2 to 4.5	6-1-09	6-1-41	0	8,790,000	0	0	8,790,000
Total Bonds Payable					\$ 1,055,000	\$ 8,790,000	\$ 980,000	\$ 75,000	\$ 8,790,000
DISCRETELY PRESENTED BLEDSOE COUNTY SCHOOL DEPARTMENT									
NOTES PAYABLE									
<u>Payable through General Purpose School Fund</u>									
Computer Lab Equipment	90,000	0	6-30-00	6-30-10	\$ 18,000	\$ 0	\$ 0	\$ 9,000	\$ 9,000
<u>BONDS PAYABLE</u>									
<u>Payable through Education Debt Service Fund</u>									
School Bonds Series 2001	7,500,000	3 to 4.7	10-1-01	10-1-26	\$ 6,385,000	\$ 0	\$ 0	\$ 215,000	\$ 6,170,000
School Refunding Series 2003	5,510,000	2 to 4.25	5-29-03	12-1-22	4,510,000	0	0	225,000	4,285,000
Total Bonds Payable					\$ 10,895,000	\$ 0	\$ 0	\$ 440,000	\$ 10,455,000

Exhibit J-2

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

PRIMARY GOVERNMENT

Year Ending June 30	Note Principal	Note Interest	Total Note Requirements
2010	\$ 41,942	\$ 1,258	\$ 43,200
Total	\$ 41,942	\$ 1,258	\$ 43,200

Year Ending June 30	Bond Principal	Bond Interest	Total Bond Requirements
2010	\$ 100,000	\$ 355,125	\$ 455,125
2011	100,000	353,125	453,125
2012	145,000	351,125	496,125
2013	150,000	347,500	497,500
2014	160,000	343,000	503,000
2015	165,000	338,200	503,200
2016	170,000	333,250	503,250
2017	175,000	328,150	503,150
2018	185,000	322,462	507,462
2019	190,000	316,450	506,450
2020	200,000	309,800	509,800
2021	210,000	301,800	511,800
2022	205,000	293,400	498,400
2023	215,000	285,200	500,200
2024	225,000	276,600	501,600
2025	240,000	267,600	507,600
2026	250,000	258,000	508,000
2027	260,000	248,000	508,000
2028	275,000	237,600	512,600
2029	290,000	226,600	516,600
2030	305,000	214,638	519,638
2031	320,000	201,675	521,675
2032	335,000	188,075	523,075
2033	350,000	173,419	523,419
2034	370,000	158,106	528,106
2035	385,000	141,919	526,919
2036	405,000	125,075	530,075
2037	425,000	107,356	532,356
2038	450,000	88,763	538,763
2039	470,000	69,075	539,075
2040	495,000	47,925	542,925
2041	570,000	25,650	595,650
Total	\$ 8,790,000	\$ 7,634,663	\$ 16,424,663

(Continued)

Exhibit J-2

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

DISCRETELY PRESENTED BLEDSOE COUNTY SCHOOL DEPARTMENT

Year Ending June 30	Note Principal	Note Interest	Total Note Requirements
2010	\$ 9,000	\$ 0	\$ 9,000
Total	<u>\$ 9,000</u>	<u>\$ 0</u>	<u>\$ 9,000</u>

Year Ending June 30	Bond Principal	Bond Interest	Total Bond Requirements
2010	\$ 450,000	\$ 435,445	\$ 885,445
2011	470,000	418,795	888,795
2012	495,000	400,733	895,733
2013	515,000	381,756	896,756
2014	535,000	361,753	896,753
2015	560,000	340,403	900,403
2016	585,000	317,505	902,505
2017	610,000	293,010	903,010
2018	635,000	266,693	901,693
2019	665,000	238,561	903,561
2020	705,000	208,573	913,573
2021	740,000	176,669	916,669
2022	775,000	143,033	918,033
2023	820,000	107,424	927,424
2024	435,000	78,843	513,843
2025	460,000	57,810	517,810
2026	485,000	35,603	520,603
2027	515,000	12,103	527,103
Total	<u>\$ 10,455,000</u>	<u>\$ 4,274,712</u>	<u>\$ 14,729,712</u>

Exhibit J-3

Bledsoe County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Bledsoe 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>			
General	Public Library	Operations	\$ 61,139
Total Transfers Primary Government			<u>\$ 61,139</u>
<u>DISCRETELY PRESENTED BLEDSOE</u> <u>COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	\$ 17,249
General Purpose School	Education Debt Service	Debt retirement	<u>340,000</u>
Total Transfers Discretely Presented Bledsoe County School Department			<u>\$ 357,249</u>

Bledsoe County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Bledsoe County School Department
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>	\$ 66,702	\$ 25,000	NGM Insurance
Road Superintendent	Section 8-24-102, <u>TCA</u>	63,527	100,000	State Farm Fire and Casualty Company
Director of Schools:	State Board of Education and Bledsoe County Board of Education			
Clettis McDaniel (7-1-08 through 8-15-08)		14,479	(2)	
Phil Kiper (8-16-08 through 6-30-09)		58,724	(2)	
Trustee	Section 8-24-102, <u>TCA</u>	57,751	476,000	NGM Insurance
Assessor of Property	Section 8-24-102, <u>TCA</u>	57,751	10,000	State Farm Fire and Casualty Company
County Clerk	Section 8-24-102, <u>TCA</u>	57,751	25,000	"
Circuit Court Clerk	Section 8-24-102, <u>TCA</u>	57,751	25,000	NGM Insurance
Clerk and Master	Section 8-24-102, <u>TCA</u>	57,751	45,000	State Farm Fire and Casualty Company
Register	Section 8-24-102, <u>TCA</u>	57,751	15,000	NGM Insurance
Sheriff	Section 8-24-102, <u>TCA</u>	63,527	25,000	"
Employee Dishonesty Bond Coverage:				
General County Government			150,000	Local Government Property and Casualty Fund
Highway Department			150,000	"
School Employees			100,000	Montgomery Insurance

- (1) Includes chief executive officer training supplement of \$1,000.
- (2) The director of schools is covered under the employee dishonesty bond.
- (3) Does not include special commissioner fees of \$1,500.
- (4) Does not include a law enforcement training supplement of \$600.

Exhibit J-5

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

	Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Public Library	Solid			Drug Control
				Waste / Sanitation	Ambulance Service		
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 1,273,308	\$ 0	\$ 0	\$ 153,416	\$ 0	\$ 0	0
Trustee's Collections - Prior Year	901	0	0	846	0	0	0
Circuit/Clerk & Master Collections - Prior Years	65,753	0	0	3,653	0	0	0
Interest and Penalty	11,177	0	0	1,347	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	6,966	0	0	839	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	1,094	0	0	132	0	0	0
<u>County Local Option Taxes</u>							
Local Option Sales Tax	83,067	0	0	0	0	0	0
Litigation Tax - General	17,338	667	0	0	0	0	0
Business Tax	30,848	0	0	0	0	0	0
<u>Statutory Local Taxes</u>							
Bank Excise Tax	14,368	0	0	1,731	0	0	0
Wholesale Beer Tax	108,174	0	0	0	0	0	0
Total Local Taxes	\$ 1,612,994	\$ 667	\$ 0	\$ 161,964	\$ 0	\$ 0	0
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Cable TV Franchise	\$ 5,087	\$ 0	\$ 0	\$ 613	\$ 0	\$ 0	0
<u>Permits</u>							
Beer Permits	1,662	1,322	0	0	0	0	0
Total Licenses and Permits	\$ 6,749	\$ 1,322	\$ 0	\$ 613	\$ 0	\$ 0	0
<u>Fines, Forfeitures, and Penalties</u>							
<u>Circuit Court</u>							
Fines	\$ 3,896	\$ 5,636	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	1,403	0	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	0	854
Drug Court Fees	916	0	0	0	0	0	0
Jail Fees	133	0	0	0	0	0	0
DUI Treatment Fines	66	0	0	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Ambulance Service	Drug Control	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>							
<u>General Sessions Court</u>							
Fines	\$ 6,251	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	9,740	0	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	0	989
Drug Court Fees	3,078	0	0	0	0	0	0
Jail Fees	1,289	0	0	0	0	0	0
DUI Treatment Fines	1,204	0	0	0	0	0	0
Data Entry Fee - General Sessions Court	1,388	0	0	0	0	0	0
Courtroom Security Fee	5	0	0	0	0	0	0
<u>Juvenile Court</u>							
Fines	266	0	0	0	0	0	0
Officers Costs	26	0	0	0	0	0	0
<u>Chancery Court</u>							
Data Entry Fee - Chancery Court	344	0	0	0	0	0	0
Courtroom Security Fee	13	0	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property	0	0	0	0	0	0	2,411
Total Fines, Forfeitures, and Penalties	\$ 30,018	\$ 5,636	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,254
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Patient Charges	\$ 0	\$ 0	\$ 0	\$ 0	\$ 597,993	\$ 0	0
Other General Service Charges	0	0	0	0	4,102	0	0
<u>Fees</u>							
Copy Fees	0	0	1,202	0	40	0	0
Library Fees	0	0	884	0	0	0	0
Vending Machine Collections	742	0	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	0	0	0
Data Processing Fee - Register	4,562	0	0	0	0	0	0
Data Processing Fee - Sheriff	9	0	0	0	0	0	0

(Continued)

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

	Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Ambulance Service	Drug Control	
<u>Charges for Current Services (Cont.)</u>							
<u>Fees (Cont.)</u>							
Sexual Offender Registration Fees - Sheriff	\$ 1,200	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Charges for Current Services	\$ 6,513	\$ 0	\$ 2,086	\$ 0	\$ 602,135	\$ 0	\$ 0
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 266	\$ 0	\$ 0
Lease/Rentals	130,000	0	0	0	0	0	0
Sale of Materials and Supplies	0	0	206	0	0	0	0
Sale of Recycled Materials	0	0	0	8,226	0	0	0
Refund of Telecommunication & Internet Fees (B-Rate)	0	0	1,609	0	0	0	0
Miscellaneous Refunds	4,034	0	12	0	66	0	0
<u>Nonrecurring Items</u>							
Contributions and Gifts	0	0	1,559	0	200	0	0
<u>Other Local Revenues</u>							
Other Local Revenues	118	0	0	0	0	0	0
Total Other Local Revenues	\$ 134,152	\$ 0	\$ 3,386	\$ 8,226	\$ 532	\$ 0	\$ 0
<u>Fees Received from County Officials</u>							
<u>Fees in-Lieu-of Salary</u>							
County Clerk	\$ 83,632	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	17,189	0	0	0	0	0	0
General Sessions Court Clerk	47,555	0	0	0	0	0	0
Clerk and Master	50,263	0	0	0	0	0	0
Juvenile Court Clerk	526	0	0	0	0	0	0
Register	45,697	0	0	0	0	0	0
Sheriff	9,671	0	0	0	0	0	0
Trustee	109,030	0	0	0	0	0	0
Total Fees Received from County Officials	\$ 363,563	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

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

	Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Ambulance Service	Drug Control	
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
Juvenile Services Program	\$ 11,250	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
State Reappraisal Grant	6,654	0	0	0	0	0	0
Solid Waste Grants	0	0	0	20,641	0	0	0
<u>Health and Welfare Grants</u>							
Health Department Programs	4,039	0	0	0	0	0	0
Other Health and Welfare Grants	69,384	0	0	0	0	0	0
<u>Public Works Grants</u>							
Bridge Program	0	0	0	0	0	0	0
Litter Program	0	0	0	36,975	0	0	0
<u>Other State Revenues</u>							
Income Tax	14,133	0	0	0	0	0	0
Beer Tax	8,721	0	0	0	0	0	0
Alcoholic Beverage Tax	30,116	0	0	0	0	0	0
State Revenue Sharing - T.V.A.	173,990	0	0	20,963	0	0	0
Contracted Prisoner Boarding	11,200	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0	0
Registrar's Salary Supplement	10,817	0	0	0	0	0	0
Other State Grants	0	0	2,200	0	0	0	0
Other State Revenues	0	29	0	0	0	0	0
Total State of Tennessee	\$ 340,304	\$ 29	\$ 2,200	\$ 78,579	\$ 0	\$ 0	\$ 0
<u>Federal Government</u>							
<u>Federal Through State</u>							
Community Development	0	0	0	0	0	0	0
Homeland Security Grants	112,234	0	0	0	0	0	0
Other Federal through State	8,442	0	0	0	0	0	0
Total Federal Government	\$ 120,676	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit J-5

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

	Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Ambulance Service	Drug Control	
Other Governments and Citizens Groups							
<u>Other Governments</u>							
Contributions	\$ 36,677	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Governments and Citizens Groups	\$ 36,677	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 2,651,646	\$ 7,654	\$ 7,672	\$ 249,382	\$ 602,667	\$ 4,254	

(Continued)

Exhibit J-5

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

	Special Revenue Funds			Debt Service Fund			Capital Projects Funds			Total
	Other Special Revenue	Constitutional Officers Fees	Highway / Public Works	General Debt Service	General Capital Projects	Development/Industrial Park	Community			
							General	Development/Industrial Park		
<u>Local Taxes</u>										
<u>County Property Taxes</u>										
Current Property Tax	\$ 0	\$ 0	\$ 0	\$ 153,415	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,580,139	
Trustee's Collections - Prior Year	0	0	0	646	0	0	0	0	2,393	
Circuit/Clerk & Master Collections - Prior Years	0	0	0	5,844	0	0	0	0	75,250	
Interest and Penalty	0	0	0	1,346	0	0	0	0	13,870	
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	839	0	0	0	0	8,644	
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	132	0	0	0	0	1,358	
<u>County Local Option Taxes</u>										
Local Option Sales Tax	0	0	0	0	0	0	0	0	83,067	
Litigation Tax - General	0	0	0	0	0	0	0	0	18,005	
Business Tax	0	0	0	0	0	0	0	0	30,848	
<u>Statutory Local Taxes</u>										
Bank Excise Tax	0	0	0	1,731	0	0	0	0	17,830	
Wholesale Beer Tax	0	0	0	0	0	0	0	0	108,174	
Total Local Taxes	\$ 0	\$ 0	\$ 0	\$ 163,953	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,939,578	
<u>Licenses and Permits</u>										
<u>Licenses</u>										
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 613	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,313	
<u>Permits</u>										
Beer Permits	0	0	0	0	0	0	0	0	2,984	
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 613	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,297	
<u>Fines, Forfeitures, and Penalties</u>										
<u>Circuit Court</u>										
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,532	
Officers Costs	0	0	0	0	0	0	0	0	1,403	
Drug Control Fines	0	0	0	0	0	0	0	0	854	
Drug Court Fees	0	0	0	0	0	0	0	0	916	
Jail Fees	0	0	0	0	0	0	0	0	133	
DUI Treatment Fines	0	0	0	0	0	0	0	0	66	

(Continued)

Exhibit J-5

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

	Special Revenue Funds			Highway / Public Works	General Debt Service	Capital Projects Funds			Total
	Other Special Revenue	Consti- tional Officers - Fees	General Development/ Community/ Industrial Park						
<u>Fines, Forfeitures, and Penalties (Cont.)</u>									
<u>General Sessions Court</u>									
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	6,251
Officers Costs	0	0	0	0	0	0	0	0	9,740
Drug Control Fines	0	0	0	0	0	0	0	0	989
Drug Court Fees	0	0	0	0	0	0	0	0	3,078
Jail Fees	0	0	0	0	0	0	0	0	1,289
DUI Treatment Fines	0	0	0	0	0	0	0	0	1,204
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	0	0	1,388
Courtroom Security Fee	0	0	0	0	0	0	0	0	5
<u>Juvenile Court</u>									
Fines	0	0	0	0	0	0	0	0	266
Officers Costs	0	0	0	0	0	0	0	0	26
<u>Chancery Court</u>									
Data Entry Fee - Chancery Court	0	0	0	0	0	0	0	0	344
Courtroom Security Fee	0	0	0	0	0	0	0	0	13
<u>Other Fines, Forfeitures, and Penalties</u>									
Proceeds from Confiscated Property	0	0	0	0	0	0	0	0	2,411
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 39,908
<u>Charges for Current Services</u>									
<u>General Service Charges</u>									
Patient Charges	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	597,993
Other General Service Charges	0	0	0	0	0	0	0	0	4,102
<u>Fees</u>									
Copy Fees	0	0	0	0	0	0	0	0	1,242
Library Fees	0	0	0	0	0	0	0	0	884
Vending Machine Collections	0	0	0	0	0	0	0	0	742
Constitutional Officers' Fees and Commissions	0	860	0	0	0	0	0	0	860
Special Commissioner Fees/Special Master Fees	0	1,500	0	0	0	0	0	0	1,500
Data Processing Fee - Register	0	0	0	0	0	0	0	0	4,562
Data Processing Fee - Sheriff	0	0	0	0	0	0	0	0	9

(Continued)

Exhibit J-5

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

	Special Revenue Funds			Debt Service Fund	Capital Projects Funds			Total
	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works		General Debt Service	General Capital Projects	Community Development/ Industrial Park	
<u>Charges for Current Services (Cont.)</u>								
<u>Fees (Cont.)</u>								
Sexual Offender Registration Fees - Sheriff	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	1,200
Total Charges for Current Services	\$ 0 \$	2,360 \$	0 \$	0 \$	0 \$	0 \$	0 \$	613,094
<u>Other Local Revenues</u>								
<u>Recurring Items</u>								
Investment Income	\$ 0 \$	0 \$	0 \$	106,672 \$	6,853 \$	0 \$	0 \$	113,791
Lease/Rentals	0	0	0	0	0	0	0	130,000
Sale of Materials and Supplies	0	0	0	0	0	0	0	206
Sale of Recycled Materials	0	0	0	0	0	0	0	8,226
Refund of Telecommunication & Internet Fees (E-Rate)	0	0	0	0	0	0	0	1,609
Miscellaneous Refunds	11	0	7,338	0	0	0	0	11,461
<u>Nonrecurring Items</u>								
Contributions and Gifts	0	0	0	0	0	0	0	1,759
<u>Other Local Revenues</u>								
Other Local Revenues	0	0	0	0	0	0	0	118
Total Other Local Revenues	\$ 11 \$	0 \$	7,338 \$	106,672 \$	6,853 \$	0 \$	0 \$	267,170
<u>Fees Received from County Officials</u>								
<u>Fees in-Lieu-of Salary</u>								
County Clerk	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	83,632
Circuit Court Clerk	0	0	0	0	0	0	0	17,189
General Sessions Court Clerk	0	0	0	0	0	0	0	47,555
Clerk and Master	0	0	0	0	0	0	0	50,263
Juvenile Court Clerk	0	0	0	0	0	0	0	526
Register	0	0	0	0	0	0	0	45,697
Sheriff	0	0	0	0	0	0	0	9,671
Trustee	0	0	0	0	0	0	0	109,030
Total Fees Received from County Officials	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	363,563

(Continued)

Exhibit J-5

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

	Special Revenue Funds			Highway / Public Works	General Debt Service	Capital Projects Funds			Total
	Other Special Revenue	Constitu- tional Officers - Fees				General Capital Projects	Community Development/ Industrial Park		
		0 \$	0 \$				0 \$	0 \$	
<u>State of Tennessee</u>									
<u>General Government Grants</u>									
Juvenile Services Program	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	11,250
State Reappraisal Grant	0	0	0	0	0	0	0	0	6,654
Solid Waste Grants	0	0	0	0	0	0	0	0	20,641
<u>Health and Welfare Grants</u>									
Health Department Programs	0	0	0	0	0	0	0	0	4,039
Other Health and Welfare Grants	0	0	0	0	0	0	0	0	69,384
<u>Public Works Grants</u>									
Bridge Program	0	0	49,673	0	0	0	0	0	49,673
Litter Program	0	0	0	0	0	0	0	0	36,975
<u>Other State Revenues</u>									
Income Tax	0	0	0	0	0	0	0	0	14,133
Beer Tax	0	0	0	0	0	0	0	0	8,721
Alcoholic Beverage Tax	0	0	0	0	0	0	0	0	30,116
State Revenue Sharing - T. V. A.	0	0	0	0	20,963	0	0	0	215,916
Contracted Prisoner Boarding	0	0	0	0	0	0	0	0	11,200
Gasoline and Motor Fuel Tax	0	0	1,481,659	0	0	0	0	0	1,481,659
Petroleum Special Tax	0	0	9,932	0	0	0	0	0	9,932
Registrar's Salary Supplement	0	0	0	0	0	0	0	0	10,817
Other State Grants	0	0	0	0	0	0	0	0	2,200
Other State Revenues	0	0	0	0	0	0	0	0	29
Total State of Tennessee	0 \$	0 \$	1,541,264 \$	20,963 \$	0 \$	0 \$	0 \$	0 \$	1,983,339
<u>Federal Government</u>									
<u>Federal Through State</u>									
Community Development	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	106,014 \$	0 \$	106,014
Homeland Security Grants	0	0	0	0	0	0	0	0	112,234
Other Federal through State	0	0	0	0	0	0	0	0	8,442
Total Federal Government	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	106,014 \$	0 \$	226,690

(Continued)

Exhibit J-5

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

	Special Revenue Funds			Debt Service Fund	Capital Projects Funds				Total
	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works		General Debt Service	General Capital Projects	Community Development/ Industrial Park		
Other Governments and Citizens Groups									
<u>Other Governments</u>									
Contributions	\$ 180,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 216,677
Total Other Governments and Citizens Groups	\$ 180,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 216,677
Total	\$ 180,011	\$ 2,360	\$ 1,548,602	\$ 292,201	\$ 6,853	\$ 106,014	\$ 5,659,316		

Exhibit J-6

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

	General Purpose School	School Federal Projects	Central Cafeteria	Education Debt Service	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 1,264,068	\$ 0	\$ 0	\$ 77,328	\$ 1,341,396
Trustee's Collections - Prior Year	5,053	0	0	575	5,628
Circuit/Clerk & Master Collections - Prior Years	60,201	0	0	3,704	63,905
Interest and Penalty	11,097	0	0	684	11,781
Payments in-Lieu-of Taxes - T.V.A.	6,915	0	0	425	7,340
Payments in-Lieu-of Taxes - Local Utilities	1,086	0	0	67	1,153
<u>County Local Option Taxes</u>					
Local Option Sales Tax	194,571	0	0	427,726	622,297
<u>Statutory Local Taxes</u>					
Bank Excise Tax	14,264	0	0	876	15,140
Interstate Telecommunications Tax	2,923	0	0	0	2,923
Total Local Taxes	\$ 1,560,178	\$ 0	\$ 0	\$ 511,385	\$ 2,071,563
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 808	\$ 0	\$ 0	\$ 0	\$ 808
Cable TV Franchise	5,051	0	0	310	5,361
Total Licenses and Permits	\$ 5,859	\$ 0	\$ 0	\$ 310	\$ 6,169
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Lunch Payments - Children	\$ 0	\$ 0	\$ 152,459	\$ 0	\$ 152,459
Lunch Payments - Adults	0	0	33,375	0	33,375
Income from Breakfast	0	0	15,903	0	15,903
A la carte Sales	0	0	107,249	0	107,249
Total Charges for Current Services	\$ 0	\$ 0	\$ 308,986	\$ 0	\$ 308,986
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 1,862	\$ 0	\$ 1,862
Lease/Rentals	300	0	0	0	300
Refund of Telecommunication & Internet Fees (E-Rate)	24,202	0	0	0	24,202
Miscellaneous Refunds	3,291	0	0	0	3,291
<u>Nonrecurring Items</u>					
Sale of Equipment	843	0	0	0	843
Damages Recovered from Individuals	682	0	0	0	682
Contributions and Gifts	33,536	0	0	0	33,536
<u>Other Local Revenues</u>					
Other Local Revenues	29	0	0	0	29
Total Other Local Revenues	\$ 62,883	\$ 0	\$ 1,862	\$ 0	\$ 64,745
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-Behalf Contributions for OPEB	\$ 33,733	\$ 0	\$ 0	\$ 0	\$ 33,733
<u>State Education Funds</u>					
Basic Education Program	10,362,931	0	0	0	10,362,931
Early Childhood Education	408,023	0	0	0	408,023
School Food Service	0	0	10,999	0	10,999

(Continued)

Exhibit J-6

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

	General Purpose School	School Federal Projects	Central Cafeteria	Education Debt Service	Total
<u>State of Tennessee (Cont.)</u>					
<u>State Education Funds (Cont.)</u>					
Other State Education Funds	\$ 77,528	\$ 0	\$ 0	\$ 0	\$ 77,528
Career Ladder Program	89,869	0	0	0	89,869
Career Ladder - Extended Contract	38,800	0	0	0	38,800
<u>Other State Revenues</u>					
State Revenue Sharing - T.V.A.	172,727	0	0	10,608	183,335
Other State Grants	159,940	0	0	0	159,940
Total State of Tennessee	\$ 11,343,551	\$ 0	\$ 10,999	\$ 10,608	\$ 11,365,158
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 493,091	\$ 0	\$ 493,091
Breakfast	0	0	197,198	0	197,198
USDA - Other	0	0	5,129	0	5,129
Adult Education State Grant Program	61,066	0	0	0	61,066
Vocational Education - Basic Grants to States	0	43,161	0	0	43,161
Title I Grants to Local Education Agencies	0	536,409	0	0	536,409
Special Education - Grants to States	29,930	512,355	0	0	542,285
Special Education Preschool Grants	0	26,091	0	0	26,091
Safe and Drug-Free Schools - State Grants	0	7,578	0	0	7,578
Rural Education	0	48,379	0	0	48,379
Eisenhower Professional Development State Grants	0	100,829	0	0	100,829
Other Federal through State	169,122	0	64,046	0	233,168
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	0	301,244	0	0	301,244
Total Federal Government	\$ 260,118	\$ 1,576,046	\$ 759,464	\$ 0	\$ 2,595,628
Total	\$ 13,232,589	\$ 1,576,046	\$ 1,081,311	\$ 522,303	\$ 16,412,249

Exhibit J-7

Bledsoe 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	\$ 43,593	
Medical Insurance	3,180	
Audit Services	3,710	
Data Processing Services	477	
Dues and Memberships	1,350	
Legal Notices, Recording, and Court Costs	412	
Total County Commission		\$ 52,722

County Mayor/Executive

County Official/Administrative Officer	\$ 66,702	
Assistant(s)	23,725	
Secretary(ies)	16,200	
Social Security	6,567	
State Retirement	8,944	
Life Insurance	72	
Medical Insurance	2,097	
Employer Medicare	1,393	
Communication	5,016	
Data Processing Services	5,526	
Dues and Memberships	1,200	
Travel	3,380	
Office Supplies	4,423	
Total County Mayor/Executive		145,245

County Attorney

Legal Services	\$ 7,624	
Legal Notices, Recording, and Court Costs	1,975	
Total County Attorney		9,599

Election Commission

County Official/Administrative Officer	\$ 46,200
Election Commission	3,700
Election Workers	19,865
Social Security	2,576
State Retirement	3,481
Life Insurance	28
Medical Insurance	2,641
Employer Medicare	538
Communication	686
Legal Notices, Recording, and Court Costs	999

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Travel	\$	17	
Data Processing Supplies		19,217	
Office Supplies		2,080	
Total Election Commission			\$ 102,028

Register of Deeds

County Official/Administrative Officer	\$	57,751	
Clerical Personnel		22,146	
Social Security		4,606	
State Retirement		6,928	
Life Insurance		44	
Medical Insurance		6,359	
Employer Medicare		978	
Communication		1,146	
Data Processing Services		4,567	
Dues and Memberships		427	
Travel		1,300	
Office Supplies		4,090	
Total Register of Deeds			110,342

Planning

Board and Committee Members Fees	\$	4,150	
Contracts with Government Agencies		9,250	
Other Contracted Services		378	
Total Planning			13,778

County Buildings

Custodial Personnel	\$	16,800	
Social Security		1,027	
State Retirement		1,453	
Life Insurance		24	
Employer Medicare		218	
Communication		34	
Maintenance and Repair Services - Buildings		15,317	
Other Contracted Services		1,744	
Custodial Supplies		2,286	
Electricity		26,942	
Water and Sewer		4,851	
Other Supplies and Materials		2,025	
Total County Buildings			72,721

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Other General Administration

Guards	\$ 6,104	
Unemployment Compensation	6,968	
Maintenance and Repair Services - Office Equipment	756	
Postal Charges	9,158	
Penalties	3,517	
Other Contracted Services	1,532	
Office Supplies	331	
Other Supplies and Materials	251	
Building and Contents Insurance	38,933	
Refunds	6,039	
Trustee's Commission	31,940	
Workers' Compensation Insurance	19,067	
Other Charges	5,803	
Total Other General Administration		\$ 130,399

Finance

Property Assessor's Office

County Official/Administrative Officer	\$ 57,751	
Deputy(ies)	27,093	
Clerical Personnel	8,610	
Social Security	6,333	
State Retirement	9,030	
Life Insurance	72	
Medical Insurance	3,180	
Employer Medicare	1,344	
Communication	1,433	
Contracts with Government Agencies	1,904	
Other Contracted Services	1,210	
Premiums on Corporate Surety Bonds	340	
Total Property Assessor's Office		118,300

Reappraisal Program

Data Processing Services	\$ 2,353	
Travel	1,487	
Other Contracted Services	12,551	
Other Supplies and Materials	751	
Total Reappraisal Program		17,142

County Trustee's Office

County Official/Administrative Officer	\$ 57,751
Deputy(ies)	16,800

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Social Security	\$ 4,585	
State Retirement	6,466	
Life Insurance	48	
Medical Insurance	2,097	
Employer Medicare	973	
Communication	1,332	
Data Processing Services	11,280	
Dues and Memberships	437	
Legal Notices, Recording, and Court Costs	120	
Printing, Stationery, and Forms	467	
Travel	216	
Data Processing Supplies	2,020	
Office Supplies	1,008	
Total County Trustee's Office		\$ 105,600

County Clerk's Office

County Official/Administrative Officer	\$ 57,751	
Deputy(ies)	28,109	
Social Security	5,364	
State Retirement	7,444	
Life Insurance	48	
Employer Medicare	1,138	
Communication	1,310	
Dues and Memberships	427	
Office Supplies	2,574	
Total County Clerk's Office		104,165

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$ 57,751
Deputy(ies)	15,600
Accountants/Bookkeepers	19,425
Clerical Personnel	15,600
Jury and Witness Fees	11,500
Social Security	6,569
State Retirement	9,392
Life Insurance	91
Medical Insurance	3,180
Employer Medicare	1,394
Communication	3,880

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Dues and Memberships	\$ 327	
Travel	676	
Office Supplies	8,105	
Fines, Assessments, and Penalties	<u>2,764</u>	
Total Circuit Court		\$ 156,254

General Sessions Court

Judge(s)	\$ 82,421	
Social Security	5,286	
State Retirement	7,246	
Employer Medicare	<u>1,123</u>	
Total General Sessions Court		96,076

Chancery Court

County Official/Administrative Officer	\$ 57,751	
Deputy(ies)	28,237	
Secretary(ies)	10,303	
Social Security	6,019	
State Retirement	7,444	
Life Insurance	48	
Employer Medicare	1,276	
Communication	2,077	
Dues and Memberships	387	
Travel	314	
Other Contracted Services	1,500	
Data Processing Supplies	157	
Office Supplies	2,687	
Premiums on Corporate Surety Bonds	<u>1,083</u>	
Total Chancery Court		119,283

Juvenile Court

Social Workers	\$ 24,533	
Social Security	1,528	
State Retirement	2,122	
Life Insurance	24	
Employer Medicare	324	
Communication	634	
Travel	1,027	
Office Supplies	<u>550</u>	
Total Juvenile Court		30,742

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$ 63,527	
Deputy(ies)	241,403	
Youth Service Officer(s)	59,853	
Salary Supplements	3,600	
Overtime Pay	43,622	
In-Service Training	9,876	
Social Security	26,113	
State Retirement	29,902	
Life Insurance	154	
Medical Insurance	349	
Employer Medicare	5,294	
Communication	9,486	
Data Processing Services	2,720	
Dues and Memberships	1,300	
Maintenance and Repair Services - Equipment	3,077	
Maintenance and Repair Services - Vehicles	21,159	
Other Contracted Services	40	
Gasoline	36,599	
Office Supplies	2,160	
Uniforms	4,399	
Law Enforcement Equipment	7,498	
Motor Vehicles	31,599	
Total Sheriff's Department		\$ 603,730

Jail

Supervisor/Director	\$ 20,375
Guards	161,813
Overtime Pay	1,620
Social Security	11,593
State Retirement	7,371
Life Insurance	61
Employer Medicare	2,463
Medical and Dental Services	47,054
Travel	1,460
Other Contracted Services	63,058
Custodial Supplies	2,590
Electricity	10,157
Food Supplies	18,659
Office Supplies	2,402
Water and Sewer	9,692

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Other Supplies and Materials	\$ 1,796	
Total Jail		\$ 362,164

Fire Prevention and Control

Contributions	\$ 18,000	
Other Charges	500	
Total Fire Prevention and Control		18,500

Civil Defense

Communication	\$ 342	
Dues and Memberships	35	
Travel	50	
Diesel Fuel	420	
Other Supplies and Materials	60,809	
Other Charges	45,248	
Total Civil Defense		106,904

Rescue Squad

Contributions	\$ 6,000	
Total Rescue Squad		6,000

County Coroner/Medical Examiner

Medical and Dental Services	\$ 5,700	
Travel	250	
Total County Coroner/Medical Examiner		5,950

Public Health and Welfare

Local Health Center

Custodial Personnel	\$ 5,110
Other Salaries and Wages	511
Social Security	355
Employer Medicare	75
Communication	3,196
Contracts with Government Agencies	4,928
Dues and Memberships	150
Maintenance and Repair Services - Buildings	100
Travel	256
Other Contracted Services	1,735
Custodial Supplies	65
Electricity	12,662

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Office Supplies	\$ 630	
Utilities	1,982	
Total Local Health Center		\$ 31,755

Dental Health Program

Secretary(ies)	\$ 5,600	
Other Salaries and Wages	52,607	
Social Security	7,258	
Employer Medicare	466	
Total Dental Health Program		65,931

Alcohol and Drug Programs

Other Supplies and Materials	\$ 838	
Total Alcohol and Drug Programs		838

Crippled Children Services

Contracts with Government Agencies	\$ 971	
Total Crippled Children Services		971

General Welfare Assistance

Contributions	\$ 5,090	
Other Supplies and Materials	902	
Total General Welfare Assistance		5,992

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$ 4,000	
Total Senior Citizens Assistance		4,000

Parks and Fair Boards

Contributions	\$ 3,500	
Electricity	3,442	
Total Parks and Fair Boards		6,942

Agriculture and Natural Resources

Agriculture Extension Service

Salary Supplements	\$ 43,085	
Communication	3,277	
Transportation - Other than Students	4,500	
Other Supplies and Materials	4,572	
Total Agriculture Extension Service		55,434

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation

Contributions	\$ 3,000	
Total Soil Conservation		\$ 3,000

Other Operations

Other Economic and Community Development

Contracts with Other Public Agencies	\$ 8,829	
Dues and Memberships	500	
Postal Charges	199	
Printing, Stationery, and Forms	916	
Travel	1,629	
Total Other Economic and Community Development		12,073

Veterans' Services

Supervisor/Director	\$ 3,050	
Social Security	193	
Employer Medicare	41	
Travel	1,121	
Gasoline	662	
Office Supplies	587	
Total Veterans' Services		5,654

Contributions to Other Agencies

Contributions	\$ 1,571	
Total Contributions to Other Agencies		1,571

Total General Fund \$ 2,681,805

Courthouse and Jail Maintenance Fund

General Government

County Buildings

Maintenance and Repair Services - Buildings	\$ 6,182	
Other Supplies and Materials	1,579	
Trustee's Commission	78	
Total County Buildings		\$ 7,839

Total Courthouse and Jail Maintenance Fund 7,839

(Continued)

Exhibit J-7

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

Public Library Fund

Social, Cultural, and Recreational Services

Libraries

Assistant(s)	\$ 11,334	
Librarians	28,110	
Social Security	2,492	
State Retirement	2,431	
Medical Insurance	3,180	
Employer Medicare	282	
Communication	2,007	
Dues and Memberships	55	
Maintenance and Repair Services - Buildings	198	
Postal Charges	2,000	
Travel	157	
Other Contracted Services	473	
Data Processing Supplies	1,122	
Electricity	2,190	
Library Books/Media	1,424	
Water and Sewer	2,434	
Other Supplies and Materials	604	
Data Processing Equipment	4,754	
Total Libraries		<u>\$ 65,247</u>

Total Public Library Fund

\$ 65,247

Solid Waste/Sanitation Fund

Public Health and Welfare

Convenience Centers

Truck Drivers	\$ 20,363
Other Salaries and Wages	59,007
Social Security	3,689
State Retirement	3,290
Life Insurance	34
Employer Medicare	849
Communication	1,281
Maintenance and Repair Services - Buildings	610
Other Contracted Services	60,903
Electricity	2,737
Equipment and Machinery Parts	10,637
Water and Sewer	281
Other Supplies and Materials	1,600
Building and Contents Insurance	5,000
Trustee's Commission	3,412

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Convenience Centers (Cont.)

Workers' Compensation Insurance	\$ 1,565	
Solid Waste Equipment	19,657	
Other Construction	423	
Total Convenience Centers		\$ 195,338

Landfill Operation and Maintenance

Contracts for Landfill Facilities	\$ 12,865	
Total Landfill Operation and Maintenance		12,865

Highways

Litter and Trash Collection

Education Media Personnel	\$ 8,470	
Clerical Personnel	4,700	
Other Salaries and Wages	18,500	
Social Security	1,427	
State Retirement	1,284	
Life Insurance	37	
Employer Medicare	348	
Other Supplies and Materials	3,686	
Total Litter and Trash Collection		38,452

Principal on Debt

General Government

Principal on Notes	\$ 40,714	
Total General Government		40,714

Interest on Debt

General Government

Interest on Notes	\$ 2,486	
Total General Government		2,486

Total Solid Waste/Sanitation Fund \$ 289,855

Ambulance Service Fund

Public Health and Welfare

Ambulance/Emergency Medical Services

Medical Personnel	\$ 309,755
Part-time Personnel	7,530
Overtime Pay	61,511
In-Service Training	4,809

(Continued)

Exhibit J-7

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

Ambulance Service Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Social Security	\$ 28,659	
State Retirement	11,690	
Life Insurance	219	
Medical Insurance	60,315	
Communication	3,006	
Consultants	4,575	
Dues and Memberships	230	
Legal Notices, Recording, and Court Costs	20	
Licenses	1,250	
Maintenance and Repair Services - Buildings	3,879	
Maintenance and Repair Services - Equipment	2,236	
Maintenance and Repair Services - Vehicles	20,764	
Postal Charges	716	
Travel	2,256	
Other Contracted Services	3,907	
Data Processing Supplies	66	
Drugs and Medical Supplies	19,233	
Electricity	5,928	
Gasoline	19,699	
Office Supplies	4,563	
Tires and Tubes	907	
Uniforms	6,744	
Water and Sewer	173	
Other Supplies and Materials	322	
Liability Insurance	6,000	
Refunds	1,431	
Vehicle and Equipment Insurance	5,500	
Workers' Compensation Insurance	30,000	
Other Charges	2,353	
Communication Equipment	914	
Total Ambulance/Emergency Medical Services		<u>\$ 631,160</u>

Total Ambulance Service Fund \$ 631,160

Drug Control Fund

Public Safety

Sheriff's Department

Other Supplies and Materials	\$ 1,836	
Total Sheriff's Department		\$ 1,836

(Continued)

Exhibit J-7

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

Drug Control Fund (Cont.)

Public Safety (Cont.)

Drug Enforcement

Trustee's Commission

\$ 20

Total Drug Enforcement

\$ 20

Total Drug Control Fund

\$ 1,856

Other Special Revenue Fund

Public Safety

Other Public Safety

Supervisor/Director

\$ 28,766

Dispatchers/Radio Operators

73,345

Overtime Pay

23,320

In-Service Training

1,400

Social Security

8,262

State Retirement

10,194

Life Insurance

82

Medical Insurance

3,055

Communication

5,161

Travel

3,250

Other Contracted Services

9,740

Electricity

3,722

Office Supplies

1,637

Water and Sewer

942

Building and Contents Insurance

3,500

Workers' Compensation Insurance

6,000

Other Charges

2,360

Total Other Public Safety

\$ 184,736

Total Other Special Revenue Fund

184,736

Constitutional Officers - Fees Fund

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses

\$ 81

Total County Trustee's Office

\$ 81

County Clerk's Office

Constitutional Officers' Operating Expenses

\$ 52

Total County Clerk's Office

52

(Continued)

Exhibit J-7

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

Constitutional Officers - Fees Fund (Cont.)

Administration of Justice

Circuit Court

Constitutional Officers' Operating Expenses	\$ 273	
Total Circuit Court		\$ 273

General Sessions Court

Constitutional Officers' Operating Expenses	\$ 393	
Total General Sessions Court		393

Chancery Court

Special Commissioner Fees/Special Master Fees	\$ 1,500	
Constitutional Officers' Operating Expenses	39	
Total Chancery Court		1,539

Public Safety

Sheriff's Department

Constitutional Officers' Operating Expenses	\$ 22	
Total Sheriff's Department		22

Total Constitutional Officers - Fees Fund		\$ 2,360
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Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 63,527	
Data Processing Personnel	23,150	
Secretary(ies)	17,390	
Communication	4,967	
Data Processing Services	3,966	
Dues and Memberships	2,539	
Legal Notices, Recording, and Court Costs	390	
Maintenance and Repair Services - Office Equipment	50	
Postal Charges	259	
Travel	402	
Other Contracted Services	746	
Data Processing Supplies	106	
Electricity	6,092	
Office Supplies	358	
Propane Gas	4,119	
Water and Sewer	1,969	
Other Supplies and Materials	330	
Other Charges	1,495	
Total Administration		\$ 131,855

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance

Foremen	\$ 61,195	
Equipment Operators	70,141	
Truck Drivers	82,218	
Laborers	63,051	
Overtime Pay	9,434	
Freight Expenses	28	
Other Contracted Services	1,570	
Asphalt	431,543	
Concrete	836	
Crushed Stone	137,433	
Ice	285	
Other Road Supplies	332	
Pipe - Metal	16,205	
Propane Gas	555	
Road Signs	1,263	
Other Supplies and Materials	301	
Other Charges	2,712	
Total Highway and Bridge Maintenance		\$ 879,102

Operation and Maintenance of Equipment

Mechanic(s)	\$ 49,032	
Nightwatchmen	36,809	
Freight Expenses	478	
Maintenance and Repair Services - Equipment	9,788	
Maintenance and Repair Services - Vehicles	2,180	
Diesel Fuel	68,172	
Equipment and Machinery Parts	39,497	
Garage Supplies	2,638	
Gasoline	14,468	
Lubricants	7,107	
Small Tools	799	
Tires and Tubes	19,268	
Other Supplies and Materials	280	
Other Charges	148	
Total Operation and Maintenance of Equipment		250,664

Quarry Operations

Other Charges	\$ 2,245	
Total Quarry Operations		2,245

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges

Building and Contents Insurance	\$ 1,200	
Liability Insurance	8,200	
Trustee's Commission	14,889	
Vehicle and Equipment Insurance	9,233	
Workers' Compensation Insurance	<u>27,384</u>	
Total Other Charges		\$ 60,906

Employee Benefits

Social Security	\$ 36,075	
State Retirement	38,005	
Employee and Dependent Insurance	163,831	
Unemployment Compensation	3,604	
Other Fringe Benefits	<u>197</u>	
Total Employee Benefits		<u>241,712</u>

Total Highway/Public Works Fund \$ 1,566,484

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ <u>75,000</u>	
Total General Government		\$ 75,000

Interest on Debt

General Government

Interest on Bonds	\$ <u>44,631</u>	
Total General Government		44,631

Other Debt Service

General Government

Fiscal Agent Charges	\$ 525	
Trustee's Commission	3,435	
Underwriter's Discount	11,880	
Other Debt Issuance Charges	<u>21,472</u>	
Total General Government		<u>37,312</u>

Total General Debt Service Fund 156,943

(Continued)

Exhibit J-7

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

<u>General Capital Projects Fund</u>		
<u>Principal on Debt</u>		
<u>General Government</u>		
Principal on Notes	<u>\$ 675,000</u>	
Total General Government		\$ 675,000
 <u>Interest on Debt</u>		
<u>General Government</u>		
Interest on Notes	<u>\$ 24,938</u>	
Total General Government		24,938
 <u>Other Debt Service</u>		
<u>General Government</u>		
Underwriter's Discount	\$ 93,600	
Other Debt Issuance Charges	<u>201,753</u>	
Total General Government		295,353
 <u>Capital Projects</u>		
<u>Administration of Justice Projects</u>		
Architects	\$ 189,000	
Bank Charges	2,306	
Other Contracted Services	305,526	
Liability Insurance	4,494	
Other Charges	<u>13,197</u>	
Total Administration of Justice Projects		<u>514,523</u>
 Total General Capital Projects Fund		 \$ 1,509,814
 <u>Community Development/Industrial Park Fund</u>		
<u>Capital Projects</u>		
<u>Public Utility Projects</u>		
Other Contracted Services	<u>\$ 106,014</u>	
Total Public Utility Projects		<u>\$ 106,014</u>
 Total Community Development/Industrial Park Fund		 <u>106,014</u>
 Total Governmental Funds - Primary Government		 <u><u>\$ 7,204,113</u></u>

Exhibit J-8

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 3,870,672	
Career Ladder Program	39,065	
Career Ladder Extended Contracts	21,875	
Homebound Teachers	11,008	
Educational Assistants	278,947	
Certified Substitute Teachers	6,378	
Non-certified Substitute Teachers	81,270	
Social Security	250,212	
State Retirement	274,322	
Life Insurance	275	
Medical Insurance	423,060	
Employer Medicare	58,899	
Maintenance and Repair Services - Equipment	1,320	
Instructional Supplies and Materials	67,872	
Textbooks	168,531	
Regular Instruction Equipment	38,372	
Total Regular Instruction Program		\$ 5,592,078

Alternative Instruction Program

Teachers	\$ 51,413	
Career Ladder Program	500	
Social Security	3,116	
State Retirement	3,365	
Medical Insurance	3,039	
Employer Medicare	729	
Total Alternative Instruction Program		62,162

Special Education Program

Teachers	\$ 837,016
Career Ladder Program	12,000
Career Ladder Extended Contracts	3,500
Homebound Teachers	1,612
Clerical Personnel	23,706
Educational Assistants	213,454
Other Salaries and Wages	7,000
Social Security	63,725
State Retirement	75,695
Medical Insurance	129,182
Employer Medicare	14,903

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Maintenance and Repair Services - Equipment	\$	4,124	
Other Contracted Services		6,638	
Instructional Supplies and Materials		11,412	
Other Supplies and Materials		2,129	
Special Education Equipment		8,578	
Total Special Education Program			\$ 1,414,674

Vocational Education Program

Teachers	\$	249,243	
Career Ladder Program		4,800	
Certified Substitute Teachers		25	
Non-certified Substitute Teachers		3,825	
Social Security		15,544	
State Retirement		16,194	
Medical Insurance		12,787	
Employer Medicare		3,661	
Other Contracted Services		1,800	
Instructional Supplies and Materials		6,203	
Total Vocational Education Program			314,082

Adult Education Program

Teachers	\$	51,029	
Other Salaries and Wages		4,886	
Social Security		3,261	
State Retirement		2,238	
Medical Insurance		38	
Employer Medicare		763	
Instructional Supplies and Materials		18,655	
Other Equipment		107	
Total Adult Education Program			80,977

Support Services

Attendance

Supervisor/Director	\$	32,227	
Career Ladder Program		1,000	
Social Security		2,060	
State Retirement		2,133	
Employer Medicare		482	
Other Contracted Services		750	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Attendance (Cont.)

Other Supplies and Materials	\$ 2,524	
Attendance Equipment	2,740	
Total Attendance		\$ 43,916

Health Services

Medical Personnel	\$ 109,300	
Other Salaries and Wages	14,335	
Non-certified Substitute Teachers	200	
Social Security	7,048	
State Retirement	8,257	
Medical Insurance	18,010	
Employer Medicare	1,648	
Postal Charges	211	
Travel	5,546	
Other Contracted Services	4,000	
Other Supplies and Materials	11,299	
In Service/Staff Development	2,946	
Other Charges	2,420	
Health Equipment	7,688	
Total Health Services		192,908

Other Student Support

Career Ladder Program	\$ 4,000	
Guidance Personnel	139,219	
Psychological Personnel	41,580	
Social Security	10,773	
State Retirement	11,864	
Medical Insurance	21,207	
Employer Medicare	2,519	
Evaluation and Testing	5,475	
Other Contracted Services	36,677	
Textbooks	424	
Other Supplies and Materials	8,877	
Other Charges	5,555	
Total Other Student Support		288,170

Regular Instruction Program

Supervisor/Director	\$ 59,324	
Career Ladder Program	6,000	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Career Ladder Extended Contracts	\$	7,000	
Librarians		129,679	
Materials Supervisor		58,124	
Instructional Computer Personnel		51,442	
Other Salaries and Wages		41,829	
Social Security		20,845	
State Retirement		23,026	
Medical Insurance		29,159	
Employer Medicare		4,875	
Maintenance and Repair Services - Equipment		1,648	
Travel		9,510	
Other Contracted Services		75	
Library Books/Media		10,094	
Other Supplies and Materials		7,147	
In Service/Staff Development		2,572	
Total Regular Instruction Program			\$ 462,349

Special Education Program

Supervisor/Director	\$	64,880	
Career Ladder Program		2,000	
Career Ladder Extended Contracts		3,500	
Secretary(ies)		28,075	
Social Security		5,982	
State Retirement		6,947	
Medical Insurance		3,934	
Employer Medicare		1,399	
Travel		7,141	
Other Contracted Services		4,358	
Other Supplies and Materials		4,161	
In Service/Staff Development		325	
Other Charges		2,078	
Total Special Education Program			134,780

Vocational Education Program

Supervisor/Director	\$	32,712	
Clerical Personnel		7,200	
Social Security		426	
State Retirement		623	
Medical Insurance		145	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Vocational Education Program (Cont.)

Employer Medicare	\$	574	
Travel		763	
Total Vocational Education Program			\$ 42,443

Adult Programs

Supervisor/Director	\$	42,532	
Career Ladder Program		1,000	
Social Security		2,541	
State Retirement		2,763	
Medical Insurance		3,579	
Employer Medicare		594	
Travel		1,000	
Other Charges		3,830	
Other Equipment		2,673	
Total Adult Programs			60,512

Other Programs

On-Behalf Payments to OPEB	\$	33,733	
Total Other Programs			33,733

Board of Education

Board and Committee Members Fees	\$	24,300	
Social Security		1,507	
Unemployment Compensation		5,470	
Employer Medicare		352	
Advertising		1,650	
Audit Services		5,500	
Dues and Memberships		6,044	
Fiscal Agent Charges		166	
Legal Services		12,691	
Legal Notices, Recording, and Court Costs		635	
Travel		13,831	
Other Contracted Services		2,924	
Office Supplies		220	
Other Supplies and Materials		225	
Liability Insurance		34,745	
Trustee's Commission		47,562	
Workers' Compensation Insurance		63,645	
Refund to Applicant for Criminal Investigation		660	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Other Charges	\$ 1,000	
Total Board of Education		\$ 223,127

Director of Schools

County Official/Administrative Officer	\$ 73,203	
Career Ladder Program	1,000	
Social Security	4,748	
State Retirement	5,085	
Medical Insurance	10,338	
Employer Medicare	1,110	
Other Fringe Benefits	1,448	
Communication	35,514	
Dues and Memberships	1,159	
Maintenance Agreements	481	
Postal Charges	1,472	
Travel	5,816	
Other Contracted Services	20	
Office Supplies	184	
Total Director of Schools		141,578

Office of the Principal

Principals	\$ 338,406	
Career Ladder Program	5,000	
Secretary(ies)	107,479	
Social Security	26,907	
State Retirement	31,344	
Medical Insurance	20,622	
Employer Medicare	6,293	
Communication	2,348	
Total Office of the Principal		538,399

Fiscal Services

Accountants/Bookkeepers	\$ 88,831
Other Salaries and Wages	29,032
Social Security	6,653
State Retirement	5,587
Medical Insurance	12,148
Employer Medicare	1,556
Data Processing Services	8,441

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services (Cont.)

Travel	\$	107	
Other Contracted Services		1,295	
Office Supplies		1,708	
Administration Equipment		4,026	
Total Fiscal Services			\$ 159,384

Operation of Plant

Supervisor/Director	\$	57,398	
Custodial Personnel		317,684	
Other Salaries and Wages		6,700	
Social Security		23,018	
State Retirement		27,286	
Medical Insurance		2,015	
Employer Medicare		5,458	
Rentals		601	
Other Contracted Services		75,454	
Electricity		375,783	
Natural Gas		59,193	
Water and Sewer		31,097	
Other Supplies and Materials		92,720	
Total Operation of Plant			1,074,407

Maintenance of Plant

Supervisor/Director	\$	32,227	
Maintenance Personnel		64,510	
Social Security		5,998	
State Retirement		7,324	
Employer Medicare		1,403	
Maintenance and Repair Services - Buildings		41,792	
Maintenance and Repair Services - Equipment		24,868	
Travel		1,093	
Other Contracted Services		59,202	
Other Supplies and Materials		25,501	
Vehicle and Equipment Insurance		420	
Maintenance Equipment		4,950	
Total Maintenance of Plant			269,288

Transportation

Supervisor/Director	\$	31,652	
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(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Mechanic(s)	\$ 28,407	
Bus Drivers	372,610	
Other Salaries and Wages	18,918	
Social Security	26,252	
State Retirement	34,492	
Medical Insurance	3,078	
Employer Medicare	6,473	
Contracts with Parents	2,922	
Maintenance and Repair Services - Vehicles	7,215	
Medical and Dental Services	1,936	
Other Contracted Services	5,007	
Gasoline	126,574	
Tires and Tubes	15,428	
Vehicle Parts	45,739	
Other Supplies and Materials	7,053	
Vehicle and Equipment Insurance	14,211	
Transportation Equipment	24,900	
Total Transportation		\$ 772,867

Operation of Non-Instructional Services

Food Service

Other Salaries and Wages	\$ 20,545	
Social Security	1,271	
State Retirement	1,002	
Employer Medicare	297	
Other Charges	2,111	
Total Food Service		25,226

Community Services

Supervisor/Director	\$ 34,856
Teachers	53,950
Bus Drivers	11,225
Clerical Personnel	1,435
Educational Assistants	53,648
Other Salaries and Wages	10,166
Social Security	9,483
State Retirement	11,678
Employer Medicare	2,218
Communication	488

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services (Cont.)

Other Contracted Services	\$ 3,988	
Instructional Supplies and Materials	1,705	
Other Supplies and Materials	10,884	
Other Charges	952	
Total Community Services		\$ 206,676

Early Childhood Education

Teachers	\$ 138,383	
Bus Drivers	15,666	
Educational Assistants	84,762	
Other Salaries and Wages	22,350	
Social Security	15,026	
State Retirement	18,211	
Medical Insurance	29,450	
Employer Medicare	3,514	
Communication	4,401	
Travel	1,641	
Other Contracted Services	105	
Instructional Supplies and Materials	42,915	
In Service/Staff Development	3,631	
Other Capital Outlay	27,970	
Total Early Childhood Education		408,025

Capital Outlay

Regular Capital Outlay

Building Improvements	\$ 17,532	
Other Capital Outlay	108,787	
Total Regular Capital Outlay		126,319

Principal on Debt

Education

Principal on Notes	\$ 9,000	
Total Education		9,000

Total General Purpose School Fund \$ 12,677,080

(Continued)

Exhibit J-8

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

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$ 206,680	
Educational Assistants	72,333	
Non-certified Substitute Teachers	4,832	
Social Security	16,645	
State Retirement	19,525	
Medical Insurance	18,068	
Employer Medicare	3,897	
Instructional Supplies and Materials	12,280	
Regular Instruction Equipment	49,852	
Total Regular Instruction Program		\$ 404,112

Special Education Program

Teachers	\$ 17,155	
Educational Assistants	262,356	
Other Salaries and Wages	19,336	
Non-certified Substitute Teachers	9,820	
Social Security	18,781	
State Retirement	23,475	
Employer Medicare	4,454	
Contracts with Private Agencies	26,442	
Other Contracted Services	6,308	
Instructional Supplies and Materials	25,624	
Special Education Equipment	2,497	
Total Special Education Program		416,248

Vocational Education Program

Educational Assistants	\$ 5,016	
Social Security	311	
State Retirement	434	
Employer Medicare	73	
Instructional Supplies and Materials	2,135	
Vocational Instruction Equipment	23,840	
Total Vocational Education Program		31,809

Support Services

Other Student Support

Evaluation and Testing	\$ 8,000	
Maintenance and Repair Services - Equipment	1,904	
Travel	8,106	

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Other Supplies and Materials	\$	6,297	
In Service/Staff Development		2,260	
Other Charges		1,200	
Other Equipment		36,400	
Total Other Student Support			\$ 64,167

Regular Instruction Program

Supervisor/Director	\$	51,946	
Clerical Personnel		3,360	
Educational Assistants		2,000	
Other Salaries and Wages		29,000	
In-Service Training		12,238	
Non-certified Substitute Teachers		3,586	
Social Security		6,597	
State Retirement		6,714	
Medical Insurance		3,934	
Employer Medicare		1,544	
Consultants		4,656	
Contracts with Other School Systems		805	
Contracts with Private Agencies		80,235	
Evaluation and Testing		10,000	
Travel		55,421	
Tuition		100,980	
Other Contracted Services		3,452	
Other Supplies and Materials		32,690	
In Service/Staff Development		82,069	
Other Charges		3,997	
Other Equipment		13,827	
Total Regular Instruction Program			509,051

Special Education Program

Secretary(ies)	\$	25,513	
Clerical Personnel		13,000	
Social Security		2,317	
State Retirement		3,130	
Employer Medicare		542	
Travel		5,869	
In Service/Staff Development		12,035	
Total Special Education Program			62,406

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Vocational Education Program

Travel	\$	986	
Total Vocational Education Program			\$ 986

Fiscal Services

Other Salaries and Wages	\$	4,383	
Social Security		272	
State Retirement		281	
Employer Medicare		64	
Total Fiscal Services			5,000

Transportation

Bus Drivers	\$	1,900	
Other Salaries and Wages		15,568	
Social Security		1,083	
State Retirement		1,163	
Employer Medicare		253	
Contracts with Parents		15,602	
Total Transportation			35,569

Total School Federal Projects Fund \$ 1,529,348

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	25,208
Clerical Personnel		1,764
Cafeteria Personnel		303,670
Social Security		20,303
State Retirement		25,010
Unemployment Compensation		268
Employer Medicare		4,750
Communication		1,899
Maintenance and Repair Services - Equipment		13,509
Travel		833
Other Contracted Services		3,763
Food Preparation Supplies		39,190
Food Supplies		487,477
Office Supplies		3,641
Uniforms		225

(Continued)

Exhibit J-8

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Other Supplies and Materials	\$	117	
In Service/Staff Development		9,302	
Other Charges		3,050	
Food Service Equipment		34,394	
Total Food Service			\$ 978,373

Community Services

Supervisor/Director	\$	2,240	
Other Salaries and Wages		6,612	
Social Security		549	
State Retirement		766	
Employer Medicare		128	
Communication		351	
Maintenance and Repair Services - Equipment		278	
Travel		3,033	
Food Preparation Supplies		1,606	
Food Supplies		26,617	
Office Supplies		470	
In Service/Staff Development		1,880	
Other Charges		115	
Food Service Equipment		2,719	
Total Community Services			47,364

Total Central Cafeteria Fund \$ 1,025,737

Education Debt Service Fund

Principal on Debt

Education

Principal on Bonds	\$	440,000	
Total Education			\$ 440,000

Interest on Debt

Education

Interest on Bonds	\$	450,970	
Total Education			450,970

Other Debt Service

Education

Fiscal Agent Charges	\$	2,358	
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(Continued)

Exhibit J-8

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

<u>Education Debt Service Fund (Cont.)</u>		
<u>Other Debt Service (Cont.)</u>		
<u>Education (Cont.)</u>		
Trustee's Commission	\$ 6,021	
Other Debt Service	<u>6,000</u>	
Total Education		<u>\$ 14,379</u>
Total Education Debt Service Fund		<u>\$ 905,349</u>
Total Governmental Funds - Bledsoe County School Department		<u><u>\$ 16,137,514</u></u>

Exhibit J-9

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

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	<u>\$ 175,466</u>
<u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 173,711
Trustee's Commission	<u>1,755</u>
Total Cash Disbursements	<u>\$ 175,466</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0
Cash Balance, July 1, 2008	<u>0</u>
Cash Balance, June 30, 2009	<u><u>\$ 0</u></u>

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SINGLE AUDIT SECTION

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STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
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

October 9, 2009

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

To the County Mayor and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bledsoe County, Tennessee, as of and for the year ended June 30, 2009, which collectively comprise Bledsoe County's basic financial statements and have issued our report thereon dated October 9, 2009. Our report on the aggregate discretely presented component units was qualified due to not including the financial statements of the Bledsoe County Nursing Home, which were not available from other auditors as of the date of this report. 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 Bledsoe County Emergency Communications District as described in our report on Bledsoe 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 Bledsoe 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 Bledsoe County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Bledsoe 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, 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 Bledsoe 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 Bledsoe County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and are described in the accompanying Schedule of Findings and Questioned Costs as items: 09.03 and 09.06.

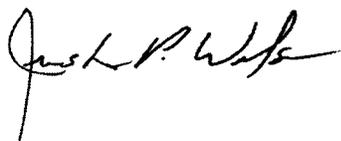
We consider item 09.04 described in the accompanying Schedule of Findings and Questioned Costs to be a noteworthy control deficiency over financial operations.

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

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

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

Very truly yours,

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 "W".

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

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STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
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

October 9, 2009

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

To the County Mayor and Board of County Commissioners:

Compliance

We have audited the compliance of Bledsoe 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. Bledsoe 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 Bledsoe County's management. Our responsibility is to express an opinion on Bledsoe 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 Bledsoe 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 Bledsoe County's compliance with those requirements.

In our opinion, Bledsoe 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 Bledsoe 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 Bledsoe 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 Bledsoe 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 the county's 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

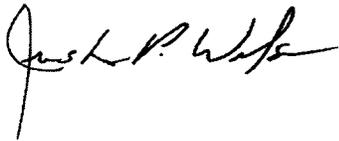
We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bledsoe County as of and for the year ended June 30, 2009, and have issued our report thereon dated October 9, 2009. Our report on the aggregate discretely presented component units was qualified due to not including the financial statements of the Bledsoe County Nursing Home, which were not available from other auditors as of the date of this report. Our audit was performed for the purpose of forming our opinions on the financial

statements that collectively comprise Bledsoe 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.

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

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

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 "W".

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

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Bledsoe County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2009

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	\$ 50,691 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	197,198
National School Lunch Program	10.555	N/A	493,091 (3)
Passed-through State Department of Human Services:			
Child and Adult Care Food Program	10.558	N/A	5,129
Child Nutrition Cluster:			
Summer Food Service Program for Children	10.559	N/A	64,046
Total U.S. Department of Agriculture			<u>\$ 810,155</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/Small Cities Program	14.219	GG-05-12401-00	\$ 106,014
Total U.S. Department of Housing and Urban Development			<u>\$ 106,014</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
State and Community Highway Safety	20.600	A-09-214266-00	\$ 7,442
Total U.S. Department of Transportation			<u>\$ 7,442</u>
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	Z-08-020760-00	\$ 61,066
Passed-through State Department of Education:			
Title I Grants to Local Education Agencies	84.010	N/A	535,723
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	525,252
Special Education - Preschool Grants	84.173	N/A	25,294
Career and Technical Education - Basic Grants to States	84.048	N/A	43,161
Safe and Drug-Free Schools and Communities - State Grants	84.186	(2)	7,578
State Grants for Innovative Programs	84.298	N/A	500
Education Technology State Grants	84.318	(2)	4,795
Rural Education	84.358	N/A	48,379
Improving Teacher Quality State Grants	84.367	N/A	89,324
Passed-through State Department of Human Services:			
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	(2)	8,020
Passed-through Tennessee Center for Civic Learning and Engagement:			
Funds for the Improvement of Education	84.215	N/A	296,520
Passed-through Sequatchie County Board of Education:			
Twenty-first Century Community Learning Centers	84.287	(2)	161,102
Total U.S. Department of Education			<u>\$ 1,806,714</u>
U.S. Department of Elections:			
Passed-through Tennessee Secretary of State Office:			
Help America Vote Act Requirements Payments	90.401	Z-09-21722-00	\$ 1,000
Total U.S. Department of Elections			<u>\$ 1,000</u>

(Continued)

Bledsoe County, Tennessee

Schedule of Expenditures of Federal Awards and State Grants (1) (Cont.)

<u>Federal/Pass-through Agency/State Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Expenditures</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Homeland Security Grant Program	97.067	(4)	\$ 112,234
Total U.S. Department of Homeland Security			<u>\$ 112,234</u>
Total Expenditures of Federal Awards			<u>\$ 2,843,559</u>
<u>State Grants</u>			
		<u>Contract Number</u>	
Adult Basic Education - State Department of Education	N/A	Z-08-201189-00	\$ 41,640
Litter Program - State Department of Transportation	N/A	(2)	36,975
Early Childhood Education - State Department of Education	N/A	(2)	7,450
Voluntary Pre K for Tennessee (Lottery) - State Department of Education	N/A	(2)	400,573
Family Resource Center - State Department of Education	N/A	(2)	33,300
Coordinated School Health Expansion - State Department of Education	N/A	(2)	85,000
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	6,654
Youth Services Program - State Commission on Children and Youth	N/A	(2)	11,250
Local Health Services - State Department of Health	N/A	DG-08-20416-00	4,039
Library Grant - Tennessee Secretary of State	N/A	(2)	2,200
Health Access Community Initiative Project - State Department of Health	N/A	GG-08-20725-00	69,384
Recycling Grant - State Department of Environment and Conservation	N/A	Z-05-020938-00	17,691
Waste Tire Grant - State Department of Environment and Conservation	N/A	(2)	<u>2,950</u>
Total State Grants			<u>\$ 719,106</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) Total for CFDA No. 10.555 is \$543,782.
- (4) GG-07-20681-00: \$60,860; GG-08-24428-00: \$51,374.

Bledsoe 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 Annual Financial Report for Bledsoe County, Tennessee, for the year ended June 30, 2008, which have not been corrected.

OFFICE OF COUNTY MAYOR

Finding Number	Page Number	Subject
08.02	173	The Ambulance Service Fund required material audit adjustments for proper financial statement presentation.

OTHER FINDINGS

Finding Number	Page Number	Subject
08.09	176	A central system of accounting, budgeting, and purchasing had not been adopted
08.10	177	Duties were not segregated adequately at the Ambulance Service and in the Offices of County Mayor; Road Superintendent; Director of Schools; Trustee; County Clerk; Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; Register; and Sheriff
08.11	177	The general sessions judge also served as county attorney, school board attorney, and delinquent tax attorney, contrary to opinions issued by the state Attorney General's Office

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BLEDSON 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 aggregate discretely presented component units is qualified. Our report on the governmental activities, each major fund, and the aggregate remaining fund information is unqualified.
2. The audit of the financial statements of Bledsoe 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 of Bledsoe County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: the School Breakfast Program, the National School Lunch Program, and the Summer Food Service Program for Children (CFDA Nos. 10.553, 10.555, and 10.559); the Title I Grants to Local Educational Agencies (CFDA No. 84.010); and the Special Education Cluster: Special Education – Grants to States and Special Education – Preschool Grants (CFDA Nos. 84.027 and 84.173), were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Bledsoe County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The written response of the sheriff is paraphrased in this report.

OFFICE OF COUNTY MAYOR

FINDING 09.01 **THE AMBULANCE SERVICE FUND REQUIRED MATERIAL
AUDIT ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT
PRESENTATION**

(Internal Control – Material Weakness Under Government Auditing
Standards)

At June 30, 2009, certain general ledger account balances in the Ambulance Service Fund 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 Bledsoe County to have adequate internal controls over the maintenance of its accounting records. Therefore, the county's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. Although it is permissible for us, as the external auditors, to assist the county in preparing its financial statements, 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. This deficiency can be attributed to the failure of management to correct the finding noted in the prior-year audit report. We presented audit adjustments to management that they approved and posted to present properly the financial statements in this report.

RECOMMENDATION

Bledsoe County should have appropriate processes in place to ensure that its general ledgers are materially correct.

FINDING 09.02 **THE AMBULANCE SERVICE DID NOT REVIEW SOFTWARE
AUDIT LOGS**

(Internal Control – Significant Deficiency Under Government
Auditing Standards)

The software application used by the Ambulance Service generated a daily log that displayed changes made by users. Since this log provided the only audit trail of these changes, it should be reviewed daily for inappropriate activity. Because they were not aware of its importance, management did not begin reviewing this log until several months into the fiscal year. Procedures for reviewing this log are currently in place.

OFFICE OF SHERIFF

FINDING 09.03 **THE SHERIFF ADMINISTERED A CHRISTMAS CHARITY PROGRAM THROUGH THE DEPARTMENT'S RECORDS AND OPERATING ACCOUNTS**

(Noncompliance Under Government Auditing Standards)

During the audit for the 2006-07 year, auditors noted that the Sheriff's Department was maintaining an official bank account for a Christmas charity program. In August 2007, auditors recommended that the Sheriff's Department maintain only official bank accounts that are required for the operation of the department and that charity related collections be managed by local charitable nonprofit organizations rather than by county offices. In December 2007, this bank account for charity funds was closed, and \$2,238.38 in cash was placed in an envelope in a file drawer in the bookkeeper's office at the Sheriff's Department. During the period October through December 2007, the Sheriff's Department continued to solicit and receive donations from individuals, churches, and organizations. The department received an additional \$1,382 in checks that were cashed and expended by the bookkeeper. Copies of the checks and receipts were on file in the bookkeeper's office.

In November 2008, auditors again recommended that the Sheriff's Department let charitable nonprofit organizations manage the charitable donations that his department collected. In December 2008, the Sheriff's Department continued to solicit and receive donations from individuals, churches, and organizations, and the department received an additional \$1,740 of which \$1,440 was deposited to the department's official bank operating account and was posted to the official cash journal. The bookkeeper disbursed \$1,740 at local stores for various food items and toys. Invoices and receipts were on file for those expenditures.

When auditors asked about the \$2,238.38 that was withdrawn from the bank in December 2007 and placed in an envelope in a file drawer, the money could not be located or accounted for otherwise. Therefore, the \$2,238.38 in charitable donations that the department had collected were missing at June 30, 2009. These missing donations were reviewed with the county mayor and district attorney general. The sheriff replaced the missing funds on September 10, 2009, by depositing personal funds of \$2,238.38 to the department's official bank account.

RECOMMENDATION

The Sheriff's Department should perform only the duties that are required for the operation of the department as authorized by state statute. If the Sheriff's Department continues to solicit donations for charity, these donations should be remitted directly to a designated charitable nonprofit organization and not comingled with county funds or recorded in the county's official records.

MANAGEMENT'S RESPONSE – SHERIFF

In the prior year, the employee in charge of the Christmas fund was told to deposit the cash into the checking account; however, prior to the audit exit conference, it was discovered that we could not account for the \$2,238.38. The employee in charge of the Christmas fund

had already been dismissed before the date of the exit. When I found out that the money had not been accounted for, I contacted the district attorney general. I liquidated the shortage from my personal account on the day of the audit exit conference by depositing the funds into the department bank account.

OTHER FINDINGS AND RECOMMENDATIONS

FINDING 09.04 **A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING HAD NOT BEEN ADOPTED**
(Internal Control – Control Deficiency Under Government Auditing Standards)

County officials had not adopted a central system of accounting, budgeting, and purchasing. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. This deficiency is the result of management's failure to correct the finding noted in the prior-year audit report. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the County Commission resulting in decentralization and some duplication of effort.

RECOMMENDATION

County officials should consider adopting either the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.

FINDING 09.05 **DUTIES WERE NOT SEGREGATED ADEQUATELY AT THE AMBULANCE SERVICE AND IN THE OFFICES OF COUNTY MAYOR; ROAD SUPERINTENDENT; DIRECTOR OF SCHOOLS; TRUSTEE; 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 officials and employees at the Ambulance Service and in the Offices of County Mayor; Road Superintendent; Director of Schools; Trustee; County Clerk; Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; Register; and Sheriff. Officials and 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 give 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.

FINDING 09.06 **THE GENERAL SESSIONS JUDGE ALSO SERVED AS COUNTY ATTORNEY, SCHOOL BOARD ATTORNEY, AND DELINQUENT TAX ATTORNEY, CONTRARY TO OPINIONS ISSUED BY THE STATE ATTORNEY GENERAL'S OFFICE**
(Noncompliance Under Government Auditing Standards)

The general sessions judge also served as the county attorney, school board attorney, and delinquent tax attorney. The State Attorney General's Office has opined (opinions U90-120 on August 16, 1990, and 99-156 on August 19, 1999) that the Tennessee Constitution prohibits judges of the supreme or inferior courts (including General Sessions Court) from holding any other office of trust or profit, such as the positions noted above. This deficiency exists because management failed to correct the finding reported in the prior-years' audit reports.

RECOMMENDATION

County officials should take appropriate steps to comply with provisions of the state's constitution prohibiting judges from holding another office of trust or profit simultaneously.

**PART III, FINDINGS AND QUESTIONED
COSTS FOR FEDERAL AWARDS**

There were no findings and questioned costs for federal programs.

**BLEDSON COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2009**

There were audit findings relative to federal awards presented in the prior- or current-years' Schedules of Findings and Questioned Costs.