

Comprehensive Annual Financial Report

**ANDERSON COUNTY,
TENNESSEE**

For Fiscal Year Ended June 30, 2010



COMPREHENSIVE ANNUAL FINANCIAL REPORT

ANDERSON COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2010

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

*DIVISION OF COUNTY AUDIT
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Assistant to the Comptroller*

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Director*

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MARK FAWVER
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State Auditors*

*CHRISTOPHER PHILLIPS
Director of Accounts and Budgets
Anderson County, Tennessee*

This financial report is available at www.tn.gov/comptroller

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Audit Highlights

Comprehensive Annual Financial Report
Anderson County, Tennessee
For the Year Ended June 30, 2010

Scope

We have audited the basic financial statements of Anderson County as of and for the year ended June 30, 2010.

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICES OF DIRECTOR OF ACCOUNTS AND BUDGETS AND DIRECTOR OF SCHOOLS

- ◆ A fund deficit of \$1,267,609 existed in the General Purpose School Fund at June 30, 2010.

OFFICES OF COUNTY MAYOR AND DIRECTOR OF ACCOUNTS AND BUDGETS

- ◆ A revenue anticipation note was not retired in compliance with state statutes.

OFFICE OF COUNTY CLERK

- ◆ A cash shortage of \$1,209.87 existed in the County Clerk's Office at June 30, 2010.
-

INTRODUCTORY SECTION



ANDERSON COUNTY GOVERNMENT

CHRISTOPHER K. PHILLIPS,
DIRECTOR OF ACCOUNTS AND BUDGETS

December 3, 2010

Board of County Commissioners
Citizens of Anderson County

Dear Commissioners and Citizens:

We are pleased to submit to you the Comprehensive Annual Financial Report of Anderson County, Tennessee, for the year ended June 30, 2010. This report was prepared by the county's Accounts and Budgets Office in conjunction with the county's independent auditors, the State of Tennessee Office of Comptroller of the Treasury – Department of Audit – Division of County Audit.

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

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentations, including all disclosures, rests with the county. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the county and its component units. All disclosures necessary to enable the reader to gain an understanding of the county's financial activities have been included. Anderson County's financial statements have been audited by the county's independent auditors, the State of Tennessee's Office of the Comptroller of the Treasury, Department of Audit, Division of County Audit. The goal of the independent audit was to provide

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reasonable assurance that the financial statements of Anderson County for the fiscal year ended June 30, 2010, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Anderson County's financial statements for the fiscal year ended June 30, 2010, are fairly presented in conformity with generally accepted accounting principles. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

Profile of the Government

The county is located in the eastern portion of the state. To the north, Campbell and Morgan counties border the county. The county's southern border consists of Knox and Loudon counties. To the immediate west lies Roane County. To the east, adjacent counties are Union, Sevier, and Jefferson. Anderson County occupies a land area of approximately 345 square miles and serves a population of 74,849.

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

Anderson County government continues to strive to provide essential services that enhance the quality of life for families throughout Anderson County. This requires detailed planning and the implementation of a number of initiatives and programs that include a wide range

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

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

Factors Affecting Financial Condition

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

Local economy. Because of its central location in the eastern United States, the county is adjacent to thousands of industrial and commercial customers in a concentrated eight-state area. It is within 500 miles of approximately one-third of the population of the United States. Over 59 percent of our industrial mix is in the commercial area, which includes transportation, public utilities, wholesale and retail trade, insurance and real estate, finance, and service industries. Among the county's largest employers are BWXT-Y12, UT Battelle, and Anderson County government.

BWXT-Y12, UT Battelle, and Wackenhut with combined employment of over 9,700 are major contractors for two of the U.S. Department of Energy (DOE) facilities located in Oak Ridge. These DOE facilities are vital to the nation's scientific research and development, environmental remediation and weapons disarmament and the development of alternative types of energy and materials. Great effort is being exerted to diversify the industrial base by recruiting private industry. A great deal of growth has taken place in the county's five major industrial parks: Eagle Bend, David Jones, Carden Farms, I-75, and Commerce Park located in Oak Ridge. These industrial parks have several acres available for planned industrial and commercial development. The county is also on the northern end of a high technology corridor along the Pellissippi Parkway, which connects parts of Anderson, Knox, and Blount counties.

Economic outlook. A recent economic analysis ranked the East Tennessee area tops in entrepreneurship and quality of life against 14 other mid-sized technology intensive economies. Anderson County continues to expand due to its combination of elements vital to fostering growth and development. This combination of favorable elements, which includes good jobs and precision workers, mild climate, cost of living more than 40 percent below the national average, lowest overall tax burden in the U.S., and violent crime below the national average offers the perfect opportunity for business and individual success. The positive trends of low interest rates, increased government spending, and good consumer spending will enable Anderson County to remain an attractive location for future economic development.

The county continues to stress steady growth. Since 1980, development in the county has been influenced by the fluctuation in interest rates as well as national economic trends. Since 1990, there has been a constant amount of new commercial development that has occurred throughout the county. The primary concentration of growth has been the eastern portion of the county along Interstate 75.

Recent surveys indicate that although government funded operations are still a strong factor in the local economy, service and manufacturing related employment are also important. One of the area's strengths is its high percentage of precision craft and repair workers and technicians. Over 40 percent of our population is in the prime labor work force age group of 25 to 54.

Financial Policies with Significant Impact on the Financial Statements

Over the last 12 years, the county has made great efforts to reduce outstanding debt. The county has been able to forego issuing external tax anticipation notes for seven consecutive years. It has been the current administration's policy to maintain sufficient cash reserves and not rely on funding operational efforts with debt.

Having a policy in place that keeps issuing of debt as a last resort can only work if you have the cash reserves to meet emergency expenditures, as well as small to medium sized capital project needs. This year Anderson County funded over \$600,000 in capital outlays with current operating cash.

In the spring of 2010, the county undertook an energy efficiency initiative and invested approximately \$2.5 million into updating HVAC, lighting and water conservation systems. This project was funded through issuing Build America Bonds and is forecasted to more than pay for itself through lower utility costs over the next several years.

Given the economic conditions that 2009-10 presented, the county was still able to end the year with a positive effect to the undesignated fund balance. This fund balance enabled the county's legislative body to again adopt a budget without the need to increase property tax rates. Because we continue to rely on cash reserves to make up for downturns in revenues, the county utilized external tax anticipation notes to assist the Anderson County School Department in meeting its first quarter cash needs in fiscal year 2010-11. However, it will

continue to be the policy of the county to live within the means available and only to borrow when it is the best and most cost-effective option.

Long-term Financial Planning

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

Beginning in the first quarter of fiscal year 2010-11, the county took advantage of years of fiscal conservancy concerning debt and restructured some bond issues. The county's debt obligations are scheduled to reduce drastically in fiscal year 2012-13, therefore the county has taken the opportunity to smooth out debt service needs to normalize payments due over the next ten years, which relieved some debt service for 2010-11.

With growing economic concerns around the nation and globally, Anderson County is taking the position to more staunchly safeguard its undesignated reserves and to be open to long-term financing options for large capital projects if conditions warrant. To that end, the county now has a minimum fund balance policy that requires a two-thirds approval vote by the County Commission to spend down the fund balance below \$1,000,000.

Internal Control Structure

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

Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Anderson County government for its comprehensive annual financial report for the fiscal year ended June 30, 2009. This was the 14th consecutive year that the government has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirement.

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

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

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

Sincerely,



Christopher K. Phillips
Director of Accounts and Budgets



Rex A. Lynch
Anderson County Mayor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Anderson County
Tennessee

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

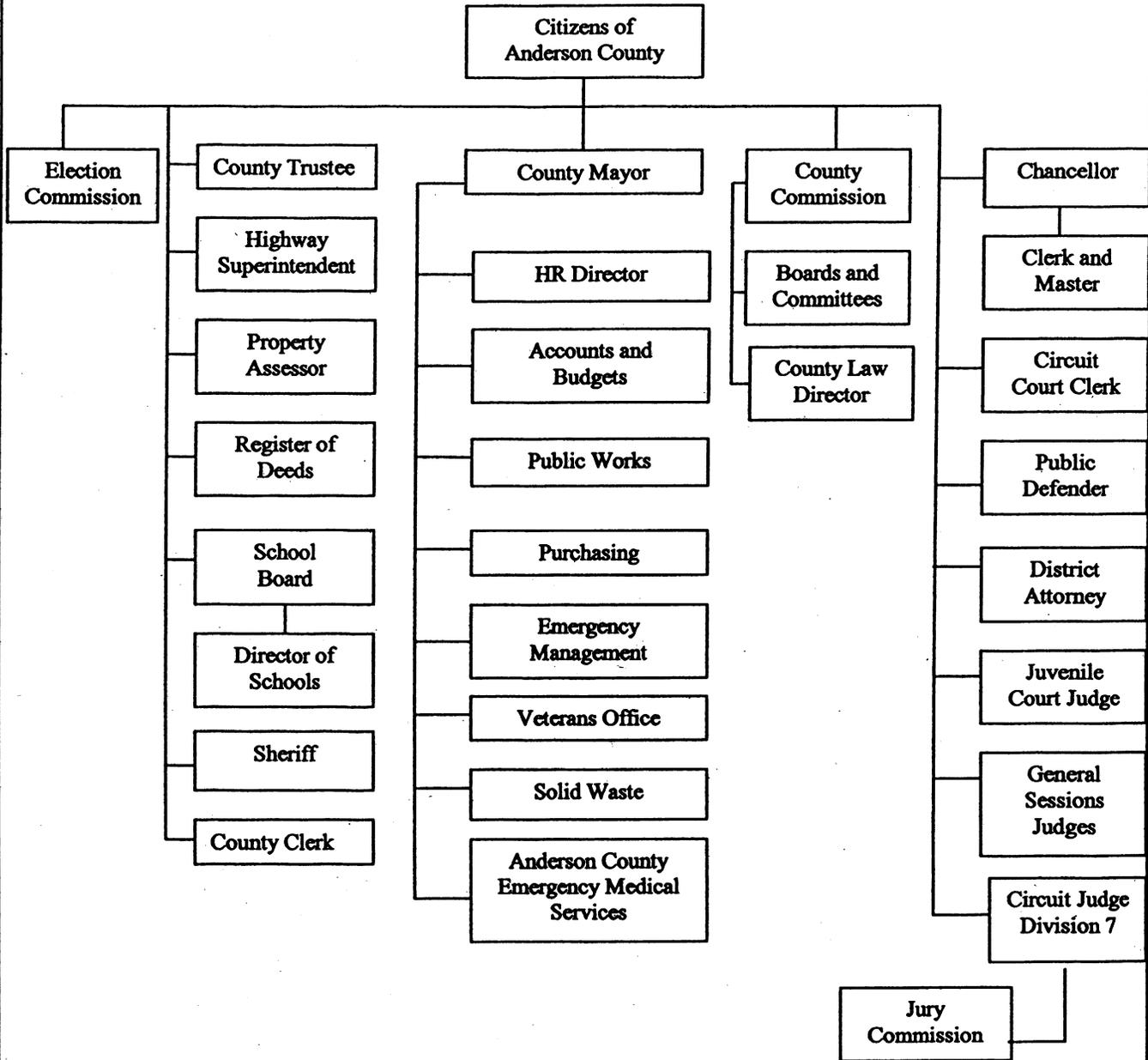
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

Anderson County, Tennessee Organization Chart



Anderson County Officials
June 30, 2010

Officials

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

Board of County Commissioners

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

Board of Education

Dr. John Burrell, Chairman	Peggy Hayes
Dail Cantrell	Glenda Langenberg
Greg Crawford	Wanda McCrosky
Rickey Rose	Jo Williams

Audit Committee

Myron Iwanski, Chairman	Johnny Alley
Rex Lynch, County Mayor	Jerry White
Christopher Phillips, Director of Accounts and Budgets	Scott Gillenwaters
David Bolling	

FINANCIAL SECTION



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

INDEPENDENT AUDITOR'S REPORT

December 3, 2010

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

To the County Mayor and Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Anderson County, Tennessee, as of and for the year ended June 30, 2010, which collectively comprise Anderson County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Anderson County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented Anderson County Emergency Communications District, which represent two percent and .6 percent, respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Anderson County Emergency Communications District, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the

accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Anderson County, Tennessee, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

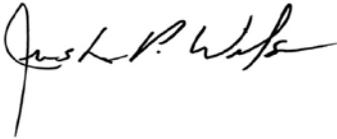
In accordance with Government Auditing Standards, we have also issued our report dated December 3, 2010, on our consideration of Anderson County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

As described in Note V.B., Anderson County has adopted the provisions of Governmental Accounting Standards Board Statement No. 51, Accounting and Financial Reporting for Intangible Assets; and Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, which became effective for the year ended June 30, 2010. Also, as discussed in Note V.B., Anderson County changed its accounting for the Ambulance Service operations. Those operations were previously reported in governmental activities on the government-wide financial statements and as part of the General Fund in the fund financial statements. Effective July 1, 2009, Anderson County began reporting the Ambulance Service in the business-type activities on the government-wide financial statements and as an enterprise fund in the fund financial statements.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 22 through 36 and budgetary comparison, pension, and other postemployment benefits information on pages 101 through 108 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a long vertical stroke at the end.

Justin P. Wilson
Comptroller of the Treasury

JPW/sb

**Anderson County, Tennessee
Management's Discussion and Analysis
For the Year Ended June 30, 2010**

The management of Anderson County, Tennessee, presents this management's discussion and analysis (MD&A) of the county's financial condition and results of operations for the fiscal year ended June 30, 2010. This information should be read in conjunction with the accompanying financial statements.

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

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

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

FINANCIAL HIGHLIGHTS FOR 2010

The following are key financial highlights:

- The assets of the Anderson County primary government were more than its liabilities at year-end by \$12,187,685 (net assets). The county's process of issuing debt on behalf of the DPCU School Department results in reduced net assets. The county issues general obligation debt for the DPCU School Department, which is used for school projects that become DPCU School Department capital assets. The DPCU School Department then makes payments to the county from future budgets. Since the debt is issued in the county's legal name, the debt is reported as a liability of the primary government. The net assets, therefore, include the expectation of the DPCU School Department to fund its portion of debt service in future years.

If the county had excluded \$22,275,235 in DPCU School Department bonds and loans payable, net of notes receivable of \$7,893,000, then the county would have net assets of \$26,569,920, significantly higher than the \$12,187,685 reported.

- General revenues and transfers of the Primary Government accounted for \$20.7 million in revenue or 55 percent of all revenues. Program specific revenues in the form of charges for services, grants, and contributions accounted for \$17.1 million or 45 percent of total revenues of \$37.8 million. General revenues of the DPCU School Department were \$52.1 million.

- Total assets of governmental activities in the Primary Government were \$60.4 million as net property taxes receivable ended at \$14.4 million and cash and investments ended at \$11.2 million. Total assets in the DPCU School Department were \$56.4 million as net property taxes receivable ended at \$14 million and cash and investments ended at \$1.7 million.
- The Primary Government had \$34.6 million in expenses with \$17.1 million of these expenses offset by program specific charges for services, grants, and contributions. General revenues, which consisted primarily of property taxes of \$13.8 million, were adequate to provide current funding for these programs. The DPCU School Department had \$66 million in expenses related to governmental activities with \$11.4 million of these expenses offset by program specific charges for services, grants, and contributions. General revenues of the DPCU School Department, which consisted primarily of grants and contributions, property taxes, and sales taxes of \$31.3, \$13.5, and \$7.1 million, respectively, were adequate to provide current funding for these programs.
- At 2010 year-end, the county's governmental funds reported combined ending fund balances of \$19,570,737, a decrease of \$457,348 for 2010. Of the total fund balances, \$9,550,117 is unreserved and available for ongoing operations.
- At June 30, 2010, the unreserved General Fund balance was \$3,064,517 or 14 percent of General Fund expenditures. This demonstrates the county's fiscal discipline and will help meet unexpected emergencies and other uncertainties the county may face during the course of everyday operations.
- At 2010 year-end, the DPCU School Department's governmental funds reported combined ending fund balances of \$1,574,452, a decrease of \$1,786,357. Of the total fund balances, \$692,185 is an unreserved deficit. This negative balance is a result of a fund deficit of \$1,267,609 in the General Purpose School Fund.

OVERVIEW OF THE ANNUAL FINANCIAL STATEMENTS

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

1. Introductory Section
2. Financial Section
 - Independent Auditor's Report
 - Management's Discussion and Analysis
 - Government-wide Financial Statements
 - Fund Financial Statements
 - Notes to the Financial Statements
 - Required Supplementary Information and Related Notes
 - Combining and Individual Fund Financial Statements and Schedules
3. Statistical Section
4. Single Audit Section

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

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

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

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

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

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

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

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

- General Government
- Finance
- Administration of Justice
- Public Safety
- Public Health and Welfare
- Social, Cultural, and Recreational Services
- Agriculture and Natural Resources
- Other Operations
- Highways
- Education
- Interest and Other Debt Service Costs

The business-type activities of the county consist of ambulance services provided by the Ambulance Service Fund. The balance sheet and operations of this fund was reflected in the General Fund of the Primary Government prior to July 1, 2009.

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

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

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

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

The county maintains 13 individual governmental funds. Information is presented separately in the governmental fund balance sheets and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General, Highway/Public Works, General Debt Service, Rural Debt Service, and Education Debt Service funds, all of which are considered to be major funds. Data from the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the combining and individual fund financial statements and schedules.

The DPCU School Department maintains four individual governmental funds. The General Purpose School Fund is considered a major fund with the remaining three funds combined into a single, aggregated amount with detail provided in the combining and individual fund financial statements and schedules.

To demonstrate compliance with the budgets, budgetary comparison statements have been provided for the General and Highway/Public Works funds as Exhibits F-1 and F-2, respectively. Budgetary comparison statements for the county's nonmajor budgeted funds, the debt service funds, and the DPCU School Department's funds are provided in the combining and individual fund financial statements and schedules.

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

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

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

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

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. The county’s fiduciary funds consist of the Cities’ Sales Tax, School Average Daily Attendance Tax, and Constitutional Officers – Agency funds, which are combined into agency funds on the fiduciary funds financial statements and an Other Employee Benefit Trust Fund (Flexible Benefit Fund). Fiduciary funds are not reflected in the government-wide financial statements because the county cannot use these funds to finance its operations.

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

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

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

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

Single Audit Section. This includes the auditor’s reports on the county’s and the DPCU School Department’s internal controls and compliance including an opinion on major federal award programs. This section also includes a Schedule of Expenditures of Federal Awards and State Grants for the county and the DPCU School Department.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets (deficits) may serve over time as a useful indicator of a government's financial position. The county's net assets for its governmental activities exceeded its liabilities by \$12.2 million, and the county's net assets for its business-type activities exceeded its liabilities by \$2.9 million. The DPCU School Department had net assets of \$30.7 million. This is due to the county's process of issuing debt on behalf of the DPCU School Department for building construction and improvements. The DPCU School Department owns the capital asset, but the county is obligated to pay the debt.

At year-end 2010, the county's and the DPCU School Department's Statement of Net Assets consisted of the following:

ANDERSON COUNTY STATEMENT OF NET ASSETS

	<u>Governmental Activities</u>	
	<u>2010</u>	<u>2009</u>
Assets		
Cash, Inventories, and Investments	\$ 11,261,788	\$ 11,396,224
Receivables - Net	17,383,793	17,715,000
Notes Receivables - Long-term	7,893,000	8,721,500
Prepaid Items and Other	287,100	235,362
Capital Assets - Net	<u>23,615,583</u>	<u>23,842,463</u>
Total Assets	<u>\$ 60,441,264</u>	<u>\$ 61,910,549</u>
Liabilities		
Current Liabilities	\$ 21,297,310	\$ 16,033,081
Noncurrent Liabilities	<u>26,956,269</u>	<u>33,973,728</u>
Total Liabilities	<u>\$ 48,253,579</u>	<u>\$ 50,006,809</u>
Net Assets		
Invested in Capital Assets, Net of Related Debt	\$ 15,002,377	\$ 15,163,055
Restricted	4,852,066	4,224,856
Unrestricted	<u>(7,666,758)</u>	<u>(7,484,171)</u>
Total Net Assets	<u>\$ 12,187,685</u>	<u>\$ 11,903,740</u>

ANDERSON COUNTY
STATEMENT OF NET ASSETS

	Business-type Activities	
	2010	2009
Assets		
Cash and Investments	\$ 455,230	\$ 0
Receivables - Net	1,133,038	0
Capital Assets - Net	1,526,540	0
Total Assets	<u>\$ 3,114,808</u>	<u>\$ 0</u>
Liabilities		
Current Liabilities	\$ 188,235	\$ 0
Noncurrent Liabilities	1,584	0
Total Liabilities	<u>\$ 189,819</u>	<u>\$ 0</u>
Net Assets		
Invested in Capital Assets	\$ 1,526,540	\$ 0
Unrestricted	1,398,449	0
Total Net Assets	<u>\$ 2,924,989</u>	<u>\$ 0</u>

	DPCU School Department	
	2010	2009
Assets		
Cash, Inventories, and Investments	\$ 1,738,627	\$ 3,120,698
Receivables - Net	16,477,082	16,678,237
Prepaid Items and Other	0	85,529
Capital Assets - Net	38,197,626	39,725,799
Total Assets	<u>\$ 56,413,335</u>	<u>\$ 59,610,263</u>
Liabilities		
Current Liabilities	\$ 16,840,664	\$ 15,295,694
Noncurrent Liabilities	8,845,086	11,093,279
Total Liabilities	<u>\$ 25,685,750</u>	<u>\$ 26,388,973</u>
Net Assets		
Invested in Capital Assets, Net of Related Debt	\$ 28,942,488	\$ 29,305,417
Restricted	2,845,355	1,205,853
Unrestricted	(1,060,258)	2,710,020
Total Net Assets	<u>\$ 30,727,585</u>	<u>\$ 33,221,290</u>

By far, the largest portion of the county's and the DPCU School Department's net assets reflects their investment in capital assets (e.g., land and buildings), less any related debt used to acquire those assets that is still outstanding. The 2010 Statement of Net Assets for the Business-type Activities is a reflection of the Ambulance Service Fund. As of July 1, 2009, the ambulance services' operations were separated from the General Fund of the Primary Government and were then reported in the Ambulance Service Fund as an enterprise fund. The county and the DPCU School Department use these capital assets to provide services; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate long-term debt.

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

During 2010, net assets changed in the county, DPCU School Department, and Ambulance Service Fund due to the following:

ANDERSON COUNTY
STATEMENT OF ACTIVITIES

	<u>Governmental Activities</u>	
	<u>2010</u>	<u>2009</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 6,524,199	\$ 12,600,382
Operating Grants and Contributions	3,457,014	3,061,445
Capital Grants and Contributions	1,556,900	985,527
General Revenues:		
Local Taxes	16,626,632	16,986,193
State and Federal - Unrestricted	3,959,502	4,198,585
Investment Income	50,899	160,454
Miscellaneous	58,435	41,240
Total Revenues	<u>\$ 32,233,581</u>	<u>\$ 38,033,826</u>
Expenses		
General Government	\$ 3,806,607	\$ 3,678,421
Finance	2,795,163	2,772,399
Administration of Justice	2,867,590	2,601,237
Public Safety	11,073,910	10,629,849
Public Health and Welfare	2,847,206	6,830,198
Social, Cultural, and Recreational Services	606,085	543,805
Agriculture and Natural Resources	198,699	191,929
Other Operations	1,252,748	1,393,097
Highways	3,887,060	3,777,430
Interest and Other Debt Service Costs	812,572	1,173,620
Total Expenses	<u>\$ 30,147,640</u>	<u>\$ 33,591,985</u>

ANDERSON COUNTY
STATEMENT OF ACTIVITIES (CONT.)

	Governmental Activities	
	2010	2009
Increase (Decrease) in Net Assets before Transfers	\$ 2,085,941	\$ 4,441,841
Transfers (to)/from Business Activities	(1,801,996)	0
Increase (Decrease) in Net Assets	\$ 283,945	\$ 4,441,841
Net Assets, Beginning of Year	11,903,740	7,461,899
Net Assets, End of Year	<u>\$ 12,187,685</u>	<u>\$ 11,903,740</u>

The county's net assets increased by \$283,945 during the current fiscal year. Elements key to this increase include:

- The net change in fund balances – total governmental funds decreased by \$457,348. Do to the low economy and completions of capital projects, the County Commission has been very cautious about spending this fiscal year. The main increase in expenditures that did not have grant funding as well as property taxes was the jail. There has been an increase of \$472,006 mainly relating to inmate medical claims and additional personnel.
- The difference between capital outlays and depreciation increased \$1,774,088. Although there has been an increase in this category, the reclassification of ambulance services from governmental activities to business-type activities has caused a difference of \$608,511 from the prior year.
- Revenues in the Statement of Activities that do not provide current financial resources increased \$894,506.
- The treatment of long-term debt and related items increased \$1,907,335. In comparison to the prior year, there has been a decrease of \$2,288,335 due to the issuance of Build America Bonds totaling \$2,450,000 for energy efficient capital outlay projects. Principal payment requirements have increased on the other loans payable, which relate to school projects.

ANDERSON COUNTY
STATEMENT OF ACTIVITIES

	Business-type Activities	
	Ambulance	Ambulance
	2010	2009
Revenues		
Program Revenues:		
Charges for Services	\$ 5,534,480	\$ 0
Capital Grants and Contributions	0	0
Total Revenues	<u>\$ 5,534,480</u>	<u>\$ 0</u>

ANDERSON COUNTY
STATEMENT OF ACTIVITIES (CONT.)

	Business-type Activities	
	Ambulance	Ambulance
	2010	2009
Expenses		
Ambulance Service	\$ 4,411,487	\$ 0
Total Expenses	<u>\$ 4,411,487</u>	<u>\$ 0</u>
Increase (Decrease) in Net Assets before Transfers	\$ 1,122,993	\$ 0
Capital Contributions - Primary Government	1,801,996	
Increase (Decrease) in Net Assets	<u>\$ 2,924,989</u>	<u>\$ 0</u>
Net Assets, Beginning of Year	<u>0</u>	<u>0</u>
Net Assets, End of Year	<u>\$ 2,924,989</u>	<u>\$ 0</u>

The Business-type Activities net assets increased by \$2,924,989 during the current fiscal year. The reason for this increase is due to the separation of the Ambulance Service Fund from the General Fund of the Primary Government beginning July 1, 2009.

ANDERSON COUNTY
STATEMENT OF ACTIVITIES

	DPCU School Department	
	2010	2009
	Revenues	
Program Revenues:		
Charges for Services	\$ 1,314,424	\$ 1,645,874
Operating Grants and Contributions	10,106,558	8,758,429
General Revenues:		
Local Taxes	20,755,290	21,631,593
State and Federal - Unrestricted	31,314,300	30,895,322
Investment Income	14,513	81,836
Miscellaneous	59,054	76,071
Total Revenues	<u>\$ 63,564,139</u>	<u>\$ 63,089,125</u>
Expenses		
Education	<u>\$ 66,057,844</u>	<u>\$ 64,105,345</u>
Total Expenses	<u>\$ 66,057,844</u>	<u>\$ 64,105,345</u>
Increase (Decrease) in Net Assets	\$ (2,493,705)	\$ (2,016,220)
Net Assets, Beginning of Year	<u>33,221,290</u>	<u>35,237,510</u>
Net Assets, End of Year	<u>\$ 30,727,585</u>	<u>\$ 33,221,290</u>

The DPCU School Department net assets decreased by \$2,493,705 during the current fiscal year. Elements key to this decrease include:

- The net change in fund balances – total governmental funds decreased \$1,786,357. The decrease resulted from a major change in the ADA calculations that has caused the county to lose over \$792,000 in local funding. Not only did they lose local funding, the School Department failed to reduce their spending to reflect a more reasonable budget causing a deficit of \$1,267,609 in the General Purpose School Fund.
- The difference between capital outlays and depreciation decreased \$1,528,173. The decrease is due to the completions of major school projects in previous years and the related depreciation.
- The treatment of long-term debt and related items increased \$1,165,244. This increase is due to the increase in principal requirements.

Governmental Activities. Governmental type activities provided by the county are primarily general government - 13 percent, public safety - 37 percent, and highways - 13 percent. The DPCU School Department provides public education for children in grades kindergarten through 12 who are residents of Anderson County.

The county's main source of revenues is from local taxes, which consist primarily of property, local option sales, and business taxes - 52 percent, and charges for services - 21 percent. The DPCU School Department's main source of funding is provided by state and federal funding - 50 percent and local taxes, which consist of property and local option sales tax - 33 percent.

Business-type Activities (BTA). The BTA of the county is ambulance services, and the Anderson County Emergency Medical Service managed ambulance services provided by the Ambulance Service Fund. In the prior year, the functions of the ambulance service were comingled in with the General Fund.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The county's investment in capital assets for its governmental activities as of June 30, 2010, totaled \$23.6 million (net of accumulated depreciation), and \$1.5 million (net of accumulated depreciation) for its business-type activities. This investment in capital assets includes land, building and improvements, equipment, roads, bridges, and construction in progress. The DPCU School Department's investment in capital assets for its governmental activities as of June 30, 2010, totaled \$38.2 million (net of accumulated depreciation).

Note IV.C. (Capital Assets) provides capital assets activity during the 2010 fiscal year. The county added several capital assets including one vehicle for the Sheriff's Department and the elevator renovation project to upgrade the Robert Jolley Building. The DPCU School Department completed several capital projects. These included lighting system replacements at Anderson County High, Anderson County Career and Technical Center, Fairview Elementary, Grand Oaks Elementary, and Dutch Valley Elementary schools.

Projects will continue in fiscal year 2011 to upgrade systems in other schools utilizing the state's interest free energy efficiency program.

Long-term Debt. At the end of the 2010 fiscal year, the primary government had total general obligation bonds, loans payable, and capital outlay notes outstanding of \$31.9 million.

The DPCU School Department had total outstanding debt at the end of the 2010 fiscal year of \$9.3 million. The outstanding School Department debt includes a note payable to the primary government of \$7.9 million.

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

The county's most recent bond rating from Moody's Investor Services was Aa2 and A+ from Standard and Poor's.

FINANCIAL ANALYSIS OF FUND FINANCIAL STATEMENTS

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

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

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

At the end of 2010, the county's governmental funds reported combined ending fund balances of \$19.6 million, a decrease of \$457,348 when compared to year-end 2009. Approximately \$9.6 million is unreserved fund balances, which is available for future appropriations. The reserved fund balances of \$10 million at June 30, 2010, are for unexpended restricted revenues, notes receivable long-term, and encumbrances.

The county's main operating fund is the General Fund. At year-end 2010, the total General Fund balance was \$4,229,842, with unreserved totaling \$3,064,517. The unreserved fund balance represents 14 percent of total General Fund expenditures during 2010. The balance in the General Fund decreased by \$889,858 during 2010, primarily due to another year of limited recourses and the resistance of raising property taxes. Undesignated fund balance totaling \$2,064,298 was used to balance the budget.

The Highway/Public Works Fund continues to struggle with adequate current revenues not being provided to cover the costs of maintaining the county's roads. However, with the decrease in highway and bridge construction expenditures, the balance in the Highway/Public Works Fund increased this year by \$20,065, ending with a balance of \$813,478.

The General Debt Service Fund continues to increase its fund balance steadily, with fiscal year 2010 increasing by \$580,239. This increase brings the fund balance total to \$2,600,077. This balance represents 142 percent of the current year's payments for non-educational debt service. The county strives to fund capital outlay needs from operating revenues and reserved fund balances, thus minimizing the issuance of new debt.

The Rural Debt Service and Education Debt Service funds report all bonds and other loan payments for elementary and high school education. These two funds had a net decrease of \$1,117,074. The Rural Debt Service Fund balance at year-end was \$5,232,816, and the Education Debt Service Fund balance was \$4,875,114. The net decrease is mainly due to the General Purpose School Fund needing relief of \$480,000 in contributions to the Education Debt Service Fund as well as an increase in principal payments.

At year-end 2010, the DPCU School Department's governmental funds reported combined ending fund balances of \$1.6 million, which is a decrease of \$1,786,357 from year-end 2009. Reflected in the General Purpose School Fund is a fund deficit of \$1,267,609. This deficit is a result from the change in ADA calculations that forces an increase in funding to the city schools. The reserved fund balances of \$2,266,637 are for various state and federal programs.

The DPCU School Department's main operating fund is the General Purpose School Fund. At year-end 2010, total fund balance was a deficit of \$1,267,609, with unreserved of \$1,753,120. The General Purpose School Fund's balance decreased by \$2,002,937 during fiscal year 2010. The unreserved fund balance represents seven percent of total expenditures for 2010.

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

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

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

Employee Health Insurance Fund (Internal Service Fund)	\$139,041	100%
Ambulance Service Fund (Enterprise Fund)	\$1,398,449	48%

The Employee Health Insurance Fund's net assets of \$139,041 are available for claims and related employee health insurance costs in future years.

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

GENERAL FUND BUDGETARY HIGHLIGHTS

The difference between the original budget and the final amended budgeted expenditures for the General Fund was \$2,577,028.

The following are the primary components of the increase:

- An increase of \$332,029 in the General Government consisted mainly of \$100,000 to reflect a contribution to the Anderson County Water Authority.
- An increase of \$130,078 in Finance consisted mainly of \$23,724 for the increase of surplus sales, and \$89,710 for personal property audits conducted by the property assessor.
- An increase of \$34,742 in Administration of Justice consisted mainly of \$34,430 for the Office of Public Defender that does not reflect a beginning budget.
- An increase of \$880,266 in Public Safety consisted mainly of \$429,462 in personnel in the Sheriff's Department, \$390,052 in medical and dental charges for inmates in the detention facility, and \$259,996 in the Civil Defense code for Homeland Security Grants.
- An increase of \$449,190 in Public Health consisted mainly of \$279,727 for the funding of H1N1 related expenditures.
- An increase of \$666,359 in Capital Projects consisted mainly of \$245,194 for the Briceville Sidewalk Project and \$305,694 for the Brownfield Assessment Project.

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

Actual General Fund revenues were \$285,871 less than the final budgeted revenues. The key factors for this were \$429,760 in Homeland Security Grants that were budgeted but were delayed in spending the funds; therefore, no revenues were requested from the federal government.

Actual General Fund expenditures (including transfers) were \$3,004,150 lower than final budgeted expenditures. This variance was largely due to budgeted grant expenditures carrying forward to the next fiscal year and various capital projects not being completed in the current fiscal year.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

During the preparation of the FY 2011 budget, the following major assumptions were used:

- Assessed property values, the basis of property tax revenues, will increase by one percent. Fiscal year 2010 was a reappraisal year, and the county rolled back the tax rate by 45 cents as not to generate a gain based on the reappraisal.
- Salaries and wages for employees were increased by .5 percent to offset the increased costs associated with the health insurance plan. The employees health insurance plan administrators, while realizing only a slight cost increase, were able to add increased benefits to the plan.

- The county appropriated \$369,411 of the unreserved fund balance in the fiscal year 2011 budget to preserve a no tax-increase budget. This appropriation amount is significantly down from the previous two budget years. This was realized by restructuring the decreasing county debt and moving ten cents in the tax rate from the General Debt Service Fund to the General Fund.
- Historically, the county used lending institutions for short-term financing by issuing tax anticipation notes to finance operations until property tax revenues were received. The majority of tax revenue is received between the months of October and February of each fiscal year. Due to the fiscally conservative stance the county has taken, the county again was able to avoid the use of external tax anticipation notes for a seventh consecutive year.

REQUESTS FOR INFORMATION

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

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Director of Accounts and Budgets
Anderson County, Tennessee
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Clinton, Tennessee 37716
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Email: cphillips@andersontn.org

BASIC FINANCIAL STATEMENTS

Exhibit A

Anderson County, Tennessee
Statement of Net Assets
June 30, 2010

	Primary Government			Component Units		
	Governmental		Total	Anderson County		Emergency Communications District
	Activities	Business-type Activities		School Department		
	\$	84,795	\$	0	\$	84,795
Cash						
Equity in Pooled Cash and Investments		11,121,235		455,230	12,987	882,346
Inventories		37,354		0	1,659,197	0
Investments		18,404		0	66,443	0
Accounts Receivable		768,484		2,563,471	66,946	9,254
Allowance for Uncollectible		0		(561,498)	0	0
Due from Other Governments		1,165,924		0	2,438,533	14,516
Internal Balances		868,935		(868,935)	0	0
Due from Primary Government		0		0	9,382	0
Due from Component Units		132,305		0	0	0
Property Taxes Receivable		14,952,805		0	14,446,307	0
Allowance for Uncollectible Property Taxes		(504,660)		0	(484,086)	0
Prepaid Items		27,050		0	0	2,690
Notes Receivable - Long-term		7,893,000		0	0	0
Unamortized Debt Issuance Cost		260,050		0	0	0
Capital Assets:						
Assets Not Depreciated:						
Land		1,414,288		82,950	834,389	0
Construction in Progress		2,171,004		0	0	0
Assets Net of Accumulated Depreciation:						
Buildings and Improvements		12,043,406		398,892	35,640,578	0
Other Capital Assets		2,289,330		1,044,698	1,722,659	255,042
Infrastructure - Roads, Streets, and Bridges		5,697,555		0	0	0
Total Assets	\$	60,441,264	\$	3,114,808	\$	56,413,335
						\$
						1,163,848

ASSETS

(Continued)

Exhibit A

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

	Primary Government			Component Units						
	Governmental Activities	Business-type Activities	Total	Anderson County School Department	Emergency Communica- tions District					
	\$	684,255	\$	2,487	\$	686,742	\$	1,222,209	\$	0
Accounts Payable		338,803		78,012		416,815		0		0
Accrued Payroll		142,029		0		142,029		9,673		0
Accrued Interest Payable		357,060		59,868		416,928		704,394		0
Payroll Deductions Payable		462,386		17,781		480,167		7,988		0
Contracts Payable		0		0		0		132,305		0
Due to Primary Government		9,382		0		9,382		0		0
Due to Component Units		1,093		0		1,093		0		0
Due to State of Tennessee		13,879,762		0		13,879,762		13,429,681		0
Unearned Revenue - Current Property Taxes		282,278		30,087		312,365		93		0
Other Current Liabilities		5,140,262		0		5,140,262		1,334,321		0
Noncurrent Liabilities:										
Due Within One Year		26,956,269		1,584		26,957,853		8,845,086		0
Due in More Than One Year (net of deferred amount on refunding)		48,253,579		189,819		48,443,398		25,685,750		0
Total Liabilities	\$		\$		\$		\$		\$	

(Continued)

Exhibit A

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

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Anderson County School Department	Emergency Communica- tions District
	\$ 15,002,377	\$ 0	\$ 15,002,377	\$ 28,942,488	\$ 0
Invested in Capital Assets		1,526,540	1,526,540	0	255,042
Net of Related Debt					
Invested in Capital Assets Restricted for:					
Highways	972,780	0	972,780	0	0
Debt Service	2,653,340	0	2,653,340	0	0
Courthouse and Jail	93,109	0	93,109	0	0
Public Library	249,191	0	249,191	0	0
Solid Waste	241,030	0	241,030	0	0
Drug Control	165,820	0	165,820	0	0
Tourism	88,919	0	88,919	0	0
State and Federal Educational Assistance Programs	0	0	0	2,845,355	0
Administration of Justice	248,541	0	248,541	0	0
Public Health and Welfare	51,798	0	51,798	0	0
Other Purposes	87,538	0	87,538	0	0
Unrestricted	(7,666,758)	1,398,449	(6,268,309)	(1,060,258)	908,806
Total Net Assets	\$ 12,187,685	\$ 2,924,989	\$ 15,112,674	\$ 30,727,585	\$ 1,163,848

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

Exhibit B

Anderson County, Tennessee
 Statement of Activities
 For the Year Ended June 30, 2010

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets									
	Program Revenues					Primary Government			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Anderson County School Department	Emergency Communications District	
Primary Government:										
Governmental Activities:										
General Government	\$ 3,806,607	\$ 1,185,031	\$ 1,405	\$ 19,728	\$ (2,600,443)	\$ 0	\$ (2,600,443)	\$ 0	\$ 0	0
Finance	2,795,163	2,034,646	9,028	0	(751,489)	0	(751,489)	0	0	0
Administration of Justice	2,867,590	1,965,338	59,882	0	(842,370)	0	(842,370)	0	0	0
Public Safety	11,073,910	556,712	737,914	78,151	(9,701,133)	0	(9,701,133)	0	0	0
Public Health and Welfare	2,847,206	128,311	567,491	0	(2,151,404)	0	(2,151,404)	0	0	0
Social, Cultural, and Recreational Services	606,085	71,417	132,311	0	(402,357)	0	(402,357)	0	0	0
Agriculture and Natural Resources	198,699	0	0	0	(198,699)	0	(198,699)	0	0	0
Other Operations	1,252,748	0	0	0	(1,252,748)	0	(1,252,748)	0	0	0
Highways	3,887,060	513,164	1,948,983	1,459,021	34,108	0	34,108	0	0	0
Debt Service:										
Interest on Long-term Debt	758,747	69,580	0	0	(689,167)	0	(689,167)	0	0	0
Other Debt Service	53,825	0	0	0	(53,825)	0	(53,825)	0	0	0
Total Governmental Activities	\$ 30,147,640	\$ 6,524,199	\$ 3,457,014	\$ 1,556,900	\$ (18,609,527)	\$ 0	\$ (18,609,527)	\$ 0	\$ 0	0
Business-type Activities:										
Ambulance Service	\$ 4,411,487	\$ 5,534,480	\$ 0	\$ 0	\$ 0	\$ 1,122,993	\$ 1,122,993	\$ 0	\$ 0	0
Total Business-type Activities	\$ 4,411,487	\$ 5,534,480	\$ 0	\$ 0	\$ 0	\$ 1,122,993	\$ 1,122,993	\$ 0	\$ 0	0
Total Primary Government	\$ 34,559,127	\$ 12,058,679	\$ 3,457,014	\$ 1,556,900	\$ (18,609,527)	\$ 1,122,993	\$ (17,486,534)	\$ 0	\$ 0	0
Component Units:										
Anderson County School Department	\$ 66,057,844	\$ 1,314,424	\$ 10,106,558	\$ 0	\$ 0	\$ 0	\$ 0	\$ (54,636,862)	\$ 0	0
Emergency Communications District	254,409	213,298	135,618	26,000	0	0	0	0	0	120,507
Total Component Units	\$ 66,312,253	\$ 1,527,722	\$ 10,242,176	\$ 26,000	\$ 0	\$ 0	\$ (54,636,862)	\$ 0	\$ 0	120,507

(Continued)

Exhibit B

Anderson County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets										
	Program Revenues			Primary Government			Component Units			Anderson County School Department	Emergency Communications District
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	County School Department	Emergency Communications District			
General Revenues:											
Property Taxes Levied for General Purposes				\$ 10,458,818	\$	0	\$ 10,458,818	\$	13,486,365	\$	0
Property Taxes Levied for Debt Service				3,380,710	0	3,380,710	0	0	0	0	0
Local Option Sales Taxes				934,132	0	934,132	7,061,597	0	0	0	0
Hotel/Motel Tax				178,023	0	178,023	0	0	0	0	0
Litigation Tax				290,851	0	290,851	0	0	0	0	0
Business Tax				1,008,018	0	1,008,018	0	0	0	0	0
Wholesale Beer Tax				0	0	0	163,915	0	0	0	0
Mineral and Coal Severance Tax				207,555	0	207,555	39,858	0	0	0	0
Gas and Oil Severance Tax				142,787	0	142,787	0	0	0	0	0
Other Local Taxes				25,738	0	25,738	3,555	0	0	0	0
Grants and Contributions Not Restricted to Specific Programs				3,959,502	0	3,959,502	31,314,300	0	0	0	0
Unrestricted Investment Income				50,899	0	50,899	14,513	8,751	0	0	0
Miscellaneous				58,435	0	58,435	59,054	0	0	0	0
Transfers				(1,801,996)	1,801,996	0	0	0	0	0	0
Total General Revenues and Transfers				\$ 18,893,472	\$ 1,801,996	\$ 20,695,468	\$ 52,143,157	\$ 8,751			
Change in Net Assets				\$ 283,945	\$ 2,924,989	\$ 3,208,934	\$ (2,493,705)	\$ 129,258			
Net Assets, July 1, 2009				11,903,740	0	11,903,740	33,221,290	1,034,590			
Net Assets, June 30, 2010				\$ 12,187,685	\$ 2,924,989	\$ 15,112,674	\$ 30,727,585	\$ 1,163,848			

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

Exhibit C-1

Anderson County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2010

	Major Funds						Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works		General Debt Service		Rural Debt Service	Education Debt Service	Other Governmental Funds	
		0 \$	867,024	37,354	2,620,098	476,302	1,711,893		
Cash	37,582	0	0	0	0	0	0	2,194	39,776
Equity in Pooled Cash and Investments	3,488,011	867,024	37,354	2,620,098	476,302	1,711,893	1,957,907	11,121,235	11,121,235
Inventories	0	0	0	0	0	0	0	0	37,354
Accounts Receivable	130,202	2,958	928	928	0	0	81,770	215,858	215,858
Due from Other Governments	544,846	597,402	0	0	0	0	23,676	1,165,924	1,165,924
Due from Other Funds	582,635	93,231	0	0	2,307	21,045	225,020	924,238	924,238
Due from Component Units	115,351	6,867	0	0	0	0	10,087	132,305	132,305
Property Taxes Receivable	12,063,132	439,718	938,400	938,400	68,290	1,024,333	418,932	14,952,805	14,952,805
Allowance for Uncollectible Property Taxes	(394,430)	(7,915)	(57,287)	(57,287)	(2,092)	(35,395)	(7,541)	(504,660)	(504,660)
Prepaid Items	26,550	0	0	0	0	0	500	27,050	27,050
Advances to Other Funds	636,558	0	0	0	0	0	0	636,558	636,558
Notes Receivable - Long-term	0	0	0	0	4,754,000	3,139,000	0	7,893,000	7,893,000
Total Assets	\$ 17,230,437	\$ 2,036,639	\$ 3,502,139	\$ 3,502,139	\$ 5,298,807	\$ 5,860,876	\$ 2,712,545	\$ 36,641,443	\$ 36,641,443

ASSETS

Cash
Equity in Pooled Cash and Investments
Inventories
Accounts Receivable
Due from Other Governments
Due from Other Funds
Due from Component Units
Property Taxes Receivable
Allowance for Uncollectible Property Taxes
Prepaid Items
Advances to Other Funds
Notes Receivable - Long-term

LIABILITIES AND FUND BALANCES

	Major Funds						Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works		General Debt Service		Rural Debt Service	Education Debt Service	Other Governmental Funds	
		0 \$	499,379	26,390	785,097 <th>63,347 <th>940,824 <th>411,391 </th></th></th>	63,347 <th>940,824 <th>411,391 </th></th>	940,824 <th>411,391 </th>		
Accounts Payable	149,699	499,379	0	0	0	0	0	35,177	684,255
Accrued Payroll	303,141	26,390	0	0	0	0	9,272	338,803	338,803
Payroll Deductions Payable	319,103	26,637	0	0	0	0	11,320	357,060	357,060
Contracts Payable	44,148	0	0	0	0	0	418,238	462,386	462,386
Due to Other Funds	327,261	35,798	21,065	21,065	0	0	7,737	391,861	391,861
Due to Component Units	0	0	9,382	9,382	0	0	0	9,382	9,382
Due to State of Tennessee	1,093	0	0	0	0	0	0	1,093	1,093
Other Current Liabilities	100,880	0	0	0	0	0	0	100,880	100,880
Deferred Revenue - Current Property Taxes	11,247,300	431,803	785,097	785,097	63,347	940,824	411,391	13,879,762	13,879,762
Deferred Revenue - Delinquent Property Taxes	379,720	0	86,518	86,518	2,644	44,938	0	513,820	513,820
Other Deferred Revenues	123,860	203,154	0	0	0	0	0	327,014	327,014
Health Insurance Payments	4,390	0	0	0	0	0	0	4,390	4,390
Total Liabilities	\$ 13,000,595	\$ 1,223,161	\$ 902,062	\$ 902,062	\$ 65,991	\$ 985,762	\$ 893,135	\$ 17,070,706	\$ 17,070,706

Liabilities

Accounts Payable
Accrued Payroll
Payroll Deductions Payable
Contracts Payable
Due to Other Funds
Due to Component Units
Due to State of Tennessee
Other Current Liabilities
Deferred Revenue - Current Property Taxes
Deferred Revenue - Delinquent Property Taxes
Other Deferred Revenues
Health Insurance Payments
Total Liabilities

(Continued)

Exhibit C-1

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

	Major Funds							Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works		General Debt Service		Rural Debt Service	Education Debt Service	Other Governmental Funds	Governmental Funds	
		156,314	156,500	0	0	0	0			
\$	156,314	156,500	0	0	0	0	0	766,341	1,079,155	
Reserved for Encumbrances	20,197	0	0	0	0	0	0	0	20,197	
Reserved for Alcohol and Drug Treatment	65,458	0	0	0	0	0	0	0	65,458	
Reserved for Litigation Tax - Office of Public Defender	40,213	0	0	0	0	0	0	0	40,213	
Reserved for Drug Court	7,949	0	0	0	0	0	0	0	7,949	
Reserved for Sexual Offender Registration	119,857	0	0	0	0	0	0	0	119,857	
Reserved for Courtroom Security	6,458	0	0	0	0	0	0	0	6,458	
Reserved for Computer System - Register	4,599	0	0	0	0	0	0	0	4,599	
Reserved for Automation Purposes - General Sessions Court	2,990	0	0	0	0	0	0	0	2,990	
Reserved for Automation Purposes - Chancery Court	4,044	0	0	0	0	0	0	0	4,044	
Reserved for Automation Purposes - Sheriff	636,558	0	0	0	0	0	0	0	636,558	
Reserved for Advances to Other Funds	26,550	0	0	0	0	0	0	0	26,550	
Reserved for Prepaid Items	0	37,354	0	0	0	0	0	0	37,354	
Reserved for Inventory	0	0	0	4,754,000	3,139,000	0	0	0	7,893,000	
Reserved for Long-term Notes Receivable	31,601	0	0	0	0	0	0	0	31,601	
Reserved for ARRA Grant No. 6	42,537	0	0	0	0	0	0	2,100	44,637	
Reserved for Other General Purposes	0	0	0	0	0	0	0	0	0	
Unreserved, Reported In:										
General Fund	3,064,517	0	0	0	0	0	0	0	3,064,517	
Special Revenue Funds	0	619,624	0	0	0	0	0	856,542	1,476,166	
Debt Service Funds	0	0	2,600,077	478,816	1,736,114	0	0	0	4,815,007	
Capital Projects Funds	0	0	0	0	0	0	0	194,427	194,427	
Total Fund Balances	\$ 4,229,842	\$ 813,478	\$ 2,600,077	\$ 5,232,816	\$ 4,875,114	\$ 1,819,410	\$ 1,819,410	\$ 194,427	\$ 19,570,737	
Total Liabilities and Fund Balances	\$ 17,230,437	\$ 2,036,639	\$ 3,502,139	\$ 5,298,807	\$ 5,860,876	\$ 2,712,545	\$ 2,712,545	\$ 36,641,443		

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

Exhibit C-2

Anderson County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
June 30, 2010

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)		\$ 19,570,737
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,414,288	
Add: construction in progress	2,171,004	
Add: infrastructure net of accumulated depreciation	5,697,555	
Add: buildings and improvements net of accumulated depreciation	12,043,406	
Add: other capital assets net of accumulated depreciation	<u>2,289,330</u>	23,615,583
(2) An internal service fund is used by management to charge the cost of employee health insurance to individual funds. The assets and liabilities are included in governmental activities in the statement of net assets.		139,041
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: notes payable	\$ (180,000)	
Less: other loans payable	(17,382,241)	
Less: bonds payable	(14,345,000)	
Add: deferred amount on refunding	320,871	
Add: deferred charges - debt issuance costs	260,050	
Less: other postemployment benefits liability	(31,570)	
Less: compensated absences payable	(478,591)	
Less: accrued interest on bonds, notes, and other loans	<u>(142,029)</u>	(31,978,510)
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>840,834</u>
Net assets (deficit) of governmental activities (Exhibit A)		<u>\$ 12,187,685</u>

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

Exhibit C-3

Anderson County, Tennessee
Statement of Revenues, Expenditures,
 and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2010

	Major Funds						Nonmajor Funds		Total Governmental Funds
	General	Highway /	General	Rural	Education	Governmental	Funds		
		Public Works	Debt Service	Debt Service	Debt Service				
Revenues									
Local Taxes	\$ 14,704,699	\$ 529,052	\$ 2,401,579	\$ 50,947	\$ 994,925	\$ 21,478	\$ 18,702,680		
Licenses and Permits	426,596	0	0	0	0	0	426,596		
Fines, Forfeitures, and Penalties	493,915	0	0	0	0	138,715	632,630		
Charges for Current Services	392,484	0	0	0	0	417,581	810,065		
Other Local Revenues	688,458	513,364	11,932	45,917	37,792	52,253	1,349,716		
Fees Received from County Officials	3,692,571	0	0	0	0	0	3,692,571		
State of Tennessee	1,662,195	2,068,819	0	0	0	109,754	3,840,768		
Federal Government	537,182	0	0	0	0	0	537,182		
Other Governments and Citizens Groups	545,351	0	0	887,600	212,653	136,511	1,782,115		
Total Revenues	\$ 23,143,451	\$ 3,111,235	\$ 2,413,511	\$ 984,464	\$ 1,245,370	\$ 876,292	\$ 31,774,323		
Expenditures									
Current:									
General Government	\$ 3,435,137	0	0	0	0	94,948	3,530,085		
Finance	2,778,596	0	0	0	0	0	2,778,596		
Administration of Justice	2,762,972	0	0	0	0	32,898	2,795,870		
Public Safety	10,562,753	0	0	0	0	64,805	10,627,558		
Public Health and Welfare	1,259,481	0	0	0	0	1,429,296	2,688,777		
Social, Cultural, and Recreational Services	64,610	0	0	0	0	534,124	598,734		
Agriculture and Natural Resources	197,427	0	0	0	0	0	197,427		
Other Operations	1,093,927	0	0	0	0	150,415	1,244,342		
Highways	0	3,501,270	0	0	0	0	3,501,270		
Debt Service:									
Principal on Debt	0	0	1,568,000	1,386,065	1,446,835	5,000	4,405,900		
Interest on Debt	0	0	215,068	254,486	247,320	192	717,066		
Other Debt Service	0	0	50,204	4,696	23,613	0	78,513		
Capital Projects	80,880	0	0	0	0	1,489,232	1,570,112		
Total Expenditures	\$ 22,235,783	\$ 3,501,270	\$ 1,833,272	\$ 1,645,247	\$ 1,717,768	\$ 3,800,910	\$ 34,734,250		
Excess (Deficiency) of Revenues Over Expenditures	\$ 907,668	\$ (390,035)	\$ 580,239	\$ (660,783)	\$ (472,398)	\$ (2,924,618)	\$ (2,959,927)		

(Continued)

Exhibit C-3

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

	Major Funds					Nonmajor Funds		Total Governmental Funds
	General	Highway /	General	Rural	Education	Governmental	Funds	
		Public Works	Debt Service	Debt Service	Debt Service			
<u>Other Financing Sources (Uses)</u>								
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,450,000	\$ 2,450,000	
Proceeds from Sale of Capital Assets	13,085	0	0	0	0	30	13,115	
Insurance Recovery	18,925	600	0	0	0	0	19,525	
Transfers In	19,939	409,500	0	0	16,107	1,423,868	1,869,414	
Transfers Out	(1,849,475)	0	0	0	0	0	(1,849,475)	
Total Other Financing Sources (Uses)	\$ (1,797,526)	\$ 410,100	\$ 0	\$ 0	\$ 16,107	\$ 3,873,898	\$ 2,502,579	
Net Change in Fund Balances	\$ (889,858)	\$ 20,065	\$ 580,239	\$ (660,783)	\$ (456,291)	\$ 949,280	\$ (457,348)	
Fund Balance, July 1, 2009	5,119,700	793,413	2,019,838	5,893,599	5,331,405	870,130	20,028,085	
Fund Balance, June 30, 2010	\$ 4,229,842	\$ 813,478	\$ 2,600,077	\$ 5,232,816	\$ 4,875,114	\$ 1,819,410	\$ 19,570,737	

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

Exhibit C-4

Anderson County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Year Ended June 30, 2010

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)		\$	(457,348)
(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	\$	3,106,390	
Less: current-year depreciation expense		<u>(1,332,302)</u>	1,774,088
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.			
Less: capital assets, net of accumulated depreciation, contributed to enterprise fund	\$	(1,821,935)	
Less: book value of other capital assets disposed		<u>(179,033)</u>	(2,000,968)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Add: deferred delinquent property taxes and other deferred June 30, 2010	\$	840,834	
Less: deferred delinquent property taxes and other deferred June 30, 2009		<u>(1,735,340)</u>	(894,506)
(4) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:			
Add: change in deferred debt issuance costs	\$	24,688	
Add: principal payments on bonds		2,575,000	
Add: principal payments on notes		45,000	
Add: principal payments on other loans		1,785,900	
Less: issuance of bonds		<u>(2,450,000)</u>	
Less: change in deferred amount on refunding debt		<u>(73,253)</u>	1,907,335
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in accrued interest payable	\$	31,572	
Change in other postemployment benefits liability		(31,570)	
Change in compensated absences payable		<u>26,120</u>	26,122
(6) The internal service fund is used by management to charge the cost of employee health benefits to individual funds. The net revenue (expense) of certain activities of the internal service fund is reported with governmental activities in the statement of activities.			<u>(70,778)</u>
Change in net assets of governmental activities (Exhibit B)		\$	<u><u>283,945</u></u>

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

Exhibit D-1

Anderson County, Tennessee
Statement of Net Assets
Proprietary Funds
June 30, 2010

	Business-type Activities	Governmental Activities
	Major	Internal
	Enterprise Fund	Service Fund
	Ambulance Service Fund	Employee Health Insurance Fund
<u>ASSETS</u>		
Current Assets:		
Cash	\$ 0	\$ 45,019
Equity in Pooled Cash and Investments	455,230	0
Investments	0	18,404
Accounts Receivable	2,563,471	552,626
Allowance for Uncollectibles	(561,498)	0
Due from Other Funds	13,190	0
Total Current Assets	<u>\$ 2,470,393</u>	<u>\$ 616,049</u>
Noncurrent Assets:		
Capital Assets:		
Assets Not Depreciated:		
Land	\$ 82,950	\$ 0
Assets Net of Accumulated Depreciation:		
Ambulance Service Operations	1,443,590	0
Total Noncurrent Assets	<u>\$ 1,526,540</u>	<u>\$ 0</u>
Total Assets	<u>\$ 3,996,933</u>	<u>\$ 616,049</u>
<u>LIABILITIES</u>		
Current Liabilities:		
Accounts Payable	\$ 2,487	\$ 0
Accrued Payroll	78,012	0
Payroll Deductions Payable	59,868	0
Contracts Payable	17,781	0
Due to Other Funds	245,567	300,000
Accrued Leave - Current	30,087	0
Other Current Liabilities	0	177,008
Total Current Liabilities	<u>\$ 433,802</u>	<u>\$ 477,008</u>
Noncurrent Liabilities:		
Accrued Leave - Long-term	\$ 1,584	\$ 0
Advances from Other Funds	636,558	0
Total Noncurrent Liabilities	<u>\$ 638,142</u>	<u>\$ 0</u>
Total Liabilities	<u>\$ 1,071,944</u>	<u>\$ 477,008</u>
<u>NET ASSETS</u>		
Invested in Capital Assets	\$ 1,526,540	\$ 0
Unrestricted	<u>1,398,449</u>	<u>139,041</u>
Net Assets	<u>\$ 2,924,989</u>	<u>\$ 139,041</u>

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

Exhibit D-2

Anderson County, Tennessee
Statement of Revenues, Expenses, and Changes
in Net Assets
Proprietary Funds
For the Year Ended June 30, 2010

	Business-type Activities	Governmental Activities
	Major Enterprise Fund	Internal Service Fund Employee Health Insurance Fund
	Ambulance Service Fund	
<u>Operating Revenues</u>		
Charges for Services	\$ 5,534,480	\$ 2,810,111
Total Operating Revenues	<u>\$ 5,534,480</u>	<u>\$ 2,810,111</u>
<u>Operating Expenses</u>		
Salaries	\$ 2,519,865	\$ 0
Fringe Benefits	674,626	0
Communications	31,475	0
Data Processing Services	2,506	0
Dues and Memberships	540	0
Laundry Service	15,878	0
Maintenance and Repair Services - Buildings	7,492	0
Maintenance and Repair Services - Vehicles	13,586	0
Pest Control	1,260	0
Postal Charges	202	0
Printing, Stationery, and Forms	2,847	0
Rental Expense	8,100	0
Travel	963	0
Tuition	13,173	0
Disposal Fees	1,034	0
Other Contracted Services	53,063	0
Custodial Supplies	6,723	0
Drugs and Medical Supplies	230,339	0
Duplicating Supplies	1,544	0
Gasoline	132,503	0
Natural Gas	4,263	0
Office Supplies	3,698	0
Tires and Tubes	15,576	0
Uniforms	30,401	0
Utilities	23,821	0
Supplies and Materials	4,787	0
Liability Insurance	24,132	0
Trustee's Commission	39,844	0
Vehicle and Equipment Insurance	24,537	0
Workers' Compensation Insurance	183,060	0

(Continued)

Exhibit D-2

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

	Business-type Activities	Governmental Activities
	Major Enterprise Fund	Internal Service Fund
	Ambulance Service Fund	Employee Health Insurance Fund
<u>Operating Expenses (Cont.)</u>		
Depreciation	\$ 286,334	\$ 0
Loss on Disposal of Property	8,012	0
Staff Development	15,403	0
Communication Equipment	9,264	0
Data Processing Equipment	10,661	0
Furniture and Fixtures	6,975	0
Heating and Air Conditioning Equipment	3,000	0
Medical and Dental Services	0	2,211,425
Other Contracted Services	0	140,739
Excess Risk Insurance	0	528,969
Total Operating Expenses	<u>\$ 4,411,487</u>	<u>\$ 2,881,133</u>
Operating Income (Loss)	<u>\$ 1,122,993</u>	<u>\$ (71,022)</u>
<u>Nonoperating Revenues (Expenses)</u>		
Investment Income	\$ 0	\$ 244
Total Nonoperating Revenues (Expenses)	<u>\$ 0</u>	<u>\$ 244</u>
Income (Loss) Before Contributions and Transfers	\$ 1,122,993	\$ (70,778)
Capital Contributions - Primary Government	1,821,935	0
Transfers In (Out)	(19,939)	0
Change in Net Assets	<u>\$ 2,924,989</u>	<u>\$ (70,778)</u>
Net Assets, July 1, 2009	<u>0</u>	<u>209,819</u>
Net Assets, June, 30, 2010	<u>\$ 2,924,989</u>	<u>\$ 139,041</u>

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

Exhibit D-3

Anderson County, Tennessee
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2010

	Business-type Activities	Governmental Activities
	Major Enterprise Fund	Internal Service Fund Employee Health Insurance Fund
	Ambulance Service Fund	
<u>Cash Flows from Operating Activities</u>		
Receipts from Customers and Users	\$ 3,519,317	\$ 0
Receipts for Self-insurance Premiums	0	2,791,257
Payments to Vendors	(803,506)	0
Payments to Employees	(2,223,562)	0
Payments for Fringe Benefits	(674,626)	0
Payments to Fiscal Agents	0	(140,739)
Payments to Insurers	0	(528,969)
Payments Pending Stop-loss Recovery	0	(306,497)
Payments for Claims	0	(2,167,790)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (182,377)</u>	<u>\$ (352,738)</u>
<u>Cash Flows from Capital and Related Financing Activities</u>		
Proceeds from Sale of Capital Assets	\$ 1,049	\$ 0
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>\$ 1,049</u>	<u>\$ 0</u>
<u>Cash Flows from Noncapital Financing Activities</u>		
Advances from Other Funds	\$ 636,558	\$ 0
Proceeds from Short-term Interfund Loan	0	550,000
Repayment of Short-term Interfund Loan	0	(250,000)
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 636,558</u>	<u>\$ 300,000</u>
<u>Cash Flows from Investing Activities</u>		
Interest on Investments	\$ 0	\$ 178
Net Cash Provided By (Used In) Investing Activities	<u>\$ 0</u>	<u>\$ 178</u>
Increase (Decrease) in Cash	\$ 455,230	\$ (52,560)
Cash, July 1, 2009	0	97,579
Cash, June 30, 2010	<u>\$ 455,230</u>	<u>\$ 45,019</u>

(Continued)

Exhibit D-3

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

	Business-type Activities	Governmental Activities
	Major Enterprise Fund	Internal Service Fund Employee Health Insurance Fund
	Ambulance Service Fund	
<u>Reconciliation of Net Operating Income (Loss)</u>		
<u>to Net Cash Provided By (Used In) Operating Activities</u>		
Operating Income (Loss)	\$ 1,122,993	\$ (71,022)
Adjustments to Reconcile Net Operating Income (Loss)		
to Net Cash Provided By (Used In) Operating Activities:		
Depreciation	286,334	0
Loss on Disposal of Property	8,012	
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivables	(2,563,471)	(325,351)
Increase (Decrease) in Allowance for Uncollectibles	561,498	0
(Increase) Decrease in Due from Other Funds	(13,190)	0
Increase (Decrease) in Accounts Payable	2,487	0
Increase (Decrease) in Accrued Payroll	78,012	0
Increase (Decrease) in Payroll Deductions	59,868	0
Increase (Decrease) in Due to Other Funds (non-transfers)	225,628	0
Increase (Decrease) in Contracts Payable	17,781	0
Increase (Decrease) in Accrued Leave	31,671	43,635
Net Cash Provided By (Used In) Operating Activities	<u>\$ (182,377)</u>	<u>\$ (352,738)</u>
<u>Noncash Investing, Capital, and Financing Activities</u>		
Start of Ambulance Service Operations:		
Contribution of Capital Assets to Anderson County Ambulance Service from Primary Government - Governmental Activities	\$ 1,821,935	\$ 0

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

Exhibit E-1

Anderson County, Tennessee
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2010

	Other Employee Benefits Trust Fund	
	<u>Flexible Benefits Fund</u>	<u>Agency Funds</u>
<u>ASSETS</u>		
Cash	\$ 5,296	\$ 1,354,522
Cash Shortage	0	1,210
Equity in Pooled Cash and Investments	0	7,778
Due from Other Governments	0	2,793,359
Taxes Receivable	0	9,898,606
Allowance for Uncollectible Taxes	0	(337,885)
	<u>0</u>	<u>(337,885)</u>
Total Assets	<u>\$ 5,296</u>	<u>\$ 13,717,590</u>
<u>LIABILITIES</u>		
Cash Overdraft	\$ 18,773	\$ 0
Due to Other Funds	0	14,869
Due to Other Taxing Units	0	12,346,989
Due to Litigants, Heirs, and Others	0	1,355,732
	<u>0</u>	<u>1,355,732</u>
Total Liabilities	<u>\$ 18,773</u>	<u>\$ 13,717,590</u>
<u>NET ASSETS</u>		
Funds Held in Trust for Employees	<u>\$ (13,477)</u>	
Net Assets	<u>\$ (13,477)</u>	

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

Exhibit E-2

Anderson County, Tennessee
Statement of Changes in Fiduciary Net Assets
Fiduciary Fund
For the Year Ended June 30, 2010

	Other Employee Benefits Trust Fund <hr/> Flexible Benefits Fund
<u>ADDITIONS</u>	
Plan Member Contributions	\$ 56,727
Total Additions	<u>\$ 56,727</u>
<u>DEDUCTIONS</u>	
Employee Benefits:	
Other Fringe Benefits	\$ 55,316
Bank Charges	36
Contributions	16,100
Fiscal Agent Charges	4,086
Total Deductions	<u>\$ 75,538</u>
Change in Net Assets	\$ (18,811)
Net Assets, July 1, 2009	<u>5,334</u>
Net Assets, June 30, 2010	<u><u>\$ (13,477)</u></u>

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

ANDERSON COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Anderson County's financial statements are presented in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments.

The following are the more significant accounting policies of Anderson County:

A. Reporting Entity

Anderson County is a public municipal corporation governed by an elected 16-member board. As required by GAAP, these financial statements present Anderson County (the primary government) and its component units. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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

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

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

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

Administrative Office:

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

Related Organization – The Anderson County Water Authority is a related organization of Anderson County. The county mayor nominates and the Anderson County Commission confirms the board members, but the county’s accountability for the organization does not extend beyond making the appointments.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, when applicable, interfund services provided and used between functions are not eliminated in the process of consolidation in the Statement of Activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Anderson County School Department component unit only reports governmental activities in the government-wide financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Anderson County issues most debt for the discretely presented Anderson County School Department. However, no debt issues were contributed by the county to the School Department during the year ended June 30, 2010.

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

governmental funds and the major enterprise fund are reported as separate columns in the fund financial statements.

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

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

Fund financial statements of Anderson County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. Anderson County reports two proprietary funds: an enterprise fund and an internal service fund.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Anderson County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the debt service funds for payments to be made early in the following year.

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

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

Anderson County reports the following major governmental funds:

General Fund – This is the county’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

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

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

Rural Debt Service Fund – This fund accounts for the retirement of long-term debt issued for the construction and renovations of the county’s elementary schools.

Education Debt Service Fund – This fund accounts for the retirement of long-term debt issued for the construction and renovations of the county’s middle and high schools.

Anderson County reports the following major enterprise fund:

Ambulance Service Fund – This fund is used to account for the county’s ambulance service operations, which were previously accounted for in the General Fund.

Additionally, Anderson County reports the following fund types:

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

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

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

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

The discretely presented Anderson County School Department reports the following major governmental fund:

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

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

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

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to the same limitation. Anderson County has elected not to follow subsequent private-sector guidance.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. Internally dedicated

resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has two proprietary funds, an enterprise fund used to account for ambulance service operations, and an internal service fund used to account for the employees' health insurance program. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenue of the county's enterprise fund is charges for services from users. Operating expenses for the enterprise fund include salaries, purchase of supplies and materials, and depreciation of capital assets. The principal operating revenue of the county's internal service fund is self-insurance premiums. Operating expenses for the internal service fund include medical claims, excess risk insurance, and administrative charges.

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

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

For purposes of the Statement of Cash Flows, cash includes demand deposits.

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 Anderson County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Income from these investments is credited to various funds based on legal requirements of the budget adopted by the County Commission, with the majority of the investment income being assigned to the General, General Purpose School, and the various debt service funds. In addition, investments are held separately by the self-insurance fund. Anderson County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with

maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit and investments in the State Treasurer's Investment Pool are reported at cost. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either due to/from other funds (i.e., the current portion of interfund loans) or advances to/from other funds (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as due to/from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All ambulance and property taxes receivables are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to two percent of total taxes levied.

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

Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arises. This date is January 1 and is referred to as the lien date. However, revenues from property taxes are recognized in the period for which the taxes are levied, which is

the ensuing fiscal year. Since the receivable is recognized before the period of revenue recognition the entire amount of the receivable, less an estimated allowance for uncollectible taxes, is reported as deferred revenue as of June 30.

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

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

Most payables are disaggregated on the face of the financial statements. The balance in the account Other Current Liabilities totaling \$282,278 in the governmental activities Statement of Net Assets consists primarily of an assessment from the State of Tennessee of \$78,680, performance bonds of \$22,200, and self-insurance claims of \$177,008.

3. Inventories and Prepaid Items

Inventories of Anderson County and the discretely presented Anderson County School Department are recorded at cost, determined on the first-in, first-out basis and are offset by a reserve of fund balance in the governmental funds to indicate that amounts are not available for appropriation. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. This asset is offset by a reserve of fund balance in the governmental funds to indicate that amounts are not available for appropriation.

4. **Capital Assets**

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or more and an estimated useful life exceeding one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

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

5. **Compensated Absences**

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

6. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the 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 payable is reported net of the applicable debt premium or discount. Debt issuance costs are reported as deferred charges and amortized over the term of the related debt. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is netted against the new debt and amortized over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

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

7. Net Assets and Fund Equity

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

- a. Invested in capital assets, net of related debt – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other

governments or (2) law through constitutional provisions or enabling legislation.

- c. Unrestricted net assets – All other net assets that do not meet the definition of restricted or invested in capital assets, net of related debt.

As of June 30, 2010, Anderson County had \$22,275,241 in outstanding debt for capital purposes for the discretely presented Anderson County School Department. This debt is a liability of Anderson County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Anderson County has incurred a liability, significantly decreasing its unrestricted net assets with no corresponding increase in the county’s capital assets. The School Department has committed to fund a portion of this debt from its operating funds. See Note IV.B., Notes Receivable – Long-term, for additional details of that commitment.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The following table reflects designations in the General Fund on June 30, 2010:

<u>Designation</u>	<u>Amount</u>
Industrial/Land Sale	\$ 376,507
Bridge Construction	285,040
Lake City Firetruck	188,457
Briceville Library and Sidewalk	133,319
Inmate Commissary	112,248
Records Preservation	78,147
Property Assessor Audits	63,650
Claxton Sewer Project	45,000
Energy Conservation	43,335
Gov Deals - Surplus Sale Proceeds	14,384
ADA Compliance	13,044
Channel 95	12,813
Community Action	7,370
Courthouse Security	7,351
Background Checks	6,000
Project Lifesaver	4,500
Mortal Kombat Grant	941
	<hr/>
Total General Fund	<u>\$ 1,392,106</u>

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide Statement of Net Assets

Primary Government

Exhibit C-2 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Assets.

Discretely Presented Anderson County School Department

Exhibit J-3 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Assets.

B. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the government-wide Statement of Activities

Primary Government

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

Discretely Presented Anderson County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund and the District Attorney General Fund (special revenue funds), which are not budgeted, and 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 County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, County Mayor, County Attorney, etc.). Management may make revisions within major categories, but only the County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

B. Fund Deficits

A deficit in unreserved fund balance totaling \$1,267,609 existed in the School Department's General Purpose School Fund at June 30, 2010. This deficit resulted from actual revenues for the year being materially below budget estimates while expenditures were not held within those lower available funding levels. The Anderson County School Department has adjusted their budgets to absorb the budgetary shortfall of FY 2009-10. The Office of Accounts and Budgets will more closely monitor the school budget to ensure that expenditures do not exceed available resources.

A deficit in unreserved fund balance totaling \$97,888 existed in the School Department's Other Education Special Revenue Fund at June 30, 2010. This deficit resulted from the reservation of encumbrances for committed purchases of the Headstart program. The deficit is expected to be liquidated by federal grant revenues once the actual purchases have been made.

C. Cash Shortages: Prior- and Current-Years

As reported in the previous comprehensive annual financial report, a cash shortage of \$4,104 existed in the Office of Anderson County Clerk as of October 26, 2009. The Anderson County Clerk received restitution of this amount on November 24, 2009. However, an additional cash shortage of \$1,210 was subsequently identified in the Office of County Clerk and remains unpaid as of the date of this report. Details of this cash shortage are discussed in the Schedule of Findings and Questioned Costs in the Single Audit section of this report.

D. Cash Overdraft

The Other Employee Benefits Trust Fund had a cash overdraft of \$18,773 at June 30, 2010. This cash overdraft resulted from a timing difference between the payments of flexible benefit claims and payroll deductions from enrolled employees. The overdraft should be eliminated once employee payroll deductions are received later in the plan year.

E. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the County Commission in the Principal on Debt major appropriation category (the legal level of control) in the Rural Debt Service Fund by \$11,000 and also in the Education Debt Service by \$11,000. Such over expenditures are a violation of state statutes. These overexpenditures were funded by excess appropriations in other major categories of expenditures.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

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

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

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; 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 Comptroller’s Office 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 fair value of the securities on the day of purchase.

Investment Balances. As of June 30, 2010, Anderson County had the following investments carried at cost. Pooled investments reported in the following table are held in the county trustee’s investment pool. Separate disclosures concerning pooled investments cannot be made for Anderson County and the discretely presented Anderson County School Department since both pool their deposits and investments through the county trustee. Nonpooled investments represent amounts held in the Employee Health Insurance Fund (an internal service fund).

POOLED INVESTMENTS

Investment	Maturities	Cost
State Treasurer's Investment Pool	Daily	\$ 583,527

NONPOOLED INVESTMENTS

Investment	Maturities	Cost
State Treasurer's Investment Pool	Daily	\$ 18,404

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

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Anderson County has no investment policy that would further limit its investment choices. As of June 30, 2010, Anderson County's investments in the State Treasurer's Investment Pool were unrated.

B. Notes Receivable – Long-term

Anderson County entered into an agreement with the discretely presented Anderson County School Department where the primary government has borrowed funds and loaned the proceeds to the School Department. The School Department has agreed to repay the primary government for principal and interest requirements on this debt. Long-term notes receivable are reflected in the primary government's Rural Debt Service (\$4,754,000) and Education Debt Service (\$3,139,000) funds for future principal amounts due from the School Department. These notes receivable are offset with reserved fund balance to indicate that the amounts are not available for appropriation. The amounts of the notes not expected to be collected within one year are \$4,256,500 in the Rural Debt Service Fund and \$2,782,400 in the Education Debt Service Fund.

C. Capital Assets

Capital assets activity for the year ended June 30, 2010, was as follows:

Primary Government

Governmental Activities

	Balance 7-1-09	Increases	Decreases	Balance 6-30-10
Capital Assets Not Depreciated:				
Land	\$ 1,497,238	\$ 0	\$ (82,950)	\$ 1,414,288
Construction in Progress	947,762	1,530,447	(307,205)	2,171,004
Total Capital Assets				
Not Depreciated	\$ 2,445,000	\$ 1,530,447	\$ (390,155)	\$ 3,585,292

Governmental Activities (Cont.)

	Balance 7-1-09	Increases	Decreases	Balance 6-30-10
Capital Assets Depreciated:				
Buildings and Improvements	\$ 18,895,835	\$ 315,473	\$ (696,203)	\$ 18,515,105
Roads, Streets, and Bridges	43,040,607	1,340,405	(35,436)	44,345,576
Other Capital Assets	9,592,067	227,270	(2,661,790)	7,157,547
Total Capital Assets Depreciated	\$ 71,528,509	\$ 1,883,148	\$ (3,393,429)	\$ 70,018,228
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 6,157,300	\$ 449,837	\$ (135,438)	\$ 6,471,699
Roads, Streets, and Bridges	38,300,712	381,180	(33,871)	38,648,021
Other Capital Assets	5,673,034	501,285	(1,306,102)	4,868,217
Total Accumulated Depreciation	\$ 50,131,046	\$ 1,332,302	\$ (1,475,411)	\$ 49,987,937
Total Capital Assets Depreciated, Net	\$ 21,397,463	\$ 550,846	\$ (1,918,018)	\$ 20,030,291
Governmental Activities Capital Assets, Net	\$ 23,842,463	\$ 2,081,293	\$ (2,308,173)	\$ 23,615,583

Decreases include capital assets (\$3,011,121) and accumulated depreciation (\$1,189,186) contributed from Governmental Activities to Business-type Activities upon the establishment of the Ambulance Service Fund, an enterprise fund.

Business-type Activities:

	Balance 7-1-09	Increases	Decreases	Balance 6-30-10
Capital Assets Not Depreciated:				
Land	\$ 0	\$ 82,950	\$ 0	\$ 82,950
Total Capital Assets Not Depreciated	\$ 0	\$ 82,950	\$ 0	\$ 82,950
Capital Assets Depreciated:				
Buildings and Improvement	\$ 0	\$ 547,955	\$ 0	\$ 547,955
Other Capital Assets	0	2,380,216	(82,044)	2,298,172
Total Capital Assets Depreciated	\$ 0	\$ 2,928,171	\$ (82,044)	\$ 2,846,127

Business-type Activities: (Cont.)

	Balance 7-1-09	Increases	Decreases	Balance 6-30-10
Less Accumulated Depreciation For:				
Buildings and Improvement	\$ 0	\$ 149,063	\$ 0	\$ 149,063
Other Capital Assets	0	1,326,457	(72,983)	1,253,474
Total Accumulated Depreciation	<u>\$ 0</u>	<u>\$ 1,475,520</u>	<u>\$ (72,983)</u>	<u>\$ 1,402,537</u>
Total Capital Assets Depreciated, Net	<u>\$ 0</u>	<u>\$ 1,452,651</u>	<u>\$ (9,061)</u>	<u>\$ 1,443,590</u>
Business-type Activities Capital Assets, Net	<u>\$ 0</u>	<u>\$ 1,535,601</u>	<u>\$ (9,061)</u>	<u>\$ 1,526,540</u>

Increases include capital assets (\$3,011,121) and accumulated depreciation (\$1,189,186) contributed from Governmental Activities to Business-type Activities upon establishment of the Ambulance Service Fund, an enterprise fund.

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

Governmental Activities:

General Government	\$ 270,580
Finance	18,101
Administration of Justice	18,048
Public Safety	489,438
Public Health and Welfare	70,688
Social, Cultural, and Recreational	4,402
Agriculture and Natural Resources	939
Other General Government	8,616
Highway/Public Works	<u>451,490</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,332,302</u>

Business-type Activities:

Ambulance Service	<u>\$ 286,334</u>
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Discretely Presented Anderson County School Department

Governmental Activities:

	Balance 7-1-09	Increases	Decreases	Balance 6-30-10
Capital Assets Not Depreciated:				
Land	\$ 834,389	\$ 0	\$ 0	\$ 834,389
Construction in Progress	18,000	114,569	(132,569)	0
Total Capital Assets Not Depreciated	\$ 852,389	\$ 114,569	\$ (132,569)	\$ 834,389
Capital Assets Depreciated:				
Buildings and Improvements	\$ 66,133,243	\$ 132,569	\$ 0	\$ 66,265,812
Other Capital Assets	4,797,383	298,723	(44,061)	5,052,045
Total Capital Assets Depreciated	\$ 70,930,626	\$ 431,292	\$ (44,061)	\$ 71,317,857
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 29,001,731	\$ 1,623,503	\$ 0	\$ 30,625,234
Other Capital Assets	3,055,485	317,962	(44,061)	3,329,386
Total Accumulated Depreciation	\$ 32,057,216	\$ 1,941,465	\$ (44,061)	\$ 33,954,620
Total Capital Assets Depreciated, Net	\$ 38,873,410	\$ (1,510,173)	\$ 0	\$ 37,363,237
Governmental Activities Capital Assets, Net	\$ 39,725,799	\$ (1,395,604)	\$ (132,569)	\$ 38,197,626

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

Governmental Activities:

Instruction	\$ 1,776,041
Support Services	57,148
Operation of Non-Instruction Services	<u>108,276</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,941,465</u>

D. Construction Commitments

At June 30, 2010, Anderson County had uncompleted construction contracts of \$766,341 in the General Capital Projects Fund. Funding has been provided for these future expenditures.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2010, is as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Highway/Public Works	\$ 35,725
"	General Debt Service	12,863
"	Nonmajor governmental	7,295
"	Ambulance Service	226,752
Highway/Public Works	General	74,232
"	Nonmajor governmental	442
"	Ambulance Service	18,557
Rural Debt Service	General Debt Service	2,307
Education Debt Service	General	16,108
"	General Debt Service	4,937
Nonmajor governmental	General	223,731
"	Highway/Public Works	73
"	General Debt Service	958
"	Ambulance Service	258
Ambulance Service	General	13,190
General	Internal Service	300,000
Discretely Presented		
School Department:		
General Purpose School	Nonmajor governmental	163,790
Nonmajor governmental	General Purpose School	16,919
"	Nonmajor governmental	1,020

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.

Advances from/to Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Ambulance Service	\$ 636,558

The amount payable to the General Fund relates to proceeds from prior year ambulance patient charges receivables that were loaned to the new Ambulance Service Fund, an enterprise fund. None of the balance is scheduled to be repaid in one year.

Due to/from Primary Government and Component Unit:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Component Unit: School Department	\$ 115,351
Highway/Public Works	"	6,867
Nonmajor governmental	"	10,087
Component Unit:		
School Department	Primary Government: General Debt Service	9,382

Interfund Transfers:

Interfund transfers for the year ended June 30, 2010, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In			
	General Fund	Highway/ Public Works Fund	Education Debt Service Fund	Nonmajor Governmental Funds
General Fund	\$ 0	\$ 409,500	\$ 16,107	\$ 1,423,868
Enterprise Fund	19,939	0	0	0
Total	\$ 19,939	\$ 409,500	\$ 16,107	\$ 1,423,868

Discretely Presented Anderson County School Department

Transfers Out	Transfers In	
	General Purpose School Fund	Nonmajor Governmental Funds
General Purpose School Fund	\$ 0	\$ 10,535
Nonmajor governmental funds	157,406	168,685
Total	<u>\$ 157,406</u>	<u>\$ 179,220</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in accordance with budgetary authorizations.

F. Income from Operating Lease Commitments

Anderson County leases space in the Robert Jolley Administration Building and the Daniel Arthur Rehabilitation Center to various tenants under operating lease agreements. The carrying value of the leased properties was \$1,521,656 at June 30, 2010. The original cost was \$3,065,288 and accumulated depreciation was \$1,543,632. Total lease revenues for the year ended June 30, 2010, were \$164,956. The future minimum lease payments under existing leases are as follows:

Fiscal Year Ending June 30	Amount
2011	\$ 171,028
2012	172,462
2013	158,582
2014	110,640
2015	110,640
Total	<u>\$ 723,352</u>

G. Capital Lease

During the 2003-04 year, the discretely presented Anderson County School Department entered into an agreement for the lease of a building for its daycare and head start programs. Generally accepted accounting principles require the lease to be capitalized because the present value of minimum lease payments (using the School Department's incremental borrowing rate) exceeds 90 percent of the fair value of the asset. The School Department made advance payments totaling \$749,060 to decrease its future lease

obligations, and the revised lease agreement provides for all required payments to be made during a 16-year period ending in 2021. The School Department has an option to extend the lease for two five-year terms. The lease carries an implicit interest rate of 11.4 percent, and title does not transfer at the end of the lease.

The assets acquired through the capital lease outstanding at June 30, 2010, consist of the following:

	<u>Governmental Activities</u>
Building and Improvements	\$ 1,706,295
Less: Accumulated Depreciation	<u>(522,047)</u>
Total	<u>\$ 1,184,248</u>

Future minimum payments under this capital lease consisted of the following at June 30, 2010:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2011	\$ 115,704
2012	116,835
2013	117,931
2014	119,029
2015	120,126
2016-2020	617,086
2021	<u>30,844</u>
Total Minimum Lease Payments	\$ 1,237,555
Less: Amount Representing Interest	<u>(515,753)</u>
Present Value of Minimum Payments	<u>\$ 721,802</u>

H. Long-term Debt

Primary Government

General Obligation Bonds, Notes, and Other Loans

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

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, and other loans outstanding were issued for original terms of up to 18 years for bonds, up to ten years for notes, and 20 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt.

General obligation bonds, capital outlay notes, and other loans outstanding as of June 30, 2010, for governmental activities are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-10
General Government Bonds	1 to 5.25 %	\$ 2,450,000	\$ 2,450,000
General Government Refunding Bonds	3 to 5	10,665,000	3,330,000
Rural School Refunding Bonds	2 to 5	16,035,000	8,565,000
Capital Outlay Notes	3.6 to 3.78	400,000	180,000
Other Loans	Variable	27,733,000	17,382,241

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

The following table summarizes loan agreements outstanding at June 30, 2010:

Description	Original Amount of Loan Agreement	Outstanding Principal 6-30-10	Interest Type	Interest Rates as of 6-30-10	Other Fees
<u>Montgomery County Public Building Authority</u>					
Industrial Development	\$ 1,700,000	\$ 1,168,000	Variable	.2 %	.38 %
Rural Elementary School	6,000,000	4,754,000	Variable	.2	.38
Rural High School	4,100,000	3,139,000	Variable	.2	.38
Jail Renovation	3,000,000	2,504,000	Variable	.2	.38
<u>City of Clarksville Public Building Authority</u>					
Rural School Refunding	5,746,000	2,734,752	Variable	.2	.38
Rural High School Refunding	7,187,000	<u>3,082,489</u>	Variable	.2	.38
Total		<u>\$ 17,382,241</u>			

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2010, including interest payments and other loan fees, are presented in the following tables. The interest rates on the public building authority loan agreements are tax-exempt variable rates determined by the remarketing agent daily or weekly depending on the particular program. In addition, the county pays various other fees (trustee, debt remarketing, etc.) in connection with these loans. Interest payments and other fees included in the table for the variable rate issues are computed based on the rates in effect at June 30, 2010.

Year Ending June 30	Notes		
	Principal	Interest	Total
2011	\$ 40,000	\$ 6,287	\$ 46,287
2012	40,000	4,793	44,793
2013	40,000	3,299	43,299
2014	30,000	1,985	31,985
2015	30,000	851	30,851
Total	<u>\$ 180,000</u>	<u>\$ 17,215</u>	<u>\$ 197,215</u>

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2011	\$ 1,840,600	\$ 34,764	\$ 66,053	\$ 1,941,417
2012	1,915,500	31,083	59,058	2,005,641
2013	1,956,000	27,252	51,779	2,035,031
2014	2,026,000	23,340	44,347	2,093,687
2015	2,090,000	19,288	36,648	2,145,936
2016-2020	6,455,141	38,536	73,218	6,566,895
2021-2025	1,099,000	6,178	11,738	1,116,916
Total	<u>\$ 17,382,241</u>	<u>\$ 180,441</u>	<u>\$ 342,841</u>	<u>\$ 17,905,523</u>

Year Ending June 30	Bonds		
	Principal	Interest	Total
2011	\$ 2,805,000	\$ 543,275	\$ 3,348,275
2012	2,415,000	440,715	2,855,715
2013	2,505,000	347,061	2,852,061
2014	1,190,000	263,842	1,453,842
2015	1,230,000	220,699	1,450,699
2016-2020	2,965,000	530,129	3,495,129
2021-2025	735,000	242,550	977,550
2026-2028	500,000	53,288	553,288
Total	\$ 14,345,000	\$ 2,641,559	\$ 16,986,559

There is \$4,815,007 available in the debt service funds to service long-term debt. Bonded debt per capita totaled \$81, based on the 2000 federal census for residents living inside the Oak Ridge School District, \$181 for residents living inside the Clinton School District, and \$302 for residents living outside of these school districts. Debt per capita, including bonds, notes, other loans, and capital leases, totaled \$154, based on the 2000 federal census for residents living inside the Oak Ridge School District, \$396 for residents living inside the Clinton School District, and \$733 for residents living outside of these school districts.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2010, was as follows:

Governmental Activities:	Bonds		Notes	
Balance, July 1, 2009	\$	14,470,000	\$	225,000
Additions		2,450,000		0
Deductions		(2,575,000)		(45,000)
Balance, June 30, 2010	\$	14,345,000	\$	180,000
Balance Due Within One Year	\$	2,805,000	\$	40,000

	Other		Other	
	Loans	Compensated Absences	Postemployment Benefits	
Balance, July 1, 2009	\$	19,168,141	\$	504,711
Additions		0		653,227
Deductions		(1,785,900)		(679,347)
Balance, June 30, 2010	\$	17,382,241	\$	478,591
Balance Due Within One Year	\$	1,840,600	\$	454,662

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2010	\$ 32,417,402
Less: Balance Due Within One Year	(5,140,262)
Less: Deferred Amount on Refunding	<u>(320,871)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u><u>\$ 26,956,269</u></u>

During the year, the discretely presented Anderson County School Department paid \$812,710 to the primary government to apply toward the retirement of school debt.

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

Discretely Presented Anderson County School Department

Capital Outlay Notes

Anderson County issues capital outlay notes on behalf of the School Department to provide funds for the acquisition and construction of major capital facilities, and equipment. Capital outlay notes are direct obligations and pledge the full faith and credit of the government. Debt obligations outstanding were issued for original terms of up to 20 years for notes. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt.

Capital outlay notes and the capital lease outstanding as of June 30, 2010, are as follows:

<u>Type/Purpose</u>	<u>Interest Rate</u>	<u>Original Amount of Issue</u>	<u>Balance 6-30-10</u>
Capital Outlay Notes:			
Asbestos Removal	0 %	\$ 89,529	\$ 4,529
Energy Efficiency Program	0	496,775	425,807
Renovation of Various Schools	3.6	2,272,000	210,000
Renovation of Various Schools	Variable	10,100,000	7,893,000
Capital Lease	11.4	957,236	721,802

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

The annual requirements to amortize all notes and the lease outstanding as of June 30, 2010, including interest, are presented in the following tables:

Year Ending June 30	Notes		
	Principal	Interest	Total
2011	\$ 999,596	\$ 22,086	\$ 1,021,682
2012	1,030,968	17,858	1,048,826
2013	1,045,968	13,558	1,059,526
2014	1,000,968	10,488	1,011,456
2015	1,025,968	8,629	1,034,597
2016-2018	3,429,868	13,984	3,443,852
Total	\$ 8,533,336	\$ 86,603	\$ 8,619,939

Year Ending June 30	Capital Lease		
	Principal	Interest	Total
2011	\$ 35,202	\$ 80,502	\$ 115,704
2012	40,626	76,209	116,835
2013	46,663	71,268	117,931
2014	53,426	65,603	119,029
2015	61,002	59,124	120,126
2016-2020	454,608	162,478	617,086
2021	30,275	569	30,844
Total	\$ 721,802	\$ 515,753	\$ 1,237,555

Changes in Long-term Liabilities

The following is a summary of changes in long-term liabilities for the discretely presented Anderson County School Department, for the year ended June 30, 2010:

	Notes	Capital Lease
Balance, July 1, 2009	\$ 9,668,137	\$ 752,245
Additions	0	0
Deductions	(1,134,801)	(30,443)
Balance, June 30, 2010	\$ 8,533,336	\$ 721,802
Balance Due Within One Year	\$ 999,596	\$ 35,202

	Other Postemployment Benefits	Compensated Absences
Balance, July 1, 2009	\$ 390,027	\$ 282,870
Additions	576,927	306,930
Deductions	(357,970)	(274,515)
Balance, June 30, 2010	<u>\$ 608,984</u>	<u>\$ 315,285</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 299,523</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2010	\$ 10,179,407
Less: Balance Due Within One Year	<u>(1,334,321)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 8,845,086</u>

Compensated absences will be paid from the employing funds.

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Anderson County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2010, were \$217,475 and \$40,042, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

J. Short-term Debt

Anderson County issued tax and revenue anticipation notes in advance of property tax and other revenue collections in the following funds. These notes were necessary because funds were not available to meet obligations coming due before revenues were available. Short-term debt activity for the year ended June 30, 2010, was as follows:

Tax Anticipation Notes:

<u>Fund</u>	<u>Balance</u> <u>7-1-09</u>	<u>Issued</u>	<u>Paid</u>	<u>Balance</u> <u>6-30-10</u>
General Fund (Borrowed from General Debt Service Fund)	\$ 0	\$ 500,000	\$ (500,000)	\$ 0
General Purpose School Fund (Borrowed from Education Debt Service Fund)	0	1,500,000	(1,500,000)	0

Revenue Anticipation Notes:

<u>Fund</u>	<u>Balance</u> <u>7-1-09</u>	<u>Issued</u>	<u>Paid</u>	<u>Balance</u> <u>6-30-10</u>
General Capital Projects Fund (Borrowed from General Fund)	\$ 0	\$ 1,200,000	\$ (1,200,000)	\$ 0
Employee Health Insurance Fund (Borrowed from General Fund)	0	550,000	(250,000)	300,000
General Purpose School Fund (Borrowed from Education Debt Service Fund)	0	500,000	(500,000)	0
School Federal Projects Fund (Borrowed from General Purpose School)	0	300,000	(300,000)	0

V. OTHER INFORMATION

A. Risk Management

The county has chosen to establish the Employee Health Insurance Fund for risks associated with the employees' health insurance plan. The Employee Health Insurance Fund is accounted for as an internal service fund where assets are set aside for claim settlements. The county has obtained a stop/loss commercial policy to cover claims beyond certain liabilities. Both the county health insurance plan and the stop/loss policy have a lifetime coverage of \$1,000,000 for each covered person. Annually, the county retains the risk of loss for the first \$60,000 per covered person. An estimated liability for outstanding medical claims of \$177,008 has been recorded in the financial statements of the Employee Health Insurance Fund.

All full-time employees of the primary government are eligible to participate. Retirees are allowed to participate at their own expense. A premium charge is allocated to each fund that accounts for full-time employees. This charge is based on actuarial estimates for the amounts needed to pay prior- and current-year claims and to establish a reserve for catastrophe losses. This reserve totaled \$139,041 at June 30, 2010. Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The Employee Health Insurance Fund establishes claims liabilities based on estimates of the ultimate cost of claims that have been incurred but not reported. Claims liabilities include specific, incremental claim adjustment expenditures/expenses, if any. The process used to compute claims liabilities does not necessarily result in an exact amount. Changes in the balance of claims liabilities during the past two fiscal years are as follows:

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance Fiscal Year-end
2008-09	\$ 81,025	\$ 2,106,086	\$ 2,053,738	\$ 133,373
2009-10	133,373	2,211,425	2,167,790	177,008

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

Anderson County and the discretely presented Anderson County School Department are exposed to various risks related to general liability, property, casualty, and workers' compensation losses. The county and the School Department decided it was more economically feasible to join a public entity risk pool as opposed to purchasing commercial insurance for general liability, property, casualty, and workers' compensation coverage. The county and the School Department joined the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The county and the School Department pay annual premiums to the TN-RMT for their general liability, property, casualty, and workers' compensation insurance coverage. The creation of TN-RMT provides for it to be self-sustaining through member premiums.

B. Risk Financing Activities

Anderson County and several other counties, cities, and local government entities were members of the Local Government Insurance Cooperative (LOGIC) for their workers' compensation insurance for one or more policy years in 1996-97, 1997-98, and 1999-2000. LOGIC obtained excess coverage insurance from Reliance Insurance Company for claims that exceeded specific amounts. Reliance Insurance Company is now insolvent and is being liquidated in the State of Pennsylvania. The insolvency of Reliance Insurance Company has left the LOGIC members exposed to significant claim liabilities for their policy years. In 2003, the LOGIC board of directors assessed its members certain amounts for each member's share of outstanding claims unpaid by Reliance Insurance Company. In 2009, the LOGIC board of directors made a second assessment of its members. Anderson County's share of this second assessment totaled \$118,465.

C. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 51, Accounting and Financial Reporting for Intangible Assets; and Statement No. 53, Accounting and Financial Reporting for Derivative Instruments became effective for the year ended June 30, 2010.

GASB Statement No. 51 establishes accounting and financial reporting requirements for intangible assets. Intangible assets have three characteristics: lack of physical substance; nonfinancial in nature; and a useful life that extends beyond a single reporting period. Assets that have these characteristics and are identifiable to the government should be recorded as capital assets and amortized over their useful lives. Easements, water rights, patents, and computer software are examples of intangible assets that should be recognized under GASB Statement No. 51. Anderson County had no assets that met the definition of intangible assets at June 30, 2010. However, it is reasonably expected that Anderson County may acquire intangible assets in subsequent years.

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by county governments. Derivative instruments are financial arrangements used by governments as investments; hedges against identified financial risks; or to lower the costs of borrowings. Interest rate swaps and locks, options, swaptions, forward contracts, and futures contracts are among the commonly used types of derivatives mentioned in GASB Statement No. 53. Derivative instruments associated with fluctuating financial and commodity prices result in changing cash flows and fair values that can be used as effective risk management or investment tools. For the same reasons, derivative instruments can expose governments to significant risks and liabilities. The requirements of GASB Statement No. 53 are intended to help users of financial information evaluate the effectiveness and associated risks involved with Anderson County's derivative transactions. GASB Statement

No. 53 requires most derivatives to be reported at fair value in the Statement of Net Assets. Changes in fair value for derivative instruments that are intended for investment purposes or that are reported like investment derivative instruments because of ineffectiveness are reported as investment revenues in the Statement of Activities. Alternatively, the changes in fair value of derivative instruments that are classified as hedging (i.e., effective) derivative instruments are reported in the Statement of Net Assets as deferrals. Anderson County had not participated in any derivative transactions as of June 30, 2010. However, it is reasonably expected that Anderson County may enter into derivative transactions in subsequent years.

Operations of the county's Ambulance Service were previously reported in the General Fund in the fund financial statements and were reported under governmental operations in the government-wide financial statements. During the year, Anderson County determined that the Ambulance Service had evolved into self-sustaining operations, which should be accounted for as an enterprise fund pursuant to accounting principles generally accepted in the United States of America. Accordingly, for the 2009-10 year, operations of the Ambulance Service are recognized in an enterprise fund in the fund financial statements and in the business-type activities in the government-wide financial statements. Net capital assets of \$1,821,935, which were previously reported in governmental activities, were transferred to the business-type activities during the year.

D. Subsequent Events

Subsequent to June 30, 2010, Anderson County and the discretely presented Anderson County School Department approved the following interfund loans in the form of revenue anticipation notes:

From Fund	To Fund	Amount
General Debt Service	General	\$ 1,000,000
Education Debt Service	General Purpose School	950,000
Education Debt Service	Other Education Special Revenue	50,000
General Purpose School	School Federal Projects	332,518

On August 25, 2010, Anderson County issued \$785,000 in general obligation refunding bonds and a \$3,000,000 tax anticipation note for the School Department's General Purpose School Fund.

On October 25, 2010, Anderson County issued \$7,535,000 in Rural School Refunding Bonds and \$6,205,000 in Rural High School Refunding Bonds.

E. Contingent Liabilities

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

F. Change in Administration

On July 1, 2009, V.L. Stonecipher left the Office of Director of Schools and was succeeded by Larry Foster.

G. Jointly Governed Organization

The Northeast Tennessee Railroad Authority is jointly operated by Anderson County in conjunction with Campbell and Scott counties. The authority's board consists of the county mayor of each county and one member selected by the governing body of each county; however, counties do not have any ongoing financial interest or responsibility for the entity. Anderson County did not contribute to the operations of the Northeast Tennessee Railroad authority during the year ended June 30, 2010.

H. Retirement Commitments

Plan Description

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

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

Funding Policy

Anderson County requires employees to contribute five percent of their earnable compensation. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2010, was 7.34 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2010, the county's annual pension cost of \$1,548,046 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 postretirement increases of three percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. The county's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2007, was eight years. An actuarial valuation was performed as of July 1, 2009, which established contribution rates effective July 1, 2010.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-10	\$1,548,046	100%	\$0
6-30-09	1,497,797	100	0
6-30-08	1,441,896	100	0

Funded Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the plan was 85.72 percent funded. The actuarial accrued liability for benefits was \$51.1 million, and the actuarial value of assets was \$43.81 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$7.3 million. The covered payroll (annual payroll of active employees covered by the plan) was \$20.8 million, and the ratio of the UAAL to the covered payroll was 35.07 percent.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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

School Teachers

Plan Description

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

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2010, was 6.42 percent of annual covered payroll. The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2010, 2009, and 2008, were \$1,904,906, \$1,860,668, and \$1,750,097, respectively, equal to the required contributions for each year.

I. Other Postemployment Benefits (OPEB)

Primary Government

Plan Description

Anderson County participates in a self-insured/commercial postemployment benefits plan administered by Cariten for medical benefits for retirees and their beneficiaries. For accounting purposes, the plan is a single-employer defined benefit OPEB plan. Benefits are established and amended by an insurance committee established by the County Commission.

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. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The county develops its own contribution policy in terms of subsidizing active employees or retired employees' premiums. Eligible employees must be age 60 with five years of service or any age with 25 years of service until attainment of age 65 when they become eligible for Medicare. Anderson County does not pay any of the retirees' premiums. However, since pre-65 retirees are allowed to remain on the plan, an implicit rate subsidy exists and is accounted for as other postemployment benefits. The retiree's spouse is eligible while the retiree is eligible for coverage until the spouse's age of 65.

Annual OPEB Cost and Net OPEB Obligation

ARC	\$ 33,544
Interest on the NPO	0
Adjustment to the ARC	0
Annual OPEB cost	<u>\$ 33,544</u>
Amount of contribution	<u>(1,974)</u>
Increase/decrease in NPO	\$ 31,570
Net OPEB obligation, 7-1-09	<u>0</u>
Net OPEB obligation, 6-30-10	<u><u>\$ 31,570</u></u>

Fiscal Year Ended* Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Fiscal Year-end
6-30-10 Primary Government	\$ 33,544	5.9 %	\$ 31,570

* Data not available for two preceding years.

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2010, was as follows:

Actuarial valuation date	7-1-09
Actuarial accrued liability (AAL)	\$ 194,578
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 194,578
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 13,499,268
UAAL as a % of covered payroll	1.4%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year 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, 2009, actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a five percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of nine percent initially, reduced by decrements to an ultimate rate of five percent. Both rates include a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payrolls over a 30-year period beginning with June 30, 2010.

Discretely Presented Anderson County School Department

Plan Description

The Anderson County School Department participates in the state-administered Local Education Group Insurance Plan for healthcare benefits. For accounting purposes, the 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. 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 a 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. The Anderson County School Department

does not pay any premiums for retiree health insurance. However, since pre-65 retirees are allowed to remain on the plan, an implicit rate subsidy exists and is accounted for as other postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan
	<hr/>
ARC	\$ 576,000
Interest on the NPO	17,551
Adjustment to the ARC	(16,624)
Annual OPEB cost	<hr/> \$ 576,927
Amount of contribution	(357,970)
Increase/decrease in NPO	<hr/> \$ 218,957
Net OPEB obligation, 7-1-09	<hr/> 390,027
Net OPEB obligation, 6-30-10	<hr/> <hr/> \$ 608,984

Fiscal Year Ended*	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Fiscal Year-end
<hr/>				
6-30-09	Local Education Group	\$ 604,501	35.5 %	\$ 390,027
6-30-10	"	576,927	62	608,984

* Data not available for one preceding year.

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2010, was as follows:

	Local Education Group Plan
	<hr/>
Actuarial valuation date	7-1-09
Actuarial accrued liability (AAL)	\$ 5,241,000
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 5,241,000
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 36,782,367
UAAL as a % of covered payroll	14%

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 multi-year 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, 2009, actuarial valuation for the Local Education Plan, the projected unit credit actuarial cost method was used and the actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of four percent for fiscal year 2010. The trend will rise to ten percent in fiscal year 2011 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. 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.

J. Office of Central Accounting and Budgeting

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

K. Purchasing Laws

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

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

A. Description of Organization

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

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

B. Summary of Significant Accounting Policies

1. Basis of Accounting

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

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

Invested in capital assets: This category includes capital assets, net of accumulated depreciation. The amount invested in capital assets at June 30, 2010, has been calculated as follows:

Capital assets	\$ 588,868
Accumulated depreciation	<u>(333,826)</u>
Capital assets being depreciated, net	<u>\$ 255,042</u>

Restricted: This category includes net assets whose use is subject to externally imposed stipulations that can be fulfilled by actions of the district pursuant to those stipulations or that expire by the passage of time. The district had no restricted net assets as of June 30, 2010.

Unrestricted: This category includes net assets that are not subject to externally imposed stipulations and that do not meet the definition of restricted or invested in capital assets. Unrestricted net assets may be designated for specific purposes by action of management or the Board of Directors or may otherwise be limited by contractual agreements with outside parties.

2. Accounts Receivable

Accounts receivable, which are deemed uncollectible based upon a periodic review of the accounts, are charged to revenue. At June 30, 2010, no allowance for uncollectible accounts was considered necessary.

3. Property and Equipment

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

4. Operating Budget

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

5. Compensated Absences

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

C. Cash on Deposit

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

D. Property and Equipment

Property and equipment activities for the year ended June 30, 2010, were as follows:

	Balance			Balance
	7-1-09	Additions	Retirements	6-30-10
Capital Assets Depreciated:				
Communications Equipment	\$ 383,102	\$ 19,848	\$ (15,260)	\$ 387,690
Furniture and Fixtures	50,407	9,240	(6,824)	52,823
Office Equipment	6,842	0	0	6,842
Vehicle	19,425	0	0	19,425
Leasehold Improvements	50,240	0	0	50,240
Other Capital Assets	70,963	885	0	71,848
	<u>\$ 580,979</u>	<u>\$ 29,973</u>	<u>\$ (22,084)</u>	<u>\$ 588,868</u>
Accumulated Depreciation	(301,007)	(54,904)	22,084	(333,827)
Capital Assets				
Depreciated, Net	<u>\$ 279,972</u>	<u>\$ (24,931)</u>	<u>0</u>	<u>\$ 255,041</u>

E. Risk Management

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

F. Leases

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

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

Anderson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 14,704,699	\$ 0	\$ 0	\$ 14,704,699	\$ 14,450,659	\$ 14,495,659	\$ 209,040
Licenses and Permits	426,596	0	0	426,596	370,500	370,500	56,096
Fines, Forfeitures, and Penalties	493,915	0	0	493,915	303,500	303,500	190,415
Charges for Current Services	392,484	0	0	392,484	315,100	351,600	40,884
Other Local Revenues	688,458	0	0	688,458	1,018,198	964,582	(276,124)
Fees Received from County Officials	3,692,571	0	0	3,692,571	3,800,000	3,845,429	(152,858)
State of Tennessee	1,662,195	0	0	1,662,195	1,587,178	1,783,473	(121,278)
Federal Government	537,182	0	0	537,182	76,000	963,942	(426,760)
Other Governments and Citizens Groups	545,351	0	0	545,351	17,000	350,637	194,714
Total Revenues	\$ 23,143,451	\$ 0	\$ 0	\$ 23,143,451	\$ 21,938,135	\$ 23,429,322	\$ (285,871)
Expenditures							
General Government							
County Commission	\$ 225,489	\$ 0	\$ 0	\$ 225,489	\$ 237,923	\$ 239,906	\$ 14,417
Board of Equalization	4,905	0	0	4,905	7,636	7,636	2,731
Other Boards and Committees	248,465	0	0	248,465	249,646	278,795	30,330
County Mayor/Executive	273,701	0	0	273,701	186,092	286,092	12,391
Personnel Office	116,962	0	0	116,962	116,843	120,265	3,303
County Attorney	268,474	0	0	268,474	288,408	289,130	20,656
Election Commission	279,227	0	0	279,227	371,811	379,143	99,916
Register of Deeds	402,152	0	0	402,152	403,779	403,794	1,642
Planning	343,150	0	0	343,150	346,047	377,710	34,560
Engineering	62,201	0	0	62,201	74,434	74,434	12,233
County Buildings	918,542	0	0	918,542	997,070	1,049,687	131,145
Other General Administration	244,519	(21,500)	0	223,019	197,225	294,022	71,003

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Expenditures (Cont.)							
<u>General Government (Cont.)</u>							
<u>Finance</u>	\$	0 \$	0 \$	47,350 \$	48,769 \$	57,098 \$	9,748
Accounting and Budgeting	671,362	0	0	671,362	760,629	746,485	75,123
Purchasing	190,435	0	0	190,435	173,037	196,761	6,326
Property Assessor's Office	403,267	0	0	403,267	447,055	536,765	133,498
Reappraisal Program	135,065	0	0	135,065	153,809	153,709	18,644
County Trustee's Office	594,642	0	0	594,642	577,229	596,994	2,352
County Clerk's Office	783,825	(4,900)	0	778,925	797,971	809,094	30,169
<u>Administration of Justice</u>							
Circuit Court	981,058	0	0	981,058	974,648	1,000,147	19,089
Criminal Court	1,662	0	0	1,662	2,058	2,058	396
General Sessions Court	57,046	0	0	57,046	50,750	61,362	4,316
General Sessions Judge	561,739	0	0	561,739	571,409	579,329	17,590
Drug Court	51,859	0	0	51,859	110,664	60,673	8,814
Chancery Court	416,855	0	0	416,855	450,058	454,347	37,492
Juvenile Court	486,832	0	0	486,832	517,983	520,418	33,586
District Attorney General	33,247	0	0	33,247	43,514	43,565	10,318
Office of Public Defender	33,237	0	0	33,237	0	34,430	1,193
Judicial Commissioners	153	0	0	153	794	794	641
Probate Court	2,755	0	0	2,755	3,850	2,810	55
Other Administration of Justice	136,529	0	0	136,529	139,303	139,840	3,311
<u>Public Safety</u>							
Sheriff's Department	4,616,243	(26,187)	0	4,590,056	4,310,679	4,740,141	150,085
Jail	4,520,148	(38,292)	0	4,481,856	4,411,158	4,801,210	319,354

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Public Safety (Cont.)</u>							
Commissary	\$ 30,255	\$ (7,749)	\$ 0	\$ 22,506	\$ 132,329	\$ 39,438	\$ 16,932
Civil Defense	324,464	0	0	324,464	422,405	682,401	357,937
Rescue Squad	20,000	0	0	20,000	20,000	20,000	0
Other Emergency Management	623,267	0	0	623,267	786,384	678,646	55,379
County Coroner/Medical Examiner	110,055	0	0	110,055	115,000	115,000	4,945
Other Public Safety	318,321	0	0	318,321	344,832	346,217	27,896
<u>Public Health and Welfare</u>							
Local Health Center	271,230	(28,867)	0	242,363	245,762	305,713	63,350
Rabies and Animal Control	204,347	0	0	204,347	142,662	218,687	14,340
Dental Health Program	272,997	0	0	272,997	262,066	295,553	22,556
Alcohol and Drug Programs	10,000	0	0	10,000	18,000	18,000	8,000
Other Local Health Services	396,258	0	0	396,258	356,100	635,827	239,569
Appropriation to State	104,649	0	0	104,649	105,840	105,840	1,191
<u>Social, Cultural, and Recreational Services</u>							
Parks and Fair Boards	3,000	0	0	3,000	3,000	3,000	0
Other Social, Cultural, and Recreational	61,610	0	0	61,610	75,000	62,497	887
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	147,654	0	0	147,654	162,942	162,966	15,312
Soil Conservation	49,773	0	0	49,773	46,146	55,658	5,885
<u>Other Operations</u>							
Industrial Development	130,434	0	0	130,434	130,500	130,500	66
Other Economic and Community Development	222,856	0	0	222,856	302,271	271,535	48,679
Veterans' Services	64,636	0	0	64,636	53,114	64,636	0
Other Charges	387,002	0	0	387,002	477,819	462,065	75,063

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Other Operations (Cont.)</u>							
Contributions to Other Agencies	\$ 81,100	\$ 0	\$ 0	\$ 81,100	\$ 70,000	\$ 126,100	\$ 45,000
ARRA Grant No. 2	50,000	0	0	50,000	0	50,000	0
ARRA Grant No. 6	16,199	0	0	16,199	0	16,199	0
Miscellaneous	141,700	0	0	141,700	172,537	172,537	30,837
<u>Capital Projects</u>							
General Administration Projects	0	0	0	0	0	2,814	2,814
Administration of Justice Projects	45,500	(45,500)	0	0	0	45,500	45,500
Public Safety Projects	0	0	0	0	0	245,194	245,194
Public Health and Welfare Projects	35,380	(179,234)	156,314	12,460	0	313,194	300,734
Public Utility Projects	0	0	0	0	0	59,657	59,657
Total Expenditures	\$ 22,235,783	\$ (352,229)	\$ 156,314	\$ 22,039,868	\$ 22,466,990	\$ 25,044,018	\$ 3,004,150
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ 907,668	\$ 352,229	\$ (156,314)	\$ 1,103,583	\$ (528,855)	\$ (1,614,696)	\$ 2,718,279
<u>Other Financing Sources (Uses)</u>							
Proceeds from Sale of Capital Assets	\$ 13,085	\$ 0	\$ 0	\$ 13,085	\$ 0	\$ 5,746	\$ 7,339
Insurance Recovery	18,925	0	0	18,925	0	17,704	1,221
Transfers In	19,939	0	0	19,939	498,326	539,337	(519,398)
Transfers Out	(1,849,475)	0	0	(1,849,475)	(2,033,769)	(2,124,464)	274,989
Total Other Financing Sources (Uses)	\$ (1,797,526)	\$ 0	\$ 0	\$ (1,797,526)	\$ (1,535,443)	\$ (1,561,677)	\$ (235,849)
Net Change in Fund Balance	\$ (889,858)	\$ 352,229	\$ (156,314)	\$ (693,943)	\$ (2,064,298)	\$ (3,176,373)	\$ 2,482,430
Fund Balance, July 1, 2009	5,119,700	(352,229)	0	4,767,471	3,261,411	4,373,486	393,985
Fund Balance, June 30, 2010	\$ 4,229,842	\$ 0	\$ (156,314)	\$ 4,073,528	\$ 1,197,113	\$ 1,197,113	\$ 2,876,415

Exhibit F-2

Anderson County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 Highway/Public Works Fund
 For the Year Ended June 30, 2010

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 529,052	\$ 0	\$ 529,052	\$ 530,000	\$ 550,000	\$ (20,948)
Other Local Revenues	513,364	0	513,364	350,000	450,000	63,364
State of Tennessee	2,068,819	0	2,068,819	2,224,000	2,224,000	(155,181)
Total Revenues	\$ 3,111,235	\$ 0	\$ 3,111,235	\$ 3,104,000	\$ 3,224,000	\$ (112,765)
<u>Expenditures</u>						
<u>Highways</u>						
Administration	\$ 206,294	\$ 0	\$ 206,294	\$ 278,942	\$ 278,942	\$ 72,648
Highway and Bridge Maintenance	1,768,327	0	1,768,327	1,593,854	1,990,854	222,527
Operation and Maintenance of Equipment	893,079	0	893,079	887,624	1,036,624	143,545
Other Charges	252,513	0	252,513	226,400	256,104	3,591
Capital Outlay	381,057	156,500	537,557	675,000	675,000	137,443
Total Expenditures	\$ 3,501,270	\$ 156,500	\$ 3,657,770	\$ 3,661,820	\$ 4,237,524	\$ 579,754
Excess (Deficiency) of Revenues Over Expenditures	\$ (390,035)	\$ (156,500)	\$ (546,535)	\$ (557,820)	\$ (1,013,524)	\$ 466,989
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 600	\$ 0	\$ 600	\$ 0	\$ 0	\$ 600
Transfers In	409,500	0	409,500	329,000	409,500	0
Total Other Financing Sources (Uses)	\$ 410,100	\$ 0	\$ 410,100	\$ 329,000	\$ 409,500	\$ 600
Net Change in Fund Balance	\$ 20,065	\$ (156,500)	\$ (136,435)	\$ (228,820)	\$ (604,024)	\$ 467,589
Fund Balance, July 1, 2009	793,413	0	793,413	726,311	726,311	67,102
Fund Balance, June 30, 2010	\$ 813,478	\$ (156,500)	\$ 656,978	\$ 497,491	\$ 122,287	\$ 534,691

Exhibit F-3

Anderson County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Anderson County School Department
June 30, 2010

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-07	\$ 40,991	\$ 45,028	\$ 4,037	91.03 %	\$ 16,932	23.84 %
7-1-09	43,808	51,103	7,295	85.72	20,801	35.07

The Governmental Accounting Standards Board requires the plan to prepare the Schedule of Funding Progress using the frozen entry age actuarial cost method. The requirement to present the Schedule of Funding Progress using the frozen entry age actuarial cost method went into effect during the 2007 actuarial valuation; therefore, only the two most recent valuations are presented.

Exhibit F-4

Anderson County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Anderson County School Department
June 30, 2010

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Plan 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)
<u>PRIMARY GOVERNMENT</u>							
Self-Insured*	7-1-09	\$ 0	\$ 195	\$ 195	0	% \$ 13,499	1.44 %
<u>DISCRETELY PRESENTED ANDERSON COUNTY SCHOOL DEPARTMENT</u>							
Local Education**	7-1-07	0	6,230	6,230	0	36,160	17.23
Local Education	7-1-09	0	5,241	5,241	0	36,782	14.25

*Two additional actuarial valuations will be reported as data becomes available.

**An additional actuarial valuation will be reported as data becomes available.

ANDERSON COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2010

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

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

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Courthouse and Jail Maintenance Fund – The Courthouse and Jail Maintenance Fund is used to account for a special tax levied by private act on litigation.

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

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for transactions involving solid waste collection.

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

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

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

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

Capital Projects Fund

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

General Capital Projects Fund – The General Capital Projects Fund is used to account for general capital expenditures of the county.

Anderson County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2010

	Special Revenue Funds					
	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Drug Control	District Attorney General	
\$	0	737	0	0	0	0
Equity in Pooled Cash and Investments	22,200	277,848	106,223	172,144		15,712
Accounts Receivable	0	50	79,638	36		0
Due from Other Governments	0	0	23,501	175		0
Due from Other Funds	73,470	356	125,279	602		0
Due from Component Units	0	0	10,087	0		0
Property Taxes Receivable	0	418,932	0	0		0
Allowance for Uncollectible Property Taxes	0	(7,541)	0	0		0
Prepaid Items	0	0	0	500		0
Total Assets	\$ 95,670	\$ 690,382	\$ 344,728	\$ 173,457	\$	15,712

ASSETS

Cash	0
Equity in Pooled Cash and Investments	22,200
Accounts Receivable	0
Due from Other Governments	0
Due from Other Funds	73,470
Due from Component Units	0
Property Taxes Receivable	0
Allowance for Uncollectible Property Taxes	0
Prepaid Items	0
Total Assets	\$ 95,670

LIABILITIES AND FUND BALANCES

Liabilities					
Accounts Payable	2,561	19,122	3,153	3,906	288
Accrued Payroll	0	4,766	2,787	0	0
Payroll Deductions Payable	0	5,868	3,979	0	0
Contracts Payable	0	0	89,806	0	0
Due to Other Funds	0	44	442	3,731	0
Deferred Revenue - Current Property Taxes	0	411,391	0	0	0
Total Liabilities	\$ 2,561	\$ 441,191	\$ 100,167	\$ 7,637	\$ 288
Fund Balances					
Reserved for Encumbrances	0	0	0	0	0
Reserved for Other General Purposes	0	2,100	0	0	0
Unreserved	93,109	247,091	244,561	165,820	15,424
Total Fund Balances	\$ 93,109	\$ 249,191	\$ 244,561	\$ 165,820	\$ 15,424
Total Liabilities and Fund Balances	\$ 95,670	\$ 690,382	\$ 344,728	\$ 173,457	\$ 15,712

(Continued)

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

	Special Revenue Funds (Cont.)			Capital Projects Fund		Total Nonmajor Governmental Funds
	Other Special Revenue	Constitutional Officers - Fees	Total	General Capital Projects		
\$	0	1,457	2,194	0	0	2,194
Equity in Pooled Cash and Investments	74,580	0	668,707	1,289,200		1,957,907
Accounts Receivable	0	2,046	81,770	0		81,770
Due from Other Governments	0	0	23,676	0		23,676
Due from Other Funds	25,313	0	225,020	0		225,020
Due from Component Units	0	0	10,087	0		10,087
Property Taxes Receivable	0	0	418,932	0		418,932
Allowance for Uncollectible Property Taxes	0	0	(7,541)	0		(7,541)
Prepaid Items	0	0	500	0		500
Total Assets	\$ 99,893	\$ 3,503	\$ 1,423,345	\$ 1,289,200	\$	\$ 2,712,545

ASSETS

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

Total Assets

LIABILITIES AND FUND BALANCES

\$	6,147	0	35,177	0	0	35,177
Accounts Payable	1,719	0	9,272	0		9,272
Accrued Payroll	1,473	0	11,320	0		11,320
Payroll Deductions Payable	0	0	89,806	328,432		418,238
Contracts Payable	17	3,503	7,737	0		7,737
Due to Other Funds	0	0	411,391	0		411,391
Deferred Revenue - Current Property Taxes	\$ 9,356	\$ 3,503	\$ 564,703	\$ 328,432	\$	\$ 893,135
Total Liabilities	\$	0	0	0	0	0
Fund Balances	0	0	0	766,341		766,341
Reserved for Encumbrances	0	0	2,100	0		2,100
Reserved for Other General Purposes	90,537	0	856,542	194,427		1,050,969
Unreserved	\$ 90,537	\$ 0	\$ 858,642	\$ 960,768	\$	\$ 1,819,410
Total Fund Balances	\$	99,893	\$ 1,423,345	\$ 1,289,200	\$	\$ 2,712,545
Total Liabilities and Fund Balances						

Total Liabilities

Fund Balances

Reserved for Encumbrances
 Reserved for Other General Purposes
 Unreserved

Total Fund Balances

Total Liabilities and Fund Balances

Exhibit G-2

Anderson County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2010

	Special Revenue Funds				
	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Drug Control	District Attorney General
<u>Revenues</u>					
Local Taxes	\$ 21,478	\$ 0	\$ 0	\$ 0	\$ 0
Fines, Forfeitures, and Penalties	0	0	0	127,003	11,712
Charges for Current Services	0	16,499	379,663	0	0
Other Local Revenues	0	12,115	26,760	11,140	2,229
State of Tennessee	0	0	109,079	675	0
Other Governments and Citizens Groups	0	136,511	0	0	0
Total Revenues	<u>\$ 21,478</u>	<u>\$ 165,125</u>	<u>\$ 515,502</u>	<u>\$ 138,818</u>	<u>\$ 13,941</u>
<u>Expenditures</u>					
Current:					
General Government	\$ 94,948	\$ 0	\$ 0	\$ 0	\$ 0
Administration of Justice	0	0	0	0	11,479
Public Safety	0	0	0	64,805	0
Public Health and Welfare	0	0	1,429,296	0	0
Social, Cultural, and Recreational Services	0	534,124	0	0	0
Other Operations	0	0	0	0	0
Debt Service:					
Principal on Debt	0	0	0	0	0
Interest on Debt	0	0	0	0	0
Capital Projects	0	0	0	0	0
Total Expenditures	<u>\$ 94,948</u>	<u>\$ 534,124</u>	<u>\$ 1,429,296</u>	<u>\$ 64,805</u>	<u>\$ 11,479</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (73,470)</u>	<u>\$ (368,999)</u>	<u>\$ (913,794)</u>	<u>\$ 74,013</u>	<u>\$ 2,462</u>
<u>Other Financing Sources (Uses)</u>					
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Proceeds from Sale of Capital Assets	0	25	0	0	0
Transfers In	73,470	395,113	772,715	0	0
Total Other Financing Sources (Uses)	<u>\$ 73,470</u>	<u>\$ 395,138</u>	<u>\$ 772,715</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ 0	\$ 26,139	\$ (141,079)	\$ 74,013	\$ 2,462
Fund Balance, July 1, 2009	93,109	223,052	385,640	91,807	12,962
Fund Balance, June 30, 2010	<u>\$ 93,109</u>	<u>\$ 249,191</u>	<u>\$ 244,561</u>	<u>\$ 165,820</u>	<u>\$ 15,424</u>

(Continued)

Exhibit G-2

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

	<u>Special Revenue Funds (Cont.)</u>			<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Total</u> <u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>
	<u>Other</u> <u>Special</u> <u>Revenue</u>	<u>Constitu-</u> <u>tional</u> <u>Officers -</u> <u>Fees</u>	<u>Total</u>	<u>General</u> <u>Capital</u> <u>Projects</u>	
<u>Revenues</u>					
Local Taxes	\$ 0	\$ 0	\$ 21,478	\$ 0	\$ 21,478
Fines, Forfeitures, and Penalties	0	0	138,715	0	138,715
Charges for Current Services	0	21,419	417,581	0	417,581
Other Local Revenues	9	0	52,253	0	52,253
State of Tennessee	0	0	109,754	0	109,754
Other Governments and Citizens Groups	0	0	136,511	0	136,511
Total Revenues	\$ 9	\$ 21,419	\$ 876,292	\$ 0	\$ 876,292
<u>Expenditures</u>					
Current:					
General Government	\$ 0	\$ 0	\$ 94,948	\$ 0	\$ 94,948
Administration of Justice	0	21,419	32,898	0	32,898
Public Safety	0	0	64,805	0	64,805
Public Health and Welfare	0	0	1,429,296	0	1,429,296
Social, Cultural, and Recreational Services	0	0	534,124	0	534,124
Other Operations	150,415	0	150,415	0	150,415
Debt Service:					
Principal on Debt	5,000	0	5,000	0	5,000
Interest on Debt	192	0	192	0	192
Capital Projects	0	0	0	1,489,232	1,489,232
Total Expenditures	\$ 155,607	\$ 21,419	\$ 2,311,678	\$ 1,489,232	\$ 3,800,910
Excess (Deficiency) of Revenues Over Expenditures	\$ (155,598)	\$ 0	\$ (1,435,386)	\$ (1,489,232)	\$ (2,924,618)
<u>Other Financing Sources (Uses)</u>					
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 2,450,000	\$ 2,450,000
Proceeds from Sale of Capital Assets	5	0	30	0	30
Transfers In	182,570	0	1,423,868	0	1,423,868
Total Other Financing Sources (Uses)	\$ 182,575	\$ 0	\$ 1,423,898	\$ 2,450,000	\$ 3,873,898
Net Change in Fund Balances	\$ 26,977	\$ 0	\$ (11,488)	\$ 960,768	\$ 949,280
Fund Balance, July 1, 2009	63,560	0	870,130	0	870,130
Fund Balance, June 30, 2010	\$ 90,537	\$ 0	\$ 858,642	\$ 960,768	\$ 1,819,410

Exhibit G-3

Anderson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Courthouse and Jail Maintenance Fund
For the Year Ended June 30, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 21,478	\$ 24,000	\$ 24,000	\$ (2,522)
Total Revenues	\$ 21,478	\$ 24,000	\$ 24,000	\$ (2,522)
<u>Expenditures</u>				
<u>General Government</u>				
Building	\$ 94,948	\$ 124,000	\$ 124,000	\$ 29,052
Total Expenditures	\$ 94,948	\$ 124,000	\$ 124,000	\$ 29,052
Excess (Deficiency) of Revenues Over Expenditures	\$ (73,470)	\$ (100,000)	\$ (100,000)	\$ 26,530
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 73,470	\$ 100,000	\$ 100,000	\$ (26,530)
Total Other Financing Sources (Uses)	\$ 73,470	\$ 100,000	\$ 100,000	\$ (26,530)
Net Change in Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0
Fund Balance, July 1, 2009	93,109	93,109	93,109	0
Fund Balance, June 30, 2010	\$ 93,109	\$ 93,109	\$ 93,109	\$ 0

Exhibit G-4

Anderson 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, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 16,499	\$ 0	\$ 16,499	\$ 18,800	\$ 18,800	\$ (2,301)
Other Local Revenues	12,115	0	12,115	5,800	9,747	2,368
Other Governments and Citizens Groups	136,511	0	136,511	130,311	136,511	0
Total Revenues	\$ 165,125	\$ 0	\$ 165,125	\$ 154,911	\$ 165,058	\$ 67
<u>Expenditures</u>						
<u>Social, Cultural, and Recreational Services</u>						
Libraries	\$ 534,124	\$ (11,465)	\$ 522,659	\$ 550,024	\$ 650,354	\$ 127,695
Total Expenditures	\$ 534,124	\$ (11,465)	\$ 522,659	\$ 550,024	\$ 650,354	\$ 127,695
Excess (Deficiency) of Revenues Over Expenditures	\$ (368,999)	\$ 11,465	\$ (357,534)	\$ (395,113)	\$ (485,296)	\$ 127,762
<u>Other Financing Sources (Uses)</u>						
Proceeds from Sale of Capital Assets	\$ 25	\$ 0	\$ 25	\$ 0	\$ 0	\$ 25
Transfers In	395,113	0	395,113	395,113	395,113	0
Total Other Financing Sources (Uses)	\$ 395,138	\$ 0	\$ 395,138	\$ 395,113	\$ 395,113	\$ 25
Net Change in Fund Balance	\$ 26,139	\$ 11,465	\$ 37,604	\$ 0	\$ (90,183)	\$ 127,787
Fund Balance, July 1, 2009	223,052	(11,465)	211,587	188,742	188,742	22,845
Fund Balance, June 30, 2010	\$ 249,191	\$ 0	\$ 249,191	\$ 188,742	\$ 98,559	\$ 150,632

Exhibit G-5

Anderson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 379,663	\$ 436,000	\$ 436,000	\$ (56,337)
Other Local Revenues	26,760	7,500	7,500	19,260
State of Tennessee	109,079	89,801	89,801	19,278
Total Revenues	\$ 515,502	\$ 533,301	\$ 533,301	\$ (17,799)
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Sanitation Management	\$ 133,949	\$ 141,358	\$ 140,416	\$ 6,467
Convenience Centers	528,130	543,100	553,295	25,165
Other Waste Collection	81,711	66,225	91,667	9,956
Recycling Center	4,547	10,000	10,000	5,453
Landfill Operation and Maintenance	612,515	700,000	687,000	74,485
Other Waste Disposal	68,444	99,500	99,500	31,056
Total Expenditures	\$ 1,429,296	\$ 1,560,183	\$ 1,581,878	\$ 152,582
Excess (Deficiency) of Revenues Over Expenditures	\$ (913,794)	\$ (1,026,882)	\$ (1,048,577)	\$ 134,783
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 772,715	\$ 1,026,882	\$ 1,037,077	\$ (264,362)
Total Other Financing Sources (Uses)	\$ 772,715	\$ 1,026,882	\$ 1,037,077	\$ (264,362)
Net Change in Fund Balance	\$ (141,079)	\$ 0	\$ (11,500)	\$ (129,579)
Fund Balance, July 1, 2009	385,640	240,962	240,962	144,678
Fund Balance, June 30, 2010	\$ 244,561	\$ 240,962	\$ 229,462	\$ 15,099

Exhibit G-6

Anderson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 127,003	\$ 54,000	\$ 54,000	\$ 73,003
Other Local Revenues	11,140	2,000	2,000	9,140
State of Tennessee	675	0	0	675
Total Revenues	<u>\$ 138,818</u>	<u>\$ 56,000</u>	<u>\$ 56,000</u>	<u>\$ 82,818</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 64,805	\$ 56,000	\$ 81,750	\$ 16,945
Total Expenditures	<u>\$ 64,805</u>	<u>\$ 56,000</u>	<u>\$ 81,750</u>	<u>\$ 16,945</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 74,013</u>	<u>\$ 0</u>	<u>\$ (25,750)</u>	<u>\$ 99,763</u>
Net Change in Fund Balance	\$ 74,013	\$ 0	\$ (25,750)	\$ 99,763
Fund Balance, July 1, 2009	<u>91,807</u>	<u>90,560</u>	<u>90,560</u>	<u>1,247</u>
Fund Balance, June 30, 2010	<u>\$ 165,820</u>	<u>\$ 90,560</u>	<u>\$ 64,810</u>	<u>\$ 101,010</u>

Exhibit G-7

Anderson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Other Special Revenue Fund
For the Year Ended June 30, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 9	\$ 0	\$ 0	\$ 9
Total Revenues	\$ 9	\$ 0	\$ 0	\$ 9
<u>Expenditures</u>				
<u>Other Operations</u>				
Tourism	\$ 150,415	\$ 161,325	\$ 161,325	\$ 10,910
<u>Principal on Debt</u>				
General Government	5,000	5,000	5,000	0
<u>Interest on Debt</u>				
General Government	192	249	249	57
Total Expenditures	\$ 155,607	\$ 166,574	\$ 166,574	\$ 10,967
Excess (Deficiency) of Revenues Over Expenditures	\$ (155,598)	\$ (166,574)	\$ (166,574)	\$ 10,976
<u>Other Financing Sources (Uses)</u>				
Proceeds from Sale of Capital Assets	\$ 5	\$ 0	\$ 0	\$ 5
Transfers In	182,570	166,574	166,574	15,996
Total Other Financing Sources (Uses)	\$ 182,575	\$ 166,574	\$ 166,574	\$ 16,001
Net Change in Fund Balance	\$ 26,977	\$ 0	\$ 0	\$ 26,977
Fund Balance, July 1, 2009	63,560	65,060	65,060	(1,500)
Fund Balance, June 30, 2010	\$ 90,537	\$ 65,060	\$ 65,060	\$ 25,477

Major Governmental Funds

Debt Service Funds

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

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

Rural Debt Service Fund – The Rural Debt Service Fund is used to account for the retirement of long-term debt issued for the construction and renovations of the county’s elementary schools.

Education Debt Service Fund – The Education Debt Service Fund is used to account for the retirement of long-term debt issued for the construction and renovations of the county’s middle and high schools.

Exhibit H-1

Anderson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,401,579	\$ 2,367,284	\$ 2,367,284	\$ 34,295
Other Local Revenues	11,932	80,000	80,000	(68,068)
Total Revenues	<u>\$ 2,413,511</u>	<u>\$ 2,447,284</u>	<u>\$ 2,447,284</u>	<u>\$ (33,773)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,568,000	\$ 1,568,000	\$ 1,568,000	\$ 0
<u>Interest on Debt</u>				
General Government	215,068	382,282	382,282	167,214
<u>Other Debt Service</u>				
General Government	50,204	116,000	116,000	65,796
Total Expenditures	<u>\$ 1,833,272</u>	<u>\$ 2,066,282</u>	<u>\$ 2,066,282</u>	<u>\$ 233,010</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 580,239</u>	<u>\$ 381,002</u>	<u>\$ 381,002</u>	<u>\$ 199,237</u>
Net Change in Fund Balance	\$ 580,239	\$ 381,002	\$ 381,002	\$ 199,237
Fund Balance, July 1, 2009	<u>2,019,838</u>	<u>2,023,597</u>	<u>2,023,597</u>	<u>(3,759)</u>
Fund Balance, June 30, 2010	<u>\$ 2,600,077</u>	<u>\$ 2,404,599</u>	<u>\$ 2,404,599</u>	<u>\$ 195,478</u>

Exhibit H-2

Anderson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Rural Debt Service Fund
For the Year Ended June 30, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 50,947	\$ 49,126	\$ 49,126	\$ 1,821
Other Local Revenues	45,917	25,000	66,714	(20,797)
Other Governments and Citizens Groups	887,600	1,684,554	1,642,840	(755,240)
Total Revenues	<u>\$ 984,464</u>	<u>\$ 1,758,680</u>	<u>\$ 1,758,680</u>	<u>\$ (774,216)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 1,386,065	\$ 1,375,065	\$ 1,375,065	\$ (11,000)
<u>Interest on Debt</u>				
Education	254,486	447,024	447,024	192,538
<u>Other Debt Service</u>				
Education	4,696	15,500	15,500	10,804
Total Expenditures	<u>\$ 1,645,247</u>	<u>\$ 1,837,589</u>	<u>\$ 1,837,589</u>	<u>\$ 192,342</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (660,783)</u>	<u>\$ (78,909)</u>	<u>\$ (78,909)</u>	<u>\$ (581,874)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 20,000	\$ 20,000	\$ (20,000)
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ (20,000)</u>
Net Change in Fund Balance	\$ (660,783)	\$ (58,909)	\$ (58,909)	\$ (601,874)
Fund Balance, July 1, 2009	<u>5,893,599</u>	<u>666,840</u>	<u>666,840</u>	<u>5,226,759</u>
Fund Balance, June 30, 2010	<u>\$ 5,232,816</u>	<u>\$ 607,931</u>	<u>\$ 607,931</u>	<u>\$ 4,624,885</u>

Exhibit H-3

Anderson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Education Debt Service Fund
For the Year Ended June 30, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 994,925	\$ 965,262	\$ 965,262	\$ 29,663
Other Local Revenues	37,792	100,000	127,866	(90,074)
Other Governments and Citizens Groups	212,653	470,412	442,546	(229,893)
Total Revenues	<u>\$ 1,245,370</u>	<u>\$ 1,535,674</u>	<u>\$ 1,535,674</u>	<u>\$ (290,304)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 1,446,835	\$ 1,435,835	\$ 1,435,835	\$ (11,000)
<u>Interest on Debt</u>				
Education	247,320	412,104	412,104	164,784
<u>Other Debt Service</u>				
Education	23,613	35,000	35,000	11,387
Total Expenditures	<u>\$ 1,717,768</u>	<u>\$ 1,882,939</u>	<u>\$ 1,882,939</u>	<u>\$ 165,171</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (472,398)</u>	<u>\$ (347,265)</u>	<u>\$ (347,265)</u>	<u>\$ (125,133)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 16,107	\$ 16,200	\$ 16,200	\$ (93)
Total Other Financing Sources (Uses)	<u>\$ 16,107</u>	<u>\$ 16,200</u>	<u>\$ 16,200</u>	<u>\$ (93)</u>
Net Change in Fund Balance	\$ (456,291)	\$ (331,065)	\$ (331,065)	\$ (125,226)
Fund Balance, July 1, 2009	<u>5,331,405</u>	<u>1,832,223</u>	<u>1,832,223</u>	<u>3,499,182</u>
Fund Balance, June 30, 2010	<u>\$ 4,875,114</u>	<u>\$ 1,501,158</u>	<u>\$ 1,501,158</u>	<u>\$ 3,373,956</u>

Fiduciary Funds

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

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

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

Constitutional Officers - Agency Fund – The Constitutional Officers - Agency Fund is used to account for amounts collected in an agency capacity by the county clerk, circuit and general sessions courts clerk, clerk and master, register, and sheriff. Such collections include amounts due the state, cities, other county funds, litigants, heirs, and others.

Exhibit I-1

Anderson County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2010

	Agency Funds					Total
	Cities - Sales Tax	City School ADA - Clinton	City School ADA - Oak Ridge	Constitu- tional Officers - Agency		
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 0	\$ 1,354,522	\$	1,354,522
Cash Shortage	0	0	0	1,210		1,210
Equity in Pooled Cash and Investments	0	1,327	6,451	0		7,778
Due from Other Governments	1,909,572	150,754	733,033	0		2,793,359
Taxes Receivable	0	1,712,499	8,186,107	0		9,898,606
Allowance for Uncollectible Taxes		(58,069)	(279,816)			(337,885)
Total Assets	<u>\$ 1,909,572</u>	<u>\$ 1,806,511</u>	<u>\$ 8,645,775</u>	<u>\$ 1,355,732</u>	<u>\$</u>	<u>13,717,590</u>
<u>LIABILITIES</u>						
Due to Other Funds	\$ 0	\$ 2,536	\$ 12,333	\$ 0	\$	14,869
Due to Other Taxing Units	1,909,572	1,803,975	8,633,442	0		12,346,989
Due to Litigants, Heirs, and Others	0	0	0	1,355,732		1,355,732
Total Liabilities	<u>\$ 1,909,572</u>	<u>\$ 1,806,511</u>	<u>\$ 8,645,775</u>	<u>\$ 1,355,732</u>	<u>\$</u>	<u>13,717,590</u>

Exhibit I-2

Anderson County, Tennessee
Combining Statement of Changes in Assets
and Liabilities - All Agency Funds
For the Year Ended June 30, 2010

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 11,303,012	\$ 11,303,012	\$ 0
Due from Other Governments	1,843,006	1,909,572	1,843,006	1,909,572
Total Assets	\$ 1,843,006	\$ 13,212,584	\$ 13,146,018	\$ 1,909,572
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 1,843,006	\$ 13,212,584	\$ 13,146,018	\$ 1,909,572
Total Liabilities	\$ 1,843,006	\$ 13,212,584	\$ 13,146,018	\$ 1,909,572
<u>City School ADA - Clinton Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 2,634	\$ 2,496,392	\$ 2,497,699	\$ 1,327
Due from Other Governments	142,102	150,754	142,102	150,754
Taxes Receivable	1,697,387	1,712,499	1,697,387	1,712,499
Allowance for Uncollectible Taxes	(37,619)	(58,069)	(37,619)	(58,069)
Total Assets	\$ 1,804,504	\$ 4,301,576	\$ 4,299,569	\$ 1,806,511
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 1,804,504	\$ 4,301,576	\$ 4,299,569	\$ 1,806,511
Total Liabilities	\$ 1,804,504	\$ 4,301,576	\$ 4,299,569	\$ 1,806,511
<u>City School ADA - Oak Ridge Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 12,582	\$ 12,241,550	\$ 12,247,681	\$ 6,451
Due from Other Governments	678,708	733,033	678,708	733,033
Taxes Receivable	8,105,817	8,186,107	8,105,817	8,186,107
Allowance for Uncollectible Taxes	(179,649)	(279,816)	(179,649)	(279,816)
Total Assets	\$ 8,617,458	\$ 20,880,874	\$ 20,852,557	\$ 8,645,775
<u>Liabilities</u>				
Due to Other Fund	\$	\$ 12,333	\$	\$ 12,333
Due to Other Taxing Units	8,617,458	20,868,541	20,852,557	8,633,442
Total Liabilities	\$ 8,617,458	\$ 20,880,874	\$ 20,852,557	\$ 8,645,775

(Continued)

Exhibit I-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,472,688	\$ 12,092,329	\$ 12,210,495	\$ 1,354,522
Cash Shortage	0	1,210	0	1,210
Total Assets	<u>\$ 1,472,688</u>	<u>\$ 12,093,539</u>	<u>\$ 12,210,495</u>	<u>\$ 1,355,732</u>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,472,688	\$ 12,093,539	\$ 12,210,495	\$ 1,355,732
Total Liabilities	<u>\$ 1,472,688</u>	<u>\$ 12,093,539</u>	<u>\$ 12,210,495</u>	<u>\$ 1,355,732</u>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,472,688	\$ 12,092,329	\$ 12,210,495	\$ 1,354,522
Equity in Pooled Cash and Investments	15,216	26,040,954	26,048,392	7,778
Due from Other Governments	2,663,816	2,793,359	2,663,816	2,793,359
Cash Shortage	0	1,210	0	1,210
Taxes Receivable	9,803,204	9,898,606	9,803,204	9,898,606
Allowance for Uncollectible Taxes	(217,268)	(337,885)	(217,268)	(337,885)
Total Assets	<u>\$ 13,737,656</u>	<u>\$ 50,488,573</u>	<u>\$ 50,508,639</u>	<u>\$ 13,717,590</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 0	\$ 12,333	\$ 0	\$ 12,333
Due to Other Taxing Units	12,264,968	38,382,701	38,298,144	12,349,525
Due to Litigants, Heirs, and Others	1,472,688	12,093,539	12,210,495	1,355,732
Total Liabilities	<u>\$ 13,737,656</u>	<u>\$ 50,488,573</u>	<u>\$ 50,508,639</u>	<u>\$ 13,717,590</u>

Anderson County School Department

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

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

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

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

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

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

Exhibit J-1

Anderson County, Tennessee
Statement of Activities
Discretely Presented Anderson County School Department
For the Year Ended June 30, 2010

Functions/Programs	Program Revenues		Charges for Services	Expenses	Net (Expense) Revenue and Changes in Net Assets
	Operating Grants and Contributions	Total Governmental Activities			
Governmental Activities:					
Instruction	\$ 38,317,407	\$ 4,366,805	\$ 348,161	\$ 20,020,963	\$ (33,602,441)
Support Services		702,322	28,252	6,453,800	(19,290,389)
Operation of Non-Instructional Services		5,037,431	938,011	452,964	(478,358)
Interest on Long-term Debt		0	0	812,710	(452,964)
Other Debt Service		0	0		(812,710)
Total Governmental Activities	\$ 66,057,844	\$ 10,106,558	\$ 1,314,424	\$ 66,057,844	\$ (54,636,862)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 13,486,365
Local Option Sales Taxes					7,061,597
Wholesale Beer Tax					163,915
Mineral and Coal Severance Tax					39,858
Other Local Taxes					3,555
Grants and Contributions Not Restricted for Specific Programs					31,314,300
Unrestricted Investment Income					14,513
Miscellaneous					59,054
Total General Revenues					\$ 52,143,157
Change in Net Assets					\$ (2,493,705)
Net Assets, July 1, 2009					33,221,290
Net Assets, June 30, 2010					\$ 30,727,585

Exhibit J-2

Anderson County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Anderson County School Department
June 30, 2010

	<u>Major Fund</u> General Purpose School	<u>Nonmajor Funds</u> Other Govern- mental Funds	Total Govern- mental Funds
<u>ASSETS</u>			
Cash	\$ 11,836	\$ 1,151	\$ 12,987
Equity in Pooled Cash and Investments	616,958	1,042,239	1,659,197
Inventories	0	66,443	66,443
Accounts Receivable	62,369	4,577	66,946
Due from Other Governments	1,686,998	751,535	2,438,533
Due from Other Funds	163,790	17,939	181,729
Due from Primary Government	9,382	0	9,382
Property Taxes Receivable	14,446,307	0	14,446,307
Allowance for Uncollectible Property Taxes	(484,086)	0	(484,086)
Total Assets	\$ 16,513,554	\$ 1,883,884	\$ 18,397,438
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 675,086	\$ 547,123	\$ 1,222,209
Payroll Deductions Payable	626,803	77,591	704,394
Contracts Payable	7,988	0	7,988
Due to Other Funds	16,919	164,810	181,729
Due to Primary Government	130,180	2,125	132,305
Other Current Liabilities	93	0	93
Deferred Revenue - Current Property Taxes	13,429,681	0	13,429,681
Deferred Revenue - Delinquent Property Taxes	479,866	0	479,866
Other Deferred Revenues	661,427	3,294	664,721
Total Liabilities	\$ 16,028,043	\$ 794,943	\$ 16,822,986
<u>Fund Balances</u>			
Reserved for Encumbrances	\$ 0	\$ 97,889	\$ 97,889
Reserved for Inventory	0	66,443	66,443
Reserved for Career Ladder Program	19,729	0	19,729
Reserved for Basic Education Program	1,733,391	0	1,733,391
Reserved for Title I Grants to Local Education Agencies	0	76,858	76,858
Reserved for Special Education - Grants to States	0	153,962	153,962
Other Federal Reserves	0	118,365	118,365
Unreserved, Reported In:			
General Fund (Deficit)	(1,267,609)	0	(1,267,609)
Special Revenue Funds	0	575,424	575,424
Total Fund Balances	\$ 485,511	\$ 1,088,941	\$ 1,574,452
Total Liabilities and Fund Balances	\$ 16,513,554	\$ 1,883,884	\$ 18,397,438

Exhibit J-3

Anderson County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Assets
Discretely Presented Anderson County School Department
June 30, 2010

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

Total fund balances - balance sheet - governmental funds (Exhibit J-2)		\$	1,574,452
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	834,389	
Add: buildings and improvements net of accumulated depreciation		35,640,578	
Add: other capital assets net of accumulated depreciation		<u>1,722,659</u>	38,197,626
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: notes payable	\$	(8,533,336)	
Less: lease payable		(721,802)	
Less: accrued interest on notes and capital lease		(9,673)	
Less: other postemployment benefits liability		(608,984)	
Less: compensated absences payable		<u>(315,285)</u>	(10,189,080)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>1,144,587</u>
Net assets of governmental activities (Exhibit A)		\$	<u><u>30,727,585</u></u>

Exhibit J-4

Anderson County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Anderson County School Department
For the Year Ended June 30, 2010

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General	Other	
	Purpose	Govern-	Total
	School	mental	Governmental
		Funds	Funds
<u>Revenues</u>			
Local Taxes	\$ 20,827,942	\$ 0	\$ 20,827,942
Licenses and Permits	3,120	0	3,120
Charges for Current Services	102,608	1,208,437	1,311,045
Other Local Revenues	199,553	8,485	208,038
State of Tennessee	31,122,528	76,435	31,198,963
Federal Government	207,735	9,832,205	10,039,940
Other Governments and Citizens Groups	70,500	1,000	71,500
Total Revenues	<u>\$ 52,533,986</u>	<u>\$ 11,126,562</u>	<u>\$ 63,660,548</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 32,184,974	\$ 3,699,769	\$ 35,884,743
Support Services	19,019,929	1,006,163	20,026,092
Operation of Non-Instructional Services	588,850	5,961,212	6,550,062
Capital Outlay	582,588	0	582,588
Debt Service:			
Principal on Debt	1,139,389	25,855	1,165,244
Interest on Debt	384,804	71,522	456,326
Other Debt Service	812,710	0	812,710
Total Expenditures	<u>\$ 54,713,244</u>	<u>\$ 10,764,521</u>	<u>\$ 65,477,765</u>
Excess (Deficiency) of Revenues			
Over Expenditures	<u>\$ (2,179,258)</u>	<u>\$ 362,041</u>	<u>\$ (1,817,217)</u>
<u>Other Financing Sources (Uses)</u>			
Proceeds from Sale of Capital Assets	\$ 14,812	\$ 1,410	\$ 16,222
Insurance Recovery	14,638	0	14,638
Transfers In	157,406	179,220	336,626
Transfers Out	(10,535)	(326,091)	(336,626)
Total Other Financing Sources (Uses)	<u>\$ 176,321</u>	<u>\$ (145,461)</u>	<u>\$ 30,860</u>
Net Change in Fund Balances	<u>\$ (2,002,937)</u>	<u>\$ 216,580</u>	<u>\$ (1,786,357)</u>
Fund Balance, July 1, 2009	<u>2,488,448</u>	<u>872,361</u>	<u>3,360,809</u>
Fund Balance, June 30, 2010	<u>\$ 485,511</u>	<u>\$ 1,088,941</u>	<u>\$ 1,574,452</u>

Exhibit J-5

Anderson County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
Discretely Presented Anderson County School Department
For the Year Ended June 30, 2010

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

Net change in fund balances - total governmental funds (Exhibit J-4)		\$ (1,786,357)
(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	\$ 413,292	
Less: current year depreciation expense	<u>(1,941,465)</u>	(1,528,173)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2010	\$ 1,144,587	
Less: deferred delinquent property taxes and other deferred June 30, 2009	<u>(1,240,996)</u>	(96,409)
(3) The issuance of long-term debt (e.g., notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.		
Add: principal payments on notes	\$ 1,134,801	
Add: principal payments on leases	<u>30,443</u>	1,165,244
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest	\$ 3,362	
Change in other postemployment benefits liability	(218,957)	
Change in compensated absences payable	<u>(32,415)</u>	<u>(248,010)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ (2,493,705)</u>

Exhibit J-6

Anderson County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Anderson County School Department
June 30, 2010

	Special Revenue Funds			Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Other Education Special Revenue	
<u>ASSETS</u>				
Cash	\$ 0	\$ 700	\$ 451	\$ 1,151
Equity in Pooled Cash and Investments	136,856	685,628	219,755	1,042,239
Inventories	0	66,443	0	66,443
Accounts Receivable	4,326	251	0	4,577
Due from Other Governments	572,398	11,200	167,937	751,535
Due from Other Funds	0	11,554	6,385	17,939
Total Assets	<u>\$ 713,580</u>	<u>\$ 775,776</u>	<u>\$ 394,528</u>	<u>\$ 1,883,884</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 326,349	\$ 19,786	\$ 200,988	\$ 547,123
Payroll Deductions Payable	42,565	12,941	22,085	77,591
Due to Other Funds	94,892	0	69,918	164,810
Due to Primary Government	1,562	0	563	2,125
Other Deferred Revenues	0	3,294	0	3,294
Total Liabilities	<u>\$ 465,368</u>	<u>\$ 36,021</u>	<u>\$ 293,554</u>	<u>\$ 794,943</u>
<u>Fund Balances</u>				
Reserved for Encumbrances	\$ 0	\$ 0	\$ 97,889	\$ 97,889
Reserved for Inventory	0	66,443	0	66,443
Reserved for Title I Grants to Local Education Agencies	76,858	0	0	76,858
Reserved for Special Education - Grants to States	153,962	0	0	153,962
Other Federal Reserves	17,392	0	100,973	118,365
Unreserved (Deficit)	0	673,312	(97,888)	575,424
Total Fund Balances	<u>\$ 248,212</u>	<u>\$ 739,755</u>	<u>\$ 100,974</u>	<u>\$ 1,088,941</u>
Total Liabilities and Fund Balances	<u>\$ 713,580</u>	<u>\$ 775,776</u>	<u>\$ 394,528</u>	<u>\$ 1,883,884</u>

Exhibit J-7

Anderson County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Anderson County School Department
For the Year Ended June 30, 2010

	Special Revenue Funds			Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Other Education Special Revenue	
<u>Revenues</u>				
Charges for Current Services	\$ 28,252	\$ 934,367	\$ 245,818	\$ 1,208,437
Other Local Revenues	0	2,654	5,831	8,485
State of Tennessee	16,118	31,903	28,414	76,435
Federal Government	4,833,712	1,935,170	3,063,323	9,832,205
Other Governments and Citizens Groups	0	1,000	0	1,000
Total Revenues	<u>\$ 4,878,082</u>	<u>\$ 2,905,094</u>	<u>\$ 3,343,386</u>	<u>\$ 11,126,562</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 3,699,769	\$ 0	\$ 0	\$ 3,699,769
Support Services	1,006,163	0	0	1,006,163
Operation of Non-Instructional Services	0	2,915,016	3,046,196	5,961,212
Debt Service:				
Principal on Debt	0	0	25,855	25,855
Interest on Debt	0	0	71,522	71,522
Total Expenditures	<u>\$ 4,705,932</u>	<u>\$ 2,915,016</u>	<u>\$ 3,143,573</u>	<u>\$ 10,764,521</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 172,150</u>	<u>\$ (9,922)</u>	<u>\$ 199,813</u>	<u>\$ 362,041</u>
<u>Other Financing Sources (Uses)</u>				
Proceeds from Sale of Capital Assets	\$ 0	\$ 1,410	\$ 0	\$ 1,410
Transfers In	0	179,220	0	179,220
Transfers Out	(94,892)	0	(231,199)	(326,091)
Total Other Financing Sources (Uses)	<u>\$ (94,892)</u>	<u>\$ 180,630</u>	<u>\$ (231,199)</u>	<u>\$ (145,461)</u>
Net Change in Fund Balances	\$ 77,258	\$ 170,708	\$ (31,386)	\$ 216,580
Fund Balance, July 1, 2009	170,954	569,047	132,360	872,361
Fund Balance, June 30, 2010	<u>\$ 248,212</u>	<u>\$ 739,755</u>	<u>\$ 100,974</u>	<u>\$ 1,088,941</u>

Exhibit J-8

Anderson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Anderson County School Department
General Purpose School Fund
For the Year Ended June 30, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 20,827,942	\$ 21,929,938	\$ 21,929,938	\$ (1,101,996)
Licenses and Permits	3,120	4,000	4,000	(880)
Charges for Current Services	102,608	293,000	293,000	(190,392)
Other Local Revenues	199,553	410,782	423,511	(223,958)
State of Tennessee	31,122,528	31,643,939	32,185,103	(1,062,575)
Federal Government	207,735	279,450	331,629	(123,894)
Other Governments and Citizens Groups	70,500	0	0	70,500
Total Revenues	<u>\$ 52,533,986</u>	<u>\$ 54,561,109</u>	<u>\$ 55,167,181</u>	<u>\$ (2,633,195)</u>
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 22,921,941	\$ 22,985,108	\$ 23,309,700	\$ 387,759
Special Education Program	5,831,501	5,829,606	5,926,155	94,654
Vocational Education Program	3,178,718	3,166,965	3,204,447	25,729
Adult Education Program	252,814	171,058	301,900	49,086
<u>Support Services</u>				
Attendance	378,616	373,174	395,874	17,258
Health Services	452,846	464,655	476,655	23,809
Other Student Support	1,560,205	1,535,795	1,608,760	48,555
Regular Instruction Program	1,302,045	1,343,848	1,362,348	60,303
Special Education Program	452,653	441,383	460,206	7,553
Vocational Education Program	256,317	262,081	267,777	11,460
Adult Programs	104,907	100,956	134,381	29,474
Other Programs	257,517	0	257,517	0
Board of Education	930,878	1,007,695	1,007,695	76,817
Director of Schools	346,531	358,215	365,990	19,459
Office of the Principal	3,035,974	2,915,741	3,085,927	49,953
Fiscal Services	406,507	427,834	427,834	21,327
Human Services/Personnel	92,560	114,117	114,117	21,557
Operation of Plant	4,755,823	4,908,556	4,931,854	176,031
Maintenance of Plant	1,146,806	1,283,456	1,282,556	135,750
Transportation	2,608,424	2,674,942	2,609,192	768
Central and Other	931,320	1,113,741	1,033,961	102,641
<u>Operation of Non-Instructional Services</u>				
Early Childhood Education	588,850	618,452	601,180	12,330
<u>Capital Outlay</u>				
Regular Capital Outlay	582,588	205,416	641,711	59,123
<u>Principal on Debt</u>				
Education	1,139,389	995,343	1,151,531	12,142
<u>Interest on Debt</u>				
Education	384,804	438,934	407,118	22,314

(Continued)

Exhibit J-8

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Expenditures (Cont.)</u>				
<u>Other Debt Service</u>				
Education	\$ 812,710	\$ 1,089,810	\$ 812,811	\$ 101
Total Expenditures	\$ 54,713,244	\$ 54,826,881	\$ 56,179,197	\$ 1,465,953
Excess (Deficiency) of Revenues Over Expenditures	\$ (2,179,258)	\$ (265,772)	\$ (1,012,016)	\$ (1,167,242)
<u>Other Financing Sources (Uses)</u>				
Other Loans Issued	\$ 0	\$ 72,500	\$ 72,500	\$ (72,500)
Proceeds from Sale of Capital Assets	14,812	0	0	14,812
Insurance Recovery	14,638	25,000	25,000	(10,362)
Transfers In	157,406	168,272	168,272	(10,866)
Transfers Out	(10,535)	0	(10,535)	0
Total Other Financing Sources (Uses)	\$ 176,321	\$ 265,772	\$ 255,237	\$ (78,916)
Net Change in Fund Balance	\$ (2,002,937)	\$ 0	\$ (756,779)	\$ (1,246,158)
Fund Balance, July 1, 2009	2,488,448	1,078,598	1,078,598	1,409,850
Fund Balance, June 30, 2010	\$ 485,511	\$ 1,078,598	\$ 321,819	\$ 163,692

Exhibit J-9

Anderson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Anderson County School Department
School Federal Projects Fund
For the Year Ended June 30, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 28,252	\$ 0	\$ 28,252	\$ 0
State of Tennessee	16,118	12,000	15,528	590
Federal Government	4,833,712	6,329,076	6,484,244	(1,650,532)
Total Revenues	<u>\$ 4,878,082</u>	<u>\$ 6,341,076</u>	<u>\$ 6,528,024</u>	<u>\$ (1,649,942)</u>
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 1,923,348	\$ 2,029,413	\$ 2,170,265	\$ 246,917
Special Education Program	1,676,678	2,269,580	2,807,899	1,131,221
Vocational Education Program	99,743	145,408	106,331	6,588
<u>Support Services</u>				
Other Student Support	109,369	558,258	604,465	495,096
Regular Instruction Program	328,038	361,693	424,904	96,866
Special Education Program	420,097	597,628	658,598	238,501
Board of Education	5,722	198	8,265	2,543
Director of Schools	400	400	400	0
Office of the Principal	1,679	1,500	1,745	66
Transportation	140,858	289,651	289,651	148,793
Total Expenditures	<u>\$ 4,705,932</u>	<u>\$ 6,253,729</u>	<u>\$ 7,072,523</u>	<u>\$ 2,366,591</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 172,150</u>	<u>\$ 87,347</u>	<u>\$ (544,499)</u>	<u>\$ 716,649</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 145,110	\$ 0	\$ 0
Transfers Out	(94,892)	(281,496)	(254,688)	159,796
Total Other Financing Sources (Uses)	<u>\$ (94,892)</u>	<u>\$ (136,386)</u>	<u>\$ (254,688)</u>	<u>\$ 159,796</u>
Net Change in Fund Balance	\$ 77,258	\$ (49,039)	\$ (799,187)	\$ 876,445
Fund Balance, July 1, 2009	<u>170,954</u>	<u>49,039</u>	<u>799,187</u>	<u>(628,233)</u>
Fund Balance, June 30, 2010	<u>\$ 248,212</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 248,212</u>

Exhibit J-10

Anderson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Anderson County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 934,367	\$ 1,358,767	\$ 1,309,467	\$ (375,100)
Other Local Revenues	2,654	4,400	4,400	(1,746)
State of Tennessee	31,903	33,400	33,400	(1,497)
Federal Government	1,935,170	1,814,519	2,005,598	(70,428)
Other Governments and Citizens Groups	1,000	0	0	1,000
Total Revenues	<u>\$ 2,905,094</u>	<u>\$ 3,211,086</u>	<u>\$ 3,352,865</u>	<u>\$ (447,771)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 2,915,016	\$ 3,391,106	\$ 3,532,885	\$ 617,869
Total Expenditures	<u>\$ 2,915,016</u>	<u>\$ 3,391,106</u>	<u>\$ 3,532,885</u>	<u>\$ 617,869</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (9,922)</u>	<u>\$ (180,020)</u>	<u>\$ (180,020)</u>	<u>\$ 170,098</u>
<u>Other Financing Sources (Uses)</u>				
Proceeds from Sale of Capital Assets	\$ 1,410	\$ 0	\$ 0	\$ 1,410
Transfers In	179,220	180,020	180,020	(800)
Total Other Financing Sources (Uses)	<u>\$ 180,630</u>	<u>\$ 180,020</u>	<u>\$ 180,020</u>	<u>\$ 610</u>
Net Change in Fund Balance	\$ 170,708	\$ 0	\$ 0	\$ 170,708
Fund Balance, July 1, 2009	<u>569,047</u>	<u>458,578</u>	<u>458,578</u>	<u>110,469</u>
Fund Balance, June 30, 2010	<u>\$ 739,755</u>	<u>\$ 458,578</u>	<u>\$ 458,578</u>	<u>\$ 281,177</u>

Exhibit J-11

Anderson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Anderson County School Department
Other Education Special Revenue Fund
For the Year Ended June 30, 2010

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 245,818	\$ 0	\$ 245,818	\$ 259,568	\$ 259,568	\$ (13,750)
Other Local Revenues	5,831	0	5,831	0	5,992	(161)
State of Tennessee	28,414	0	28,414	19,500	19,500	8,914
Federal Government	3,063,323	0	3,063,323	3,042,691	3,147,771	(84,448)
Total Revenues	\$ 3,343,386	\$ 0	\$ 3,343,386	\$ 3,321,759	\$ 3,432,831	\$ (89,445)
<u>Expenditures</u>						
<u>Operation of Non-Instructional Services</u>						
Community Services	\$ 3,046,196	\$ 97,889	\$ 3,144,085	\$ 3,044,014	\$ 3,152,979	\$ 8,894
<u>Principal on Debt</u>						
Education	25,855	0	25,855	25,885	25,863	8
Interest on Debt	71,522	0	71,522	71,594	71,535	13
Education	\$ 3,143,573	\$ 97,889	\$ 3,241,462	\$ 3,141,493	\$ 3,250,377	\$ 8,915
Total Expenditures						
Excess (Deficiency) of Revenues Over Expenditures	\$ 199,813	\$ (97,889)	\$ 101,924	\$ 180,266	\$ 182,454	\$ (80,530)
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 28,000	\$ (28,000)
Transfers Out	(231,199)	0	(231,199)	(180,266)	(266,668)	35,469
Total Other Financing Sources (Uses)	\$ (231,199)	\$ 0	\$ (231,199)	\$ (180,266)	\$ (238,668)	\$ 7,469
Net Change in Fund Balance Fund Balance, July 1, 2009	\$ (31,386)	\$ (97,889)	\$ (129,275)	\$ 0	\$ (56,214)	\$ (73,061)
	132,360	0	132,360	65,908	65,908	66,452
Fund Balance, June 30, 2010	\$ 100,974	\$ (97,889)	\$ 3,085	\$ 65,908	\$ 9,694	\$ (6,609)

Exhibit J-12

Anderson County, Tennessee
Statement of Fiduciary Net Assets
Discretely Presented Anderson County School Department
Fiduciary Fund
June 30, 2010

	<u>Other Employee Benefits Trust Fund</u> <u>Flexible Benefits Fund</u>
<u>ASSETS</u>	
Cash	\$ 36,336
Total Assets	<u>\$ 36,336</u>
<u>NET ASSETS</u>	
Funds Held in Trust for Employees	<u>\$ 36,336</u>
Total Net Assets	<u><u>\$ 36,336</u></u>

Exhibit J-13

Anderson County, Tennessee
Statement of Changes in Fiduciary Net Assets
Discretely Presented Anderson County School Department
Fiduciary Fund
For the Year Ended June 30, 2010

	Other Employee Benefits Trust Fund <hr/> Flexible Benefits Fund <hr/>
<u>ADDITIONS</u>	
Plan Member Contributions	\$ 138,196
Total Additions	<u>\$ 138,196</u>
<u>DEDUCTIONS</u>	
Employee Benefits	
Other Fringe Benefits	\$ 132,334
Total Deductions	<u>\$ 132,334</u>
Change in Net Assets	\$ 5,862
Net Assets, July 1, 2009	<u>30,474</u>
Net Assets, June 30, 2010	<u><u>\$ 36,336</u></u>

MISCELLANEOUS SCHEDULES

Exhibit K-1

Anderson County, Tennessee
 Schedule of Changes in Long-term Notes, Other Loans, Capital Leases, and Bonds
 Primary Government and Discretely Presented Anderson County School Department
 For the Year Ended June 30, 2010

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-09	Issued During Period	Paid and/or Matured	
							During Period	Outstanding 6-30-10
PRIMARY GOVERNMENT								
NOTES PAYABLE								
<u>Payable through Other Special Revenue Fund</u>								
Tourism Facilities Improvements	\$ 50,000	4.98 %	10-1-1999	10-1-09	\$ 5,000	\$ 0	\$ 5,000	\$ 0
Total Payable through Other Special Revenue Fund					\$ 5,000	\$ 0	\$ 5,000	\$ 0
<u>Payable through General Debt Service Fund</u>								
Roof Repairs	100,000	3.6	6-12-03	12-1-12	\$ 40,000	\$ 0	\$ 10,000	\$ 30,000
Health Department	300,000	3.78	5-4-05	5-1-15	180,000	0	30,000	150,000
Total Payable through General Debt Service Fund					\$ 220,000	\$ 0	\$ 40,000	\$ 180,000
Total Notes Payable					\$ 225,000	\$ 0	\$ 45,000	\$ 180,000
OTHER LOANS PAYABLE								
<u>Public Building Authority Loan Agreements:</u>								
<u>Payable through General Debt Service Fund</u>								
Industrial Development - Montgomery County PBA	1,700,000	Variable	7-13-01	5-25-21	\$ 1,246,000	\$ 0	\$ 78,000	\$ 1,168,000
Jail Renovation - Montgomery County PBA	3,000,000	Variable	5-22-06	5-25-25	2,634,000	0	130,000	2,504,000
Total Payable through General Debt Service Fund					\$ 3,880,000	\$ 0	\$ 208,000	\$ 3,672,000
<u>Payable through Rural Debt Service Fund</u>								
School Refunding - City of Clarksville PBA	5,746,000	Variable	4-1-03	5-25-17	\$ 3,078,317	\$ 0	\$ 343,565	\$ 2,734,752
Rural Elementary School Project - Montgomery County PBA	6,000,000	Variable	4-19-04	6-25-18	5,226,500	0	472,500	4,754,000
Total Payable through Rural Debt Service Fund					\$ 8,304,817	\$ 0	\$ 816,065	\$ 7,488,752

(Continued)

Exhibit K-1

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

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-09	Paid and/or		
						Issued During Period	Matured During Period	
<u>OTHER LOANS PAYABLE (Cont.)</u>								
<u>Payable through Education Debt Service Fund</u>								
Rural High School Refunding - City of Clarksville PBA	\$ 7,187,000	Variable	4-1-03	5-25-17	\$ 3,488,324	\$ 0	\$ 405,835	\$ 3,082,489
Rural High School Project - Montgomery County PBA	4,100,000	Variable	4-19-04	6-25-18	3,495,000	0	356,000	3,139,000
Total Payable through Education Debt Service Fund					\$ 6,983,324	\$ 0	\$ 761,835	\$ 6,221,489
Total Other Loans Payable					\$ 19,168,141	\$ 0	\$ 1,785,900	\$ 17,382,241
<u>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
General Obligation Refunding	6,085,000	3 to 5 %	8-1-01	4-1-13	\$ 2,165,000	\$ 0	\$ 585,000	\$ 1,580,000
General Obligation Refunding	4,580,000	3.5 to 3.7	12-15-05	9-1-12	2,485,000	0	735,000	1,750,000
General Obligation	2,450,000	1 to 5.25	6-4-10	5-1-28	0	2,450,000	0	2,450,000
Total Payable through General Debt Service Fund					\$ 4,650,000	\$ 2,450,000	\$ 1,320,000	\$ 5,780,000
<u>Payable through Rural Debt Service Fund</u>								
Rural School Refunding	4,145,000	3 to 5	8-1-01	4-1-13	\$ 2,070,000	\$ 0	\$ 305,000	\$ 1,765,000
Rural School Refunding	3,505,000	2 to 3.875	3-1-04	3-1-18	2,660,000	0	265,000	2,395,000
Total Payable through Rural Debt Service Fund					\$ 4,730,000	\$ 0	\$ 570,000	\$ 4,160,000
<u>Payable through Education Debt Service Fund</u>								
Rural High School Refunding	3,490,000	3 to 5	8-1-01	4-1-13	\$ 1,375,000	\$ 0	\$ 320,000	\$ 1,055,000
Rural High School Refunding	4,895,000	2 to 3.875	3-1-04	3-1-18	3,715,000	0	365,000	3,350,000
Total Payable through Education Debt Service Fund					\$ 5,090,000	\$ 0	\$ 685,000	\$ 4,405,000
Total Bonds Payable					\$ 14,470,000	\$ 2,450,000	\$ 2,575,000	\$ 14,345,000

(Continued)

Exhibit K-1

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

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-09	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-10
DISCRETELY PRESENTED ANDERSON COUNTY SCHOOL DEPARTMENT								
<u>NOTES PAYABLE</u>								
Payable through General Purpose School Fund								
Clinton Middle (EPA - Asbestos) Schools	\$ 89,529	0 %	4-17-1992	5-30-11	\$ 9,529	0 \$	5,000 \$	4,529
Renovation of Various Schools	1,000,000	4.79 to 5.27	6-30-1997	7-2-09	83,333	0	83,333	0
Renovation of Various Schools	572,000	4.89	10-1-1999	10-1-09	77,000	0	77,000	0
Renovation of Various Schools - Borrowed from Primary Government	700,000	3.6	6-12-03	12-1-12	280,000	0	70,000	210,000
Local Government Energy Efficient Loan Program	10,100,000	Variable	4-15-04	6-25-18	8,721,500	0	828,500	7,893,000
	496,775	0	2-2-09	2-2-16	496,775	0	70,968	425,807
Total Notes Payable					\$ 9,668,137	0 \$	1,134,801 \$	8,533,336
<u>CAPITAL LEASES PAYABLE</u>								
Payable through Other Education Special Revenue Fund and General Purpose School Fund								
Headstart Facility	957,236	11.4	12-1-03	12-1-20	752,245	0 \$	30,443 \$	721,802
Total Capital Leases Payable					\$ 752,245	0 \$	30,443 \$	721,802

Exhibit K-2

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

PRIMARY GOVERNMENT

Year Ending June 30	Notes		
	Principal	Interest	Total
2011	\$ 40,000	\$ 6,287	\$ 46,287
2012	40,000	4,793	44,793
2013	40,000	3,299	43,299
2014	30,000	1,985	31,985
2015	30,000	851	30,851
Total	\$ 180,000	\$ 17,215	\$ 197,215

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2011	\$ 1,840,600	\$ 34,764	\$ 66,053	\$ 1,941,417
2012	1,915,500	31,083	59,058	2,005,641
2013	1,956,000	27,252	51,779	2,035,031
2014	2,026,000	23,340	44,347	2,093,687
2015	2,090,000	19,288	36,648	2,145,936
2016	2,171,000	15,108	28,706	2,214,814
2017	2,149,241	10,766	20,456	2,180,463
2018	1,539,900	6,468	12,289	1,558,657
2019	291,000	3,388	6,437	300,825
2020	304,000	2,806	5,330	312,136
2021	315,000	2,198	4,176	321,374
2022	187,000	1,568	2,979	191,547
2023	193,000	1,194	2,269	196,463
2024	199,000	808	1,535	201,343
2025	205,000	410	779	206,189
Total	\$ 17,382,241	\$ 180,441	\$ 342,841	\$ 17,905,523

(Continued)

Exhibit K-2

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

PRIMARY GOVERNMENT (CONT.)

Year Ending June 30	Bonds		
	Principal	Interest	Total
2011	\$ 2,805,000	\$ 543,275	\$ 3,348,275
2012	2,415,000	440,715	2,855,715
2013	2,505,000	347,061	2,852,061
2014	1,190,000	263,842	1,453,842
2015	1,230,000	220,699	1,450,699
2016	865,000	174,037	1,039,037
2017	905,000	117,962	1,022,962
2018	930,000	96,525	1,026,525
2019	130,000	73,500	203,500
2020	135,000	68,105	203,105
2021	140,000	62,300	202,300
2022	145,000	56,000	201,000
2023	145,000	48,750	193,750
2024	150,000	41,500	191,500
2025	155,000	34,000	189,000
2026	160,000	26,250	186,250
2027	165,000	17,850	182,850
2028	175,000	9,188	184,188
Total	\$ 14,345,000	\$ 2,641,559	\$ 16,986,559

(Continued)

Exhibit K-2

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

DISCRETELY PRESENTED ANDERSON
COUNTY SCHOOL DEPARTMENT

Year Ending June 30	Notes		
	Principal	Interest	Total
2011	\$ 999,596	\$ 22,086	\$ 1,021,682
2012	1,030,968	17,858	1,048,826
2013	1,045,968	13,558	1,059,526
2014	1,000,968	10,488	1,011,456
2015	1,025,968	8,629	1,034,597
2016	1,055,968	6,718	1,062,686
2017	1,115,000	4,748	1,119,748
2018	1,258,900	2,518	1,261,418
Total	\$ 8,533,336	\$ 86,603	\$ 8,619,939

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2011	\$ 35,202	\$ 80,502	\$ 115,704
2012	40,626	76,209	116,835
2013	46,663	71,268	117,931
2014	53,426	65,603	119,029
2015	61,002	59,124	120,126
2016	69,487	51,736	121,223
2017	78,992	43,328	122,320
2018	89,639	33,778	123,417
2019	101,565	22,949	124,514
2020	114,925	10,687	125,612
2021	30,275	569	30,844
Total	\$ 721,802	\$ 515,753	\$ 1,237,555

Exhibit K-3

Anderson County, Tennessee
Schedule of Investments
June 30, 2010

<u>Fund and Type</u>	<u>Amount</u>
<u>Employee Health Insurance (Internal Service) Fund</u>	
State Treasurer's Investment Pool	\$ 18,404
Total Investments	<u>\$ 18,404</u>

Exhibit K-4

Anderson County, Tennessee
Schedule of Notes Receivable
June 30, 2010

<u>Description</u>	<u>Debtor</u>	<u>Original Amount of Notes</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance 6-30-10</u>
<u>Rural Debt Service Fund</u>						
Payment of Other Loan Principal and Interest	Anderson County School Department	\$ 6,000,000	4-19-04	6-25-18	Variable	\$ 4,754,000
<u>Education Debt Service Fund</u>						
Payment of Other Loan Principal and Interest	Anderson County School Department	4,100,000	4-19-04	6-25-18	Variable	3,139,000
Total Notes Receivable						<u>\$ 7,893,000</u>

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

Exhibit K-5

Anderson County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Anderson County School Department
For the Year Ended June 30, 2010

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	Education Debt Service	State sharing revenue	\$ 16,107
General	Courthouse and Jail Maintenance	Operations	73,470
General	Other Special Revenue	Operations	182,570
General	Public Library	Operations	395,113
General	Highway/Public Works	Various projects	409,500
General	Solid Waste/Sanitation	Operations	772,715
Ambulance Service	General	Equity transfer	19,939
Total Transfers Primary Government			<u>\$ 1,869,414</u>
<u>DISCRETELY PRESENTED ANDERSON</u>			
<u>COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	\$ 94,892
Other Education Special Revenue	General Purpose School	Indirect costs	62,514
Other Education Special Revenue	Central Cafeteria	Cafeteria expenditures	168,685
General Purpose School	Central Cafeteria	Cafeteria expenditures	10,535
Total Transfers Discretely Presented Anderson County School Department			<u>\$ 336,626</u>

Exhibit K-6

Anderson County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Anderson County School Department
For the Year Ended June 30, 2010

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <u>TCA</u>	\$ 100,106	\$ 50,000	RLI Insurance Company
Highway Superintendent	Section 8-24-102, <u>TCA</u>	79,436	100,000 "	"
Director of Schools	State Board of Education and County Board of Education	120,253 (1)	100,000	Auto Owners Insurance Company
Trustee	Section 8-24-102, <u>TCA</u>	72,214	2,186,000	Cincinnati Insurance Company
Assessor of Property	Section 8-24-102, <u>TCA</u>	72,214	50,000	RLI Insurance Company
Director of Accounts and Budgets	County Commission	72,214	25,000 "	"
County Clerk	Section 8-24-102, <u>TCA</u>	72,214	50,000 "	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, <u>TCA</u>	72,214	50,000 "	"
Clerk and Master	Section 8-24-102, <u>TCA</u> , and Chancery Court Judge	72,214 (2)	300,000	State Automobile Mutual Insurance Company
Register	Section 8-24-102, <u>TCA</u>	72,214	25,000	Ohio Casualty Insurance Company
Sheriff	Section 8-24-102, <u>TCA</u>	80,223 (3)	25,000 "	"
Purchasing Agent	County Commission	52,000	25,000	RLI Insurance Company
Employee Blanket Bonds:				
Public Employee Dishonesty - County Departments			150,000	Tennessee Risk Management Trust
Public Employee Dishonesty - School Department			150,000 "	"

- (1) Includes career ladder supplement of \$1,000.
- (2) Does not include special commissioner fees of \$18,525.
- (3) Does not include a law enforcement training supplement of \$600.

Exhibit K-7

Anderson County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2010

	Special Revenue Funds						District Attorney General
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Drug Control		
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 9,891,369	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Trustee's Collections - Prior Year	368,050	0	0	0	0	0	0
Circuit/Clerk & Master Collections - Prior Years	133,720	0	0	0	0	0	0
Interest and Penalty	126,640	0	0	0	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	16,107	0	0	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	590,919	0	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	1,469,392	0	0	0	0	0	0
<u>County Local Option Taxes</u>							
Local Option Sales Tax	618,995	0	0	0	0	0	0
Hotel/Motel Tax	178,023	0	0	0	0	0	0
Litigation Tax - General	181,434	0	0	0	0	0	0
Litigation Tax - Special Purpose	0	21,478	0	0	0	0	0
Litigation Tax - Office of Public Defender	26,775	0	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	3,733	0	0	0	0	0	0
Litigation Tax - Victim/Offender Mediation Center	5,706	0	0	0	0	0	0
Litigation Tax - Courtroom Security	5,322	0	0	0	0	0	0
Business Tax	1,008,018	0	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0	0
Other County Local Option Taxes	470	0	0	0	0	0	0
<u>Statutory Local Taxes</u>							
Bank Excise Tax	64,190	0	0	0	0	0	0
Coal Severance Tax	0	0	0	0	0	0	0
Interstate Telecommunications Tax	5,735	0	0	0	0	0	0
Other Statutory Local Taxes	10,101	0	0	0	0	0	0
Total Local Taxes	\$ 14,704,699	\$ 21,478	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Cable TV Franchise	\$ 347,887	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0

(Continued)

Exhibit K-7

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

	Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Drug Control	District Attorney General	
<u>Licenses and Permits (Cont.)</u>							
<u>Permits</u>							
Beer Permits	\$ 1,188	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Building Permits	77,521	0	0	0	0	0	0
Total Licenses and Permits	\$ 426,596	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Fines, Forfeitures, and Penalties</u>							
<u>Circuit Court</u>							
Fines	\$ 14,079	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	24,209	0	0	0	0	0	0
Drug Control Fines	3,022	0	0	0	1,097	0	0
Jail Fees	7,170	0	0	0	0	0	0
District Attorney General Fees	245	0	0	0	0	0	1,321
DUI Treatment Fines	1,831	0	0	0	0	0	0
Data Entry Fee - Circuit Court	2,891	0	0	0	0	0	0
Courtroom Security Fee	94	0	0	0	0	0	0
<u>Criminal Court</u>							
Drug Court Fees	2,218	0	0	0	0	0	0
<u>General Sessions Court</u>							
Fines	45,413	0	0	0	0	0	0
Officers Costs	98,995	0	0	0	0	0	0
Drug Control Fines	5,126	0	0	0	4,536	0	0
Drug Court Fees	10,867	0	0	0	0	0	0
Jail Fees	105,795	0	0	0	0	0	0
Interpreter Fees	48	0	0	0	0	0	0
District Attorney General Fees	5,187	0	0	0	0	0	10,391
DUI Treatment Fines	3,045	0	0	0	0	0	0
Data Entry Fee - General Sessions Court	12,029	0	0	0	0	0	0
Courtroom Security Fee	78,511	0	0	0	0	0	0
<u>Juvenile Court</u>							
Fines	5,906	0	0	0	0	0	0
Officers Costs	15,375	0	0	0	0	0	0

(Continued)

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Drug Control	District Attorney General
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Juvenile Court (Cont.)</u>						
Drug Court Fees	\$ 407	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Jail Fees	4,308	0	0	0	0	0
Data Entry Fee - Juvenile Court	1,107	0	0	0	0	0
Courtroom Security Fee	89	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	27,640	0	0	0	0	0
Data Entry Fee - Chancery Court	5,103	0	0	0	0	0
Courtroom Security Fee	9,174	0	0	0	0	0
<u>Other Courts - In-county</u>						
Game and Fish Fines	300	0	0	0	0	0
<u>Judicial District Drug Program</u>						
Drug Task Force Forfeitures and Seizures	0	0	0	0	19,523	0
Other Fines, Forfeitures, and Penalties						
Proceeds from Confiscated Property	3,731	0	0	0	101,847	0
Total Fines, Forfeitures, and Penalties	\$ 493,915	\$ 0	\$ 0	\$ 0	\$ 127,003	\$ 11,712
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Other Employee Benefit Charges/Contributions	\$ 298	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Convenience Waste Centers Collection Charge	0	0	0	49,539	0	0
Surcharge - Host Agency	0	0	0	310,718	0	0
Solid Waste Disposal Fees	0	0	0	19,406	0	0
Health Department Collections	245,567	0	0	0	0	0
Other General Service Charges	3,045	0	0	0	0	0
<u>Fees</u>						
Recreation Fees	50,632	0	0	0	0	0
Copy Fees	1,529	0	0	0	0	0
Library Fees	50	0	16,499	0	0	0
Greenbelt Late Application Fee	1,500	0	0	0	0	0
Telephone Commissions	37,910	0	0	0	0	0

(Continued)

Exhibit K-7

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

	Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Drug Control	District Attorney General	
<u>Charges for Current Services (Cont.)</u>							
<u>Fees (Cont.)</u>							
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	23,784	0	0	0	0	0	0
Data Processing Fee - Sheriff	14,657	0	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	4,350	0	0	0	0	0	0
Data Processing Fee - County Clerk	4,792	0	0	0	0	0	0
Other Charges for Services	4,370	0	0	0	0	0	0
Other Charges for Services	\$ 392,484	\$ 0	\$ 16,499	\$ 379,663	\$ 0	\$ 0	\$ 0
Total Charges for Current Services							
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	\$ 22,804	\$ 0	\$ 925	\$ 0	\$ 865	\$ 0	\$ 0
Lease/Rentals	164,956	0	0	0	0	0	0
Sale of Materials and Supplies	16,070	0	761	114	0	0	0
Commissary Sales	15,618	0	0	0	0	0	0
Sale of Gasoline	0	0	0	0	0	0	0
Sale of Maps	672	0	0	0	0	0	0
Sale of Recycled Materials	0	0	0	14,646	0	0	0
Refund of Telecommunication and Internet Fees (E-Rate)	0	0	2,167	0	0	0	0
Commodity Rebates	38	0	0	0	0	0	0
Miscellaneous Refunds	8,670	0	0	0	0	0	229
<u>Nonrecurring Items</u>							
Revenue from Joint Ventures	19,728	0	0	0	0	0	0
Sale of Equipment	35,759	0	0	0	0	0	0
Damages Recovered from Individuals	355	0	0	0	0	0	0
Contributions and Gifts	17,700	0	8,262	12,000	10,275	2,000	0
Performance Bond Forfeitures	0	0	0	0	0	0	0
<u>Other Local Revenues</u>							
Other Local Revenues	\$ 386,088	\$ 0	\$ 12,115	\$ 26,760	\$ 11,140	\$ 2,229	\$ 0
Total Other Local Revenues	\$ 688,458	\$ 0	\$ 12,115	\$ 26,760	\$ 11,140	\$ 2,229	\$ 0

(Continued)

Exhibit K-7

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

	Special Revenue Funds						
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Drug Control	District Attorney General	
<u>Fees Received from County Officials</u>							
<u>Fees in-Lieu-of Salary</u>							
County Clerk	\$ 834,251	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
General Sessions Court Clerk	862,210	0	0	0	0	0	0
Clerk and Master	446,034	0	0	0	0	0	0
Register	287,340	0	0	0	0	0	0
Sheriff	62,341	0	0	0	0	0	0
Trustee	1,200,395	0	0	0	0	0	0
Total Fees Received from County Officials	\$ 3,692,571	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
Juvenile Services Program	\$ 9,882	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
State Reappraisal Grant	9,028	0	0	0	0	0	0
Solid Waste Grants	0	0	0	67,971	0	0	0
<u>Public Safety Grants</u>							
Law Enforcement Training Programs	34,200	0	0	0	0	0	0
Drug Control Grants	59,338	0	0	0	0	0	0
Health and Welfare Grants							
Health Department Programs	395,068	0	0	0	0	0	0
<u>Public Works Grants</u>							
State Aid Program	0	0	0	0	0	0	0
Litter Program	0	0	0	41,108	0	0	0
<u>Other State Revenues</u>							
Income Tax	35,910	0	0	0	0	0	0
Alcoholic Beverage Tax	86,862	0	0	0	0	0	0
State Revenue Sharing - T.V.A.	423,548	0	0	0	0	0	0
Emergency Hospital - Prisoners	43,394	0	0	0	0	0	0
Prisoner Transportation	4,961	0	0	0	0	0	0
Contracted Prisoner Boarding	406,364	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

(Continued)

Exhibit K-7

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Drug Control	District Attorney General
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
Other State Grants	\$ 2,096	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other State Revenues	151,544	0	0	0	675	0
Total State of Tennessee	\$ 1,662,195	\$ 0	\$ 0	\$ 109,079	\$ 675	\$ 0
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 44,437	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Civil Defense Reimbursement	27,641	0	0	0	0	0
Homeland Security Grants	203,115	0	0	0	0	0
ARRA Grant No. 2	50,000	0	0	0	0	0
Other Federal through State	51,510	0	0	0	0	0
<u>Direct Federal Revenue</u>						
ARRA Grant No. 6	47,801	0	0	0	0	0
Other Direct Federal Revenue	112,678	0	0	0	0	0
Total Federal Government	\$ 537,182	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 135,000	\$ 0	\$ 132,311	\$ 0	\$ 0	\$ 0
Contracted Services	410,351	0	0	0	0	0
<u>Citizens Groups</u>						
Donations	0	0	4,200	0	0	0
Total Other Governments and Citizens Groups	\$ 545,351	\$ 0	\$ 136,511	\$ 0	\$ 0	\$ 0
Total	\$ 23,143,451	\$ 21,478	\$ 165,125	\$ 515,502	\$ 138,818	\$ 13,941

(Continued)

Exhibit K-7

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

	Special Revenue Funds				Debt Service Funds				Total
	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Rural Debt Service	Education Debt Service			
<u>Local Taxes</u>									
<u>County Property Taxes</u>									
Current Property Tax	\$ 0	\$ 0	\$ 0	\$ 2,253,739	\$ 48,173	\$ 945,160	\$ 13,138,441		
Trustee's Collections - Prior Year	0	0	0	83,823	2,307	41,274	495,454		
Circuit/Clerk & Master Collections - Prior Years	0	0	0	0	0	0	133,720		
Interest and Penalty	0	0	0	17,614	467	8,491	153,212		
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	0	0	16,107		
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	0	0	0	590,919		
Payments in-Lieu-of Taxes - Other	0	0	0	0	0	0	1,469,392		
<u>County Local Option Taxes</u>									
Local Option Sales Tax	0	0	321,497	0	0	0	940,492		
Hotel/Motel Tax	0	0	0	0	0	0	178,023		
Litigation Tax - General	0	0	0	0	0	0	181,434		
Litigation Tax - Special Purpose	0	0	0	0	0	0	21,478		
Litigation Tax - Office of Public Defender	0	0	0	0	0	0	26,775		
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	46,403	0	0	50,136		
Litigation Tax - Victim/Offender Mediation Center	0	0	0	0	0	0	5,706		
Litigation Tax - Courtroom Security	0	0	0	0	0	0	5,322		
Business Tax	0	0	0	0	0	0	1,008,018		
Mineral Severance Tax	0	0	138,958	0	0	0	138,958		
Other County Local Option Taxes	0	0	0	0	0	0	470		
<u>Statutory Local Taxes</u>									
Bank Excise Tax	0	0	0	0	0	0	64,190		
Coal Severance Tax	0	0	68,597	0	0	0	68,597		
Interstate Telecommunications Tax	0	0	0	0	0	0	5,735		
Other Statutory Local Taxes	0	0	0	0	0	0	10,101		
Total Local Taxes	\$ 0	\$ 0	\$ 529,052	\$ 2,401,579	\$ 50,947	\$ 994,925	\$ 18,702,680		
<u>Licenses and Permits</u>									
<u>Licenses</u>									
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 347,887		

(Continued)

Exhibit K-7

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

	Special Revenue Funds				Debt Service Funds				Total
	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Rural Debt Service	Education Debt Service			
<u>Licenses and Permits (Cont.)</u>									
<u>Permits</u>									
Beer Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,188
Building Permits	0	0	0	0	0	0	0	0	77,521
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 426,596
<u>Fines, Forfeitures, and Penalties</u>									
<u>Circuit Court</u>									
Fines	0	0	0	0	0	0	0	0	14,079
Officers Costs	0	0	0	0	0	0	0	0	24,209
Drug Control Fines	0	0	0	0	0	0	0	0	4,119
Jail Fees	0	0	0	0	0	0	0	0	7,170
District Attorney General Fees	0	0	0	0	0	0	0	0	1,566
DUI Treatment Fines	0	0	0	0	0	0	0	0	1,831
Data Entry Fee - Circuit Court	0	0	0	0	0	0	0	0	2,891
Courtroom Security Fee	0	0	0	0	0	0	0	0	94
<u>Criminal Court</u>									
Drug Court Fees	0	0	0	0	0	0	0	0	2,218
<u>General Sessions Court</u>									
Fines	0	0	0	0	0	0	0	0	45,413
Officers Costs	0	0	0	0	0	0	0	0	98,995
Drug Control Fines	0	0	0	0	0	0	0	0	9,662
Drug Court Fees	0	0	0	0	0	0	0	0	10,867
Jail Fees	0	0	0	0	0	0	0	0	105,795
Interpreter Fees	0	0	0	0	0	0	0	0	48
District Attorney General Fees	0	0	0	0	0	0	0	0	15,578
DUI Treatment Fines	0	0	0	0	0	0	0	0	3,045
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	0	0	12,029
Courtroom Security Fee	0	0	0	0	0	0	0	0	78,511
<u>Juvenile Court</u>									
Fines	0	0	0	0	0	0	0	0	5,906
Officers Costs	0	0	0	0	0	0	0	0	15,375

(Continued)

Exhibit K-7

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

	Special Revenue Funds				Debt Service Funds				Total
	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Rural Debt Service	Education Debt Service			
<u>Fines, Forfeitures, and Penalties (Cont.)</u>									
<u>Juvenile Court (Cont.)</u>									
Drug Court Fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	407
Jail Fees	0	0	0	0	0	0	0	0	4,308
Data Entry Fee - Juvenile Court	0	0	0	0	0	0	0	0	1,107
Courtroom Security Fee	0	0	0	0	0	0	0	0	89
<u>Chancery Court</u>									
Officers Costs	0	0	0	0	0	0	0	0	27,640
Data Entry Fee - Chancery Court	0	0	0	0	0	0	0	0	5,103
Courtroom Security Fee	0	0	0	0	0	0	0	0	9,174
<u>Other Courts - In-county</u>									
Game and Fish Fines	0	0	0	0	0	0	0	0	300
<u>Judicial District Drug Program</u>									
Drug Task Force Forfeitures and Seizures	0	0	0	0	0	0	0	0	19,523
<u>Other Fines, Forfeitures, and Penalties</u>									
Proceeds from Confiscated Property	0	0	0	0	0	0	0	0	105,578
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 632,630
<u>Charges for Current Services</u>									
<u>General Service Charges</u>									
Other Employee Benefit Charges/Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	298
Convenience Waste Centers Collection Charge	0	0	0	0	0	0	0	0	49,539
Surcharge - Host Agency	0	0	0	0	0	0	0	0	310,718
Solid Waste Disposal Fees	0	0	0	0	0	0	0	0	19,406
Health Department Collections	0	0	0	0	0	0	0	0	245,567
Other General Service Charges	0	0	0	0	0	0	0	0	3,045
<u>Fees</u>									
Recreation Fees	0	0	0	0	0	0	0	0	50,632
Copy Fees	0	0	0	0	0	0	0	0	1,529
Library Fees	0	0	0	0	0	0	0	0	16,549
Greenbelt Late Application Fee	0	0	0	0	0	0	0	0	1,500
Telephone Commissions	0	0	0	0	0	0	0	0	37,910

(Continued)

Exhibit K-7

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

	Special Revenue Funds				Debt Service Funds				Total
	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Rural Debt Service	Education Debt Service			
<u>Charges for Current Services (Cont.)</u>									
<u>Fees (Cont.)</u>									
Constitutional Officers' Fees and Commissions	\$ 0	\$ 2,894	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,894
Special Commissioner Fees/Special Master Fees	0	18,525	0	0	0	0	0	0	18,525
Data Processing Fee - Register	0	0	0	0	0	0	0	0	23,784
Data Processing Fee - Sheriff	0	0	0	0	0	0	0	0	14,657
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	0	0	0	4,350
Data Processing Fee - County Clerk	0	0	0	0	0	0	0	0	4,792
Other Charges for Services	0	0	0	0	0	0	0	0	4,370
Total Charges for Current Services	\$ 0	\$ 21,419	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 810,065
<u>Other Local Revenues</u>									
<u>Recurring Items</u>									
Investment Income	0	0	0	11,932	45,917	37,792	0	0	120,235
Lease/Rentals	0	0	0	0	0	0	0	0	164,956
Sale of Materials and Supplies	0	0	0	0	0	0	0	0	16,945
Commissary Sales	0	0	0	0	0	0	0	0	15,618
Sale of Gasoline	0	0	465,164	0	0	0	0	0	465,164
Sale of Maps	0	0	0	0	0	0	0	0	672
Sale of Recycled Materials	0	0	0	0	0	0	0	0	14,646
Refund of Telecommunication and Internet Fees (E-Rate)	0	0	0	0	0	0	0	0	2,167
Commodity Rebates	0	0	0	0	0	0	0	0	38
Miscellaneous Refunds	9	0	0	0	0	0	0	0	8,908
<u>Nonrecurring Items</u>									
Revenue from Joint Ventures	0	0	0	0	0	0	0	0	19,728
Sale of Equipment	0	0	0	0	0	0	0	0	35,759
Damages Recovered from Individuals	0	0	0	0	0	0	0	0	355
Contributions and Gifts	0	0	200	0	0	0	0	0	50,437
Performance Bond Forfeitures	0	0	48,000	0	0	0	0	0	48,000
<u>Other Local Revenues</u>									
Other Local Revenues	0	0	0	11,932	45,917	37,792	0	0	386,088
Total Other Local Revenues	\$ 9	\$ 0	\$ 513,364	\$ 11,932	\$ 45,917	\$ 37,792	\$ 0	\$ 0	\$ 1,349,716

(Continued)

Exhibit K-7

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

	Special Revenue Funds				Debt Service Funds				Total
	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Rural Debt Service	Education Debt Service			
<u>Fees Received from County Officials</u>									
<u>Fees in-Lieu-of Salary</u>									
County Clerk	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	834,251
General Sessions Court Clerk	0	0	0	0	0	0	0	0	862,210
Clerk and Master	0	0	0	0	0	0	0	0	446,034
Register	0	0	0	0	0	0	0	0	287,340
Sheriff	0	0	0	0	0	0	0	0	62,341
Trustee	0	0	0	0	0	0	0	0	1,200,395
Total Fees Received from County Officials	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	3,692,571
<u>State of Tennessee</u>									
<u>General Government Grants</u>									
Juvenile Services Program	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	9,882
State Reappraisal Grant	0	0	0	0	0	0	0	0	9,028
Solid Waste Grants	0	0	0	0	0	0	0	0	67,971
<u>Public Safety Grants</u>									
Law Enforcement Training Programs	0	0	0	0	0	0	0	0	34,200
Drug Control Grants	0	0	0	0	0	0	0	0	59,338
<u>Health and Welfare Grants</u>									
Health Department Programs	0	0	0	0	0	0	0	0	395,068
<u>Public Works Grants</u>									
State Aid Program	0	0	118,616	0	0	0	0	0	118,616
Litter Program	0	0	0	0	0	0	0	0	41,108
<u>Other State Revenues</u>									
Income Tax	0	0	0	0	0	0	0	0	35,910
Alcoholic Beverage Tax	0	0	0	0	0	0	0	0	86,862
State Revenue Sharing - T.V.A.	0	0	0	0	0	0	0	0	423,548
Emergency Hospital - Prisoners	0	0	0	0	0	0	0	0	43,394
Prisoner Transportation	0	0	0	0	0	0	0	0	4,961
Contracted Prisoner Boarding	0	0	0	0	0	0	0	0	406,364
Gasoline and Motor Fuel Tax	0	0	1,892,917	0	0	0	0	0	1,892,917
Petroleum Special Tax	0	0	57,286	0	0	0	0	0	57,286

(Continued)

Exhibit K-7

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

	Special Revenue Funds				Debt Service Funds				Total
	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Rural Debt Service	Education Debt Service			
<u>State of Tennessee (Cont.)</u>									
<u>Other State Revenues (Cont.)</u>									
Other State Grants	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,096
Other State Revenues	0	0	0	0	0	0	0	0	152,219
Total State of Tennessee	\$ 0	\$ 0	\$ 2,068,819	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,840,768
<u>Federal Government</u>									
<u>Federal Through State</u>									
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 44,437
Civil Defense Reimbursement	0	0	0	0	0	0	0	0	27,641
Homeland Security Grants	0	0	0	0	0	0	0	0	203,115
ARRA Grant No. 2	0	0	0	0	0	0	0	0	50,000
Other Federal through State	0	0	0	0	0	0	0	0	51,510
<u>Direct Federal Revenue</u>									
ARRA Grant No. 6	0	0	0	0	0	0	0	0	47,801
Other Direct Federal Revenue	0	0	0	0	0	0	0	0	112,678
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 537,182
<u>Other Governments and Citizens Groups</u>									
<u>Other Governments</u>									
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 887,600	\$ 212,653	\$ 1,367,564		
Contracted Services	0	0	0	0	0	0	410,351		
<u>Citizens Groups</u>									
Donations	0	0	0	0	0	0	4,200		
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 887,600	\$ 212,653	\$ 1,782,115		
Total	\$ 9	\$ 21,419	\$ 3,111,235	\$ 2,413,511	\$ 984,464	\$ 1,245,370	\$ 81,774,323		

Exhibit K-8

Anderson County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Anderson County School Department
For the Year Ended June 30, 2010

	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 12,366,406	\$ 0	\$ 0	\$ 0	\$ 12,366,406
Trustee's Collections - Prior Year	459,575	0	0	0	459,575
Circuit/Clerk & Master Collections - Prior Years	114,291	0	0	0	114,291
Interest and Penalty	140,775	0	0	0	140,775
Payments in-Lieu-of Taxes - Other	492,000	0	0	0	492,000
<u>County Local Option Taxes</u>					
Local Option Sales Tax	7,047,562	0	0	0	7,047,562
<u>Statutory Local Taxes</u>					
Wholesale Beer Tax	163,915	0	0	0	163,915
Coal Severance Tax	39,858	0	0	0	39,858
Interstate Telecommunications Tax	3,560	0	0	0	3,560
Total Local Taxes	\$ 20,827,942	\$ 0	\$ 0	\$ 0	\$ 20,827,942
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 3,120	\$ 0	\$ 0	\$ 0	\$ 3,120
Total Licenses and Permits	\$ 3,120	\$ 0	\$ 0	\$ 0	\$ 3,120
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Tuition - Adult Education	\$ 45,758	\$ 0	\$ 0	\$ 0	\$ 45,758
Tuition - Other	0	0	0	245,818	245,818
Lunch Payments - Children	0	0	649,827	0	649,827
Lunch Payments - Adults	0	0	43,619	0	43,619
Income from Breakfast	0	0	94,739	0	94,739
Special Milk Sales	0	0	7,264	0	7,264
A la carte Sales	0	0	138,847	0	138,847
Contract for Instructional Services with Other LEAs	0	28,252	0	0	28,252
Receipts from Individual Schools	56,500	0	0	0	56,500
<u>Other Charges for Services</u>					
Other Charges for Services	350	0	71	0	421
Total Charges for Current Services	\$ 102,608	\$ 28,252	\$ 934,367	\$ 245,818	\$ 1,311,045
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 13,161	\$ 0	\$ 1,352	\$ 0	\$ 14,513
Lease/Rentals	85	0	0	0	85
Sale of Materials and Supplies	5,468	0	1,302	821	7,591
Miscellaneous Refunds	43,208	0	0	10	43,218
<u>Nonrecurring Items</u>					
Sale of Equipment	7,762	0	0	0	7,762
Damages Recovered from Individuals	483	0	0	0	483
Contributions and Gifts	16,204	0	0	5,000	21,204
<u>Other Local Revenues</u>					
Other Local Revenues	113,182	0	0	0	113,182
Total Other Local Revenues	\$ 199,553	\$ 0	\$ 2,654	\$ 5,831	\$ 208,038
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-Behalf Contributions for OPEB	\$ 257,517	\$ 0	\$ 0	\$ 0	\$ 257,517

(Continued)

Exhibit K-8

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

	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Total
<u>State of Tennessee (Cont.)</u>					
<u>State Education Funds</u>					
Basic Education Program	\$ 27,371,400	\$ 0	\$ 0	\$ 0	\$ 27,371,400
Basic Education Program - ARRA	1,270,600	0	0	0	1,270,600
Early Childhood Education	611,892	0	0	0	611,892
School Food Service	0	0	31,903	0	31,903
Driver Education	13,695	0	0	0	13,695
Other State Education Funds	39,302	3,528	0	0	42,830
Coordinated School Health - ARRA	95,000	0	0	0	95,000
Internet Connectivity - ARRA	19,624	0	0	0	19,624
Family Resource Centers - ARRA	66,600	0	0	0	66,600
Career Ladder Program	328,083	0	0	0	328,083
Career Ladder - Extended Contract - ARRA	116,722	0	0	0	116,722
Other Vocational	0	12,590	0	0	12,590
<u>Other State Revenues</u>					
Income Tax	53,865	0	0	0	53,865
Beer Tax	9,582	0	0	0	9,582
State Revenue Sharing - T.V.A.	655,000	0	0	0	655,000
Other State Grants	30,000	0	0	0	30,000
Safe Schools - ARRA	36,000	0	0	0	36,000
Other State Revenues	147,646	0	0	28,414	176,060
Total State of Tennessee	\$ 31,122,528	\$ 16,118	\$ 31,903	\$ 28,414	\$ 31,198,963
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,298,165	\$ 0	\$ 1,298,165
USDA - Commodities	0	0	164,029	0	164,029
Breakfast	0	0	439,015	0	439,015
USDA - Other	7,446	0	0	172,370	179,816
USDA Food Service Equipment Grant - ARRA	0	0	3,550	0	3,550
Adult Education State Grant Program	79,075	0	0	0	79,075
Vocational Education - Basic Grants to States	0	136,407	0	0	136,407
Title I Grants to Local Education Agencies	0	1,559,838	0	0	1,559,838
Special Education - Grants to States	52,179	1,534,933	0	0	1,587,112
Special Education Preschool Grants	0	65,483	0	0	65,483
Safe and Drug-free Schools - State Grants	0	24,487	0	0	24,487
Eisenhower Professional Development State Grants	0	394,243	0	0	394,243
ARRA Grant No. 1	0	356,469	0	0	356,469
ARRA Grant No. 2	0	34,991	0	0	34,991
ARRA Grant No. 3	0	677,897	0	0	677,897
ARRA Grant No. 4	0	1,210	0	0	1,210
Other Federal through State	0	47,754	30,411	0	78,165
<u>Direct Federal Revenue</u>					
ROTC Reimbursement	69,035	0	0	0	69,035
ARRA Grant No. 6	0	0	0	155,987	155,987
Other Direct Federal Revenue	0	0	0	2,734,966	2,734,966
Total Federal Government	\$ 207,735	\$ 4,833,712	\$ 1,935,170	\$ 3,063,323	\$ 10,039,940
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contracted Services	\$ 70,500	\$ 0	\$ 0	\$ 0	\$ 70,500
<u>Other</u>					
Other	0	0	1,000	0	1,000
Total Other Governments and Citizens Groups	\$ 70,500	\$ 0	\$ 1,000	\$ 0	\$ 71,500
Total	\$ 52,533,986	\$ 4,878,082	\$ 2,905,094	\$ 3,343,386	\$ 63,660,548

Exhibit K-9

Anderson County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2010

General Fund

General Government

County Commission

Secretary to Board	\$	44,594	
Board and Committee Members Fees		102,970	
Social Security		8,257	
State Retirement		8,372	
Life Insurance		804	
Medical Insurance		29,936	
Dental Insurance		6,524	
Disability Insurance		1,070	
Unemployment Compensation		82	
Employer Medicare		1,932	
Communication		108	
Dues and Memberships		1,600	
Legal Notices, Recording, and Court Costs		494	
Maintenance Agreements		737	
Postal Charges		643	
Printing, Stationery, and Forms		50	
Travel		10,729	
Office Supplies		2,299	
Other Supplies and Materials		470	
Workers' Compensation Insurance		664	
In Service/Staff Development		3,154	
Total County Commission			\$ 225,489

Board of Equalization

Board and Committee Members Fees	\$	4,430	
Social Security		275	
Unemployment Compensation		12	
Employer Medicare		64	
Legal Notices, Recording, and Court Costs		94	
Workers' Compensation Insurance		30	
Total Board of Equalization			4,905

Other Boards and Committees

County Official/Administrative Officer	\$	34,730	
Guards		2,960	
Secretary(ies)		6,062	
Maintenance Personnel		55,573	
Part-time Personnel		17,928	
Social Security		7,025	
State Retirement		5,423	

(Continued)

Exhibit K-9

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

General Fund (Cont.)

General Government (Cont.)

Other Boards and Committees (Cont.)

Life Insurance	\$	175	
Medical Insurance		7,986	
Dental Insurance		1,278	
Disability Insurance		631	
Unemployment Compensation		483	
Employer Medicare		1,643	
Advertising		110	
Communication		2,587	
Dues and Memberships		332	
Evaluation and Testing		100	
Operating Lease Payments		1,250	
Maintenance and Repair Services - Equipment		2,667	
Maintenance and Repair Services - Vehicles		474	
Postal Charges		70	
Rentals		3,175	
Disposal Fees		958	
Other Contracted Services		4,500	
Crushed Stone		765	
Custodial Supplies		1,789	
Equipment Parts - Light		455	
Gasoline		5,939	
Office Supplies		436	
Small Tools		787	
Tires and Tubes		527	
Uniforms		700	
Utilities		18,557	
Water and Sewer		401	
Wood Products		1,003	
Other Supplies and Materials		16,437	
Vehicle and Equipment Insurance		4,330	
Workers' Compensation Insurance		5,498	
Data Processing Equipment		831	
Other Equipment		2,000	
Other Capital Outlay		29,890	
Total Other Boards and Committees			\$ 248,465

County Mayor/Executive

County Official/Administrative Officer	\$	100,106
Assistant(s)		30,038
Social Security		7,559

(Continued)

Exhibit K-9

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

General Fund (Cont.)

General Government (Cont.)

County Mayor/Executive (Cont.)

State Retirement	\$	7,953	
Life Insurance		97	
Medical Insurance		15,294	
Dental Insurance		962	
Disability Insurance		970	
Unemployment Compensation		90	
Employer Medicare		1,768	
Communication		1,495	
Contributions		100,000	
Dues and Memberships		2,260	
Postal Charges		477	
Printing, Stationery, and Forms		317	
Travel		1,379	
Office Supplies		1,681	
Other Supplies and Materials		455	
Workers' Compensation Insurance		600	
In Service/Staff Development		200	
Total County Mayor/Executive	\$		273,701

Personnel Office

Assistant(s)	\$	28,577	
Supervisor/Director		51,341	
Part-time Personnel		3,403	
Social Security		4,820	
State Retirement		5,849	
Life Insurance		120	
Medical Insurance		9,463	
Dental Insurance		1,190	
Disability Insurance		616	
Unemployment Compensation		171	
Employer Medicare		1,127	
Communication		396	
Dues and Memberships		440	
Legal Notices, Recording, and Court Costs		982	
Postal Charges		405	
Other Contracted Services		2,548	
Office Supplies		1,998	
Other Supplies and Materials		1,979	
Workers' Compensation Insurance		331	
In Service/Staff Development		1,206	
Total Personnel Office			116,962

(Continued)

Exhibit K-9

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

General Fund (Cont.)

General Government (Cont.)

County Attorney

County Official/Administrative Officer	\$	131,522	
Paraprofessionals		33,916	
Secretary(ies)		34,339	
Part-time Personnel		145	
Social Security		10,908	
State Retirement		14,452	
Life Insurance		153	
Medical Insurance		14,246	
Dental Insurance		1,204	
Disability Insurance		1,512	
Unemployment Compensation		243	
Employer Medicare		2,766	
Communication		1,888	
Dues and Memberships		1,478	
Legal Services		6,451	
Legal Notices, Recording, and Court Costs		204	
Maintenance and Repair Services - Office Equipment		363	
Postal Charges		1,560	
Travel		764	
Other Contracted Services		3,991	
Library Books/Media		1,283	
Office Supplies		2,498	
Premiums on Corporate Surety Bonds		100	
Workers' Compensation Insurance		924	
In Service/Staff Development		660	
Other Charges		904	
Total County Attorney			\$ 268,474

Election Commission

County Official/Administrative Officer	\$	44,465
Deputy(ies)		102,990
Other Salaries and Wages		2,554
Election Commission		5,457
Election Workers		1,665
Social Security		8,997
State Retirement		9,233
Life Insurance		356
Medical Insurance		35,651
Dental Insurance		3,694
Disability Insurance		1,033

(Continued)

Exhibit K-9

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Unemployment Compensation	\$	367	
Employer Medicare		2,104	
Communication		809	
Data Processing Services		4,970	
Dues and Memberships		889	
Legal Notices, Recording, and Court Costs		2,187	
Maintenance Agreements		13,490	
Postal Charges		6,256	
Printing, Stationery, and Forms		1,986	
Travel		3,304	
Other Contracted Services		3,402	
Office Supplies		10,073	
Other Supplies and Materials		804	
Workers' Compensation Insurance		783	
In Service/Staff Development		1,760	
Communication Equipment		2,200	
Data Processing Equipment		818	
Furniture and Fixtures		2,922	
Office Equipment		4,008	
Total Election Commission			\$ 279,227

Register of Deeds

County Official/Administrative Officer	\$	72,214
Clerical Personnel		200,132
Educational Incentive - Other County Employees		5,000
Social Security		16,361
State Retirement		20,290
Life Insurance		348
Medical Insurance		29,058
Dental Insurance		2,082
Disability Insurance		2,068
Unemployment Compensation		360
Employer Medicare		3,826
Communication		2,415
Dues and Memberships		694
Maintenance and Repair Services - Office Equipment		31,109
Postal Charges		2,196
Printing, Stationery, and Forms		574
Rentals		348
Travel		3,194

(Continued)

Exhibit K-9

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

Data Processing Supplies	\$	1,485	
Duplicating Supplies		854	
Office Supplies		673	
Workers' Compensation Insurance		1,221	
In Service/Staff Development		650	
Data Processing Equipment		5,000	
Total Register of Deeds			\$ 402,152

Planning

Supervisor/Director	\$	49,149	
Clerical Personnel		62,486	
Other Salaries and Wages		140,397	
Social Security		15,028	
State Retirement		18,434	
Life Insurance		391	
Medical Insurance		18,814	
Dental Insurance		2,926	
Disability Insurance		1,904	
Unemployment Compensation		498	
Employer Medicare		3,515	
Communication		2,416	
Data Processing Services		1,120	
Dues and Memberships		255	
Legal Notices, Recording, and Court Costs		1,743	
Maintenance Agreements		1,103	
Maintenance and Repair Services - Vehicles		2,600	
Postal Charges		1,338	
Printing, Stationery, and Forms		312	
Travel		1,579	
Duplicating Supplies		144	
Gasoline		6,003	
Office Supplies		749	
Tires and Tubes		970	
Other Supplies and Materials		753	
Vehicle and Equipment Insurance		2,887	
Workers' Compensation Insurance		4,459	
In Service/Staff Development		1,177	
Total Planning			343,150

(Continued)

Exhibit K-9

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

General Fund (Cont.)

General Government (Cont.)

Engineering

County Official/Administrative Officer	\$	33,954	
Social Security		1,994	
State Retirement		2,492	
Life Insurance		30	
Medical Insurance		4,732	
Dental Insurance		298	
Disability Insurance		259	
Unemployment Compensation		41	
Employer Medicare		466	
Maintenance Agreements		1,000	
Travel		152	
Other Contracted Services		10,529	
Gasoline		386	
Other Supplies and Materials		55	
Workers' Compensation Insurance		2,353	
Other Charges		3,460	
Total Engineering			\$ 62,201

County Buildings

Supervisor/Director	\$	50,253
Clerical Personnel		30,302
Custodial Personnel		144,675
Maintenance Personnel		34,753
Part-time Personnel		88
Overtime Pay		266
Other Salaries and Wages		8,925
Social Security		15,834
State Retirement		18,998
Life Insurance		441
Medical Insurance		49,827
Dental Insurance		3,756
Disability Insurance		1,916
Unemployment Compensation		633
Employer Medicare		3,704
Advertising		570
Communication		3,112
Maintenance and Repair Services - Buildings		82,053
Postal Charges		36
Printing, Stationery, and Forms		41
Travel		4,854

(Continued)

Exhibit K-9

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Disposal Fees	\$	3,258	
Other Contracted Services		28,459	
Custodial Supplies		18,085	
Electricity		206,959	
Gasoline		1,576	
Natural Gas		38,758	
Office Supplies		2,991	
Uniforms		1,542	
Water and Sewer		22,918	
Other Supplies and Materials		24,925	
Workers' Compensation Insurance		9,714	
Other Charges		35	
Building Improvements		79,250	
Maintenance Equipment		2,200	
Other Construction		<u>22,835</u>	
Total County Buildings	\$		918,542

Other General Administration

Audit Services	\$	21,399	
Contracts with Private Agencies		4,078	
Legal Services		6,068	
Legal Notices, Recording, and Court Costs		203	
Rentals		2,585	
Travel		79	
Remittance of Revenue Collected		5,706	
Other Contracted Services		88,567	
Other Supplies and Materials		1,773	
Workers' Compensation Insurance		83,214	
Liability Claims		20,000	
Other Charges		965	
Other Equipment		<u>9,882</u>	
Total Other General Administration			244,519

Preservation of Records

Clerical Personnel	\$	29,144	
Social Security		1,733	
State Retirement		2,139	
Life Insurance		43	
Medical Insurance		3,377	
Dental Insurance		595	

(Continued)

Exhibit K-9

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

General Fund (Cont.)

General Government (Cont.)

Preservation of Records (Cont.)

Disability Insurance	\$	221	
Unemployment Compensation		72	
Employer Medicare		405	
Postal Charges		24	
Other Supplies and Materials		1,101	
Workers' Compensation Insurance		167	
Other Capital Outlay		8,329	
Total Preservation of Records			\$ 47,350

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	72,214	
Accountants/Bookkeepers		378,345	
Part-time Personnel		2,971	
Social Security		26,074	
State Retirement		31,944	
Life Insurance		643	
Medical Insurance		70,605	
Dental Insurance		5,456	
Disability Insurance		3,293	
Unemployment Compensation		877	
Employer Medicare		6,103	
Communication		1,660	
Data Processing Services		3,292	
Dues and Memberships		1,020	
Legal Notices, Recording, and Court Costs		358	
Maintenance Agreements		27,093	
Maintenance and Repair Services - Office Equipment		1,279	
Postal Charges		11,024	
Printing, Stationery, and Forms		5,175	
Travel		4,282	
Other Contracted Services		2,112	
Duplicating Supplies		1,481	
Office Supplies		8,737	
Workers' Compensation Insurance		2,225	
In Service/Staff Development		3,099	
Total Accounting and Budgeting			671,362

Purchasing

County Official/Administrative Officer	\$	52,000	
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(Continued)

Exhibit K-9

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

General Fund (Cont.)

Finance (Cont.)

Purchasing (Cont.)

Purchasing Personnel	\$	60,916	
Part-time Personnel		3,004	
Social Security		6,437	
State Retirement		8,282	
Life Insurance		180	
Medical Insurance		18,926	
Dental Insurance		1,190	
Disability Insurance		825	
Unemployment Compensation		240	
Employer Medicare		1,505	
Advertising		713	
Communication		1,361	
Dues and Memberships		460	
Maintenance Agreements		530	
Postal Charges		2,230	
Printing, Stationery, and Forms		1,478	
Travel		2,805	
Other Contracted Services		16,808	
Gasoline		485	
Office Supplies		1,559	
Uniforms		427	
Other Supplies and Materials		5,150	
Vehicle and Equipment Insurance		750	
Workers' Compensation Insurance		475	
In Service/Staff Development		1,699	
Total Purchasing			\$ 190,435

Property Assessor's Office

County Official/Administrative Officer	\$	72,214
Deputy(ies)		157,442
Social Security		13,733
State Retirement		16,927
Life Insurance		288
Medical Insurance		25,681
Dental Insurance		2,082
Disability Insurance		1,726
Unemployment Compensation		288
Employer Medicare		3,211
Audit Services		52,400
Communication		7,093

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Data Processing Services	\$	17,870	
Dues and Memberships		1,570	
Operating Lease Payments		731	
Maintenance Agreements		3,000	
Postal Charges		2,542	
Printing, Stationery, and Forms		164	
Rentals		856	
Travel		1,992	
Other Contracted Services		2,042	
Office Supplies		412	
Other Supplies and Materials		2,683	
Refunds		13,311	
Workers' Compensation Insurance		1,121	
Data Processing Equipment		1,888	
Total Property Assessor's Office			\$ 403,267

Reappraisal Program

Deputy(ies)	\$	88,225	
Social Security		5,240	
State Retirement		6,442	
Life Insurance		156	
Medical Insurance		10,132	
Dental Insurance		892	
Disability Insurance		668	
Unemployment Compensation		216	
Employer Medicare		1,225	
Data Processing Services		7,063	
Postal Charges		9,863	
Travel		1,713	
Workers' Compensation Insurance		3,230	
Total Reappraisal Program			135,065

County Trustee's Office

County Official/Administrative Officer	\$	72,214	
Clerical Personnel		296,714	
Part-time Personnel		32,040	
Social Security		23,529	
State Retirement		26,550	
Life Insurance		551	
Medical Insurance		44,617	

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Dental Insurance	\$	4,563	
Disability Insurance		2,803	
Unemployment Compensation		881	
Employer Medicare		5,503	
Communication		3,684	
Dues and Memberships		1,348	
Maintenance Agreements		18,000	
Postal Charges		8,928	
Printing, Stationery, and Forms		9,821	
Rentals		12,407	
Travel		5,323	
Other Contracted Services		2,538	
Gasoline		1,014	
Office Supplies		2,438	
Utilities		2,331	
Water and Sewer		174	
Other Supplies and Materials		1,759	
Workers' Compensation Insurance		1,764	
In Service/Staff Development		1,898	
Data Processing Equipment		11,250	
Total County Trustee's Office			\$ 594,642

County Clerk's Office

County Official/Administrative Officer	\$	72,214
Clerical Personnel		443,986
Part-time Personnel		35,809
Social Security		32,554
State Retirement		33,837
Life Insurance		939
Medical Insurance		63,868
Dental Insurance		7,612
Disability Insurance		3,773
Unemployment Compensation		1,511
Employer Medicare		7,614
Communication		7,338
Data Processing Services		21,815
Dues and Memberships		734
Janitorial Services		3,900
Legal Notices, Recording, and Court Costs		138
Maintenance and Repair Services - Buildings		1,389

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Postal Charges	\$	19,658	
Printing, Stationery, and Forms		2,947	
Travel		3,755	
Other Contracted Services		758	
Data Processing Supplies		1,706	
Office Supplies		5,335	
Workers' Compensation Insurance		2,480	
In Service/Staff Development		255	
Other Capital Outlay		7,900	
Total County Clerk's Office			\$ 783,825

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	72,214
Clerical Personnel		600,603
Part-time Personnel		29,357
Overtime Pay		90
Social Security		41,005
State Retirement		43,560
Life Insurance		1,078
Medical Insurance		88,383
Dental Insurance		8,401
Disability Insurance		5,032
Unemployment Compensation		1,804
Employer Medicare		9,631
Data Processing Services		1,500
Dues and Memberships		654
Legal Notices, Recording, and Court Costs		245
Maintenance and Repair Services - Office Equipment		11,753
Postal Charges		8,633
Printing, Stationery, and Forms		1,910
Travel		672
Other Contracted Services		16,390
Data Processing Supplies		1,794
Duplicating Supplies		4,296
Office Supplies		4,911
Other Supplies and Materials		4,752
Workers' Compensation Insurance		2,574
In Service/Staff Development		1,800
Other Charges		279

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Data Processing Equipment	\$ 17,737	
Total Circuit Court		\$ 981,058

Criminal Court

Postal Charges	\$ 68	
Duplicating Supplies	237	
Office Supplies	1,357	
Total Criminal Court		1,662

General Sessions Court

Communication	\$ 9,283	
Data Processing Services	27,911	
Maintenance and Repair Services - Office Equipment	495	
Postal Charges	4,950	
Printing, Stationery, and Forms	5,028	
Travel	2,443	
Data Processing Supplies	739	
Duplicating Supplies	1,186	
Office Supplies	4,195	
Other Supplies and Materials	816	
Total General Sessions Court		57,046

General Sessions Judge

Judge(s)	\$ 292,272
Assistant(s)	70,690
Other Salaries and Wages	22,664
Social Security	18,960
State Retirement	27,444
Life Insurance	256
Medical Insurance	19,064
Dental Insurance	2,222
Disability Insurance	2,899
Unemployment Compensation	267
Employer Medicare	5,370
Dues and Memberships	1,133
Postal Charges	196
Printing, Stationery, and Forms	641
Rentals	84,240
Travel	1,833
Office Supplies	1,409

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Judge (Cont.)

Workers' Compensation Insurance	\$	1,604	
In Service/Staff Development		799	
Other Charges		<u>7,776</u>	
Total General Sessions Judge			\$ 561,739

Drug Court

County Official/Administrative Officer	\$	31,800	
Social Security		1,898	
State Retirement		2,334	
Life Insurance		60	
Medical Insurance		3,377	
Dental Insurance		595	
Disability Insurance		238	
Unemployment Compensation		72	
Employer Medicare		444	
Communication		396	
Dues and Memberships		230	
Postal Charges		185	
Travel		1,425	
Office Supplies		1,999	
Other Supplies and Materials		2,877	
Workers' Compensation Insurance		455	
Other Charges		<u>3,474</u>	
Total Drug Court			51,859

Chancery Court

County Official/Administrative Officer	\$	72,214	
Clerical Personnel		218,687	
Part-time Personnel		9,851	
Overtime Pay		204	
Social Security		17,707	
State Retirement		21,493	
Life Insurance		417	
Medical Insurance		35,200	
Dental Insurance		3,532	
Disability Insurance		2,222	
Unemployment Compensation		641	
Employer Medicare		4,141	
Communication		374	
Dues and Memberships		774	

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Maintenance Agreements	\$	4,282	
Maintenance and Repair Services - Office Equipment		6,859	
Postal Charges		6,656	
Printing, Stationery, and Forms		1,416	
Travel		21	
Duplicating Supplies		2,056	
Office Supplies		2,335	
Other Supplies and Materials		2,817	
Workers' Compensation Insurance		1,456	
Data Processing Equipment		1,500	
Total Chancery Court			\$ 416,855

Juvenile Court

Judge(s)	\$	131,994
Probation Officer(s)		188,595
Secretary(ies)		35,328
Social Security		19,953
State Retirement		17,792
Life Insurance		356
Medical Insurance		33,341
Dental Insurance		2,727
Disability Insurance		2,346
Unemployment Compensation		612
Employer Medicare		4,923
Communication		495
Contracts with Government Agencies		27,555
Dues and Memberships		175
Evaluation and Testing		1,430
Maintenance Agreements		373
Maintenance and Repair Services - Vehicles		500
Postal Charges		1,858
Printing, Stationery, and Forms		400
Travel		2,591
Food Supplies		7
Gasoline		113
Office Supplies		1,659
Other Supplies and Materials		3,143
Vehicle and Equipment Insurance		750
Workers' Compensation Insurance		1,446
In Service/Staff Development		965

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

Data Processing Equipment	\$	4,540	
Furniture and Fixtures		865	
Total Juvenile Court			\$ 486,832

District Attorney General

Other Salaries and Wages	\$	27,607	
Social Security		1,673	
State Retirement		1,016	
Life Insurance		55	
Medical Insurance		1,577	
Dental Insurance		595	
Disability Insurance		198	
Unemployment Compensation		135	
Employer Medicare		391	
Total District Attorney General			33,247

Office of Public Defender

Part-time Personnel	\$	30,409	
Social Security		1,890	
Unemployment Compensation		135	
Employer Medicare		442	
Travel		261	
In Service/Staff Development		100	
Total Office of Public Defender			33,237

Judicial Commissioners

Office Supplies	\$	153	
Total Judicial Commissioners			153

Probate Court

Communication	\$	396	
Postal Charges		1,000	
Printing, Stationery, and Forms		478	
Office Supplies		739	
Other Supplies and Materials		142	
Total Probate Court			2,755

Other Administration of Justice

Probation Officer(s)	\$	92,178	
Overtime Pay		1,301	

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Administration of Justice (Cont.)

Other Administration of Justice (Cont.)

Social Security	\$	5,397	
State Retirement		5,781	
Life Insurance		166	
Medical Insurance		19,182	
Dental Insurance		1,321	
Disability Insurance		648	
Unemployment Compensation		261	
Employer Medicare		1,262	
Communication		396	
Data Processing Services		422	
Postal Charges		44	
Printing, Stationery, and Forms		377	
Travel		1,889	
Other Contracted Services		4,182	
Office Supplies		1,312	
Workers' Compensation Insurance		410	
Total Other Administration of Justice			\$ 136,529

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	80,223
Deputy(ies)		2,244,471
Secretary(ies)		36,909
Clerical Personnel		51,665
School Resource Officer		327,681
Overtime Pay		133,583
Other Salaries and Wages		139,153
Social Security		177,995
State Retirement		195,317
Life Insurance		4,338
Medical Insurance		382,674
Dental Insurance		30,883
Disability Insurance		20,314
Unemployment Compensation		6,000
Employer Medicare		41,628
Advertising		17
Communication		42,354
Data Processing Services		3,750
Dues and Memberships		3,300
Operating Lease Payments		6,000

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Maintenance and Repair Services - Equipment	\$	28,900	
Maintenance and Repair Services - Office Equipment		473	
Maintenance and Repair Services - Vehicles		9,571	
Medical and Dental Services		7,656	
Postal Charges		12,507	
Printing, Stationery, and Forms		3,040	
Travel		4,693	
Tuition		1,500	
Duplicating Supplies		856	
Gasoline		201,575	
Law Enforcement Supplies		8,743	
Office Supplies		5,983	
Tires and Tubes		23,558	
Uniforms		36,511	
Utilities		6,704	
Other Supplies and Materials		2,639	
Liability Insurance		59,600	
Premiums on Corporate Surety Bonds		300	
Vehicle and Equipment Insurance		55,000	
Workers' Compensation Insurance		92,130	
Liability Claims		20,000	
In Service/Staff Development		2,808	
Communication Equipment		30,149	
Data Processing Equipment		13,954	
Law Enforcement Equipment		31,750	
Motor Vehicles		27,388	
Total Sheriff's Department			\$ 4,616,243

Jail

Guards	\$	2,035,418
Clerical Personnel		36,905
Cafeteria Personnel		59,326
Overtime Pay		25,814
Other Salaries and Wages		38,043
Social Security		128,280
State Retirement		143,379
Life Insurance		3,754
Medical Insurance		352,121
Dental Insurance		28,050
Disability Insurance		15,039

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Unemployment Compensation	\$	5,778
Employer Medicare		30,015
Communication		12,193
Contracts with Government Agencies		680
Contracts with Private Agencies		7,119
Dues and Memberships		299
Fiscal Agent Charges		1,224
Maintenance and Repair Services - Buildings		19,160
Medical and Dental Services		5,116
Pest Control		480
Printing, Stationery, and Forms		518
Rentals		200
Travel		3,259
Disposal Fees		4,725
Other Contracted Services		248,764
Custodial Supplies		58,840
Duplicating Supplies		2,768
Electricity		75,318
Food Preparation Supplies		783
Food Supplies		326,450
Gasoline		19,236
Law Enforcement Supplies		6,695
Natural Gas		62,819
Office Supplies		9,676
Prisoners Clothing		10,137
Uniforms		18,856
Water and Sewer		124,400
Other Supplies and Materials		22,474
Building and Contents Insurance		18,316
Liability Insurance		39,734
Medical Claims		337,950
Premiums on Corporate Surety Bonds		300
Vehicle and Equipment Insurance		8,805
Workers' Compensation Insurance		92,768
Liability Claims		20,000
In Service/Staff Development		2,505
Other Charges		1,500
Communication Equipment		27,092
Data Processing Equipment		1,409
Law Enforcement Equipment		482

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Maintenance Equipment	\$	7,978	
Other Equipment		17,198	
Total Jail			\$ 4,520,148

Commissary

Guards	\$	5,000	
Social Security		304	
State Retirement		367	
Life Insurance		7	
Medical Insurance		396	
Dental Insurance		35	
Disability Insurance		34	
Unemployment Compensation		8	
Employer Medicare		71	
Other Supplies and Materials		9,596	
Workers' Compensation Insurance		82	
Furniture and Fixtures		7,885	
Other Equipment		6,470	
Total Commissary			30,255

Civil Defense

County Official/Administrative Officer	\$	29,872	
Other Salaries and Wages		16,812	
Social Security		2,763	
State Retirement		1,462	
Life Insurance		28	
Dental Insurance		273	
Disability Insurance		142	
Unemployment Compensation		174	
Employer Medicare		646	
Communication		4,120	
Contracts with Government Agencies		2,000	
Contributions		109,500	
Maintenance and Repair Services - Equipment		371	
Maintenance and Repair Services - Vehicles		561	
Postal Charges		200	
Rentals		5,030	
Travel		574	
Other Contracted Services		25,946	
Gasoline		2,755	

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense (Cont.)

Office Supplies	\$	1,908	
Other Supplies and Materials		27,104	
Building and Contents Insurance		2,000	
Vehicle and Equipment Insurance		6,500	
Workers' Compensation Insurance		198	
In Service/Staff Development		107	
Other Charges		378	
Communication Equipment		58,786	
Other Equipment		24,254	
Total Civil Defense			\$ 324,464

Rescue Squad

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

Other Emergency Management

Dispatchers/Radio Operators	\$	471,630	
Overtime Pay		9,838	
Social Security		28,526	
State Retirement		25,180	
Life Insurance		738	
Medical Insurance		55,158	
Dental Insurance		3,979	
Disability Insurance		3,019	
Unemployment Compensation		1,508	
Employer Medicare		6,678	
Communication		689	
Contracts with Government Agencies		8,000	
Contracts with Private Agencies		1,200	
Medical and Dental Services		500	
Travel		2,390	
Office Supplies		1,544	
Workers' Compensation Insurance		2,650	
In Service/Staff Development		40	
Total Other Emergency Management			623,267

County Coroner/Medical Examiner

Communication	\$	55	
Other Contracted Services		110,000	
Total County Coroner/Medical Examiner			110,055

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Public Safety (Cont.)

Other Public Safety

Mechanic(s)	\$	79,630	
Clerical Personnel		2,149	
Part-time Personnel		22,978	
Overtime Pay		2,394	
Social Security		6,493	
State Retirement		6,139	
Life Insurance		123	
Medical Insurance		10,218	
Dental Insurance		1,245	
Disability Insurance		618	
Unemployment Compensation		331	
Employer Medicare		1,519	
Communication		2,420	
Maintenance and Repair Services - Vehicles		1,186	
Rentals		8,400	
Tow-in Services		4,935	
Disposal Fees		75	
Other Contracted Services		9,358	
Garage Supplies		12,946	
Gasoline		377	
Lubricants		12,163	
Office Supplies		199	
Small Tools		626	
Tires and Tubes		628	
Uniforms		1,488	
Utilities		7,907	
Vehicle Parts		115,226	
Other Supplies and Materials		1,258	
Vehicle and Equipment Insurance		1,443	
Workers' Compensation Insurance		3,315	
In Service/Staff Development		534	
Total Other Public Safety			\$ 318,321

Public Health and Welfare

Local Health Center

Medical Personnel	\$	29,894
Clerical Personnel		51,009
Other Salaries and Wages		23,310
Social Security		6,131
State Retirement		4,878

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Life Insurance	\$	179	
Medical Insurance		7,025	
Dental Insurance		643	
Disability Insurance		504	
Unemployment Compensation		504	
Employer Medicare		1,482	
Communication		3,465	
Contracts with Other Public Agencies		17,646	
Contributions		130	
Dues and Memberships		670	
Laundry Service		1,924	
Maintenance and Repair Services - Buildings		10,805	
Maintenance and Repair Services - Equipment		153	
Postal Charges		3,000	
Printing, Stationery, and Forms		125	
Rentals		744	
Travel		241	
Disposal Fees		7,130	
Other Contracted Services		1,019	
Drugs and Medical Supplies		1,879	
Electricity		30,286	
Office Supplies		8,201	
Uniforms		280	
Other Supplies and Materials		2,330	
Building and Contents Insurance		2,400	
Workers' Compensation Insurance		2,910	
In Service/Staff Development		175	
Other Charges		2,177	
Building Improvements		41,628	
Heating and Air Conditioning Equipment		6,353	
Total Local Health Center			\$ 271,230

Rabies and Animal Control

Other Salaries and Wages	\$	59,000
Social Security		3,416
State Retirement		4,311
Life Insurance		120
Medical Insurance		9,463
Dental Insurance		595
Disability Insurance		446

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

Unemployment Compensation	\$	144	
Employer Medicare		799	
Communication		792	
Contracts with Government Agencies		110,570	
Maintenance and Repair Services - Vehicles		1,800	
Gasoline		8,413	
Tires and Tubes		1,053	
Vehicle and Equipment Insurance		1,500	
Workers' Compensation Insurance		1,925	
Total Rabies and Animal Control			\$ 204,347

Dental Health Program

Medical Personnel	\$	180,352	
Social Security		10,262	
State Retirement		11,143	
Life Insurance		200	
Medical Insurance		30,755	
Dental Insurance		1,910	
Disability Insurance		1,140	
Unemployment Compensation		435	
Employer Medicare		2,404	
Communication		51	
Maintenance and Repair Services - Equipment		2,177	
Travel		99	
Disposal Fees		1,139	
Drugs and Medical Supplies		3,104	
Office Supplies		365	
Other Supplies and Materials		9,057	
Liability Insurance		1,800	
Workers' Compensation Insurance		6,025	
In Service/Staff Development		195	
Other Equipment		10,384	
Total Dental Health Program			272,997

Alcohol and Drug Programs

Contributions	\$	10,000	
Total Alcohol and Drug Programs			10,000

Other Local Health Services

Medical Personnel	\$	138,459	
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(Continued)

Exhibit K-9

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Local Health Services (Cont.)

Clerical Personnel	\$	122,089	
Overtime Pay		4,977	
Other Salaries and Wages		180	
Social Security		14,720	
State Retirement		15,632	
Life Insurance		516	
Medical Insurance		55,053	
Dental Insurance		4,342	
Disability Insurance		1,652	
Unemployment Compensation		968	
Employer Medicare		3,472	
Printing, Stationery, and Forms		2,440	
Travel		9,059	
Other Supplies and Materials		4,287	
Liability Insurance		1,000	
Workers' Compensation Insurance		1,105	
Other Capital Outlay		16,307	
Total Other Local Health Services			\$ 396,258

Appropriation to State

Contracts with Other Public Agencies	\$	104,649	
Total Appropriation to State			104,649

Social, Cultural, and Recreational Services

Parks and Fair Boards

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

Other Social, Cultural, and Recreational

Audiovisual Personnel	\$	41,200	
Social Security		2,343	
State Retirement		3,024	
Life Insurance		58	
Medical Insurance		8,956	
Dental Insurance		595	
Disability Insurance		313	
Unemployment Compensation		72	
Employer Medicare		548	
Other Supplies and Materials		4,501	
Total Other Social, Cultural, and Recreational			61,610

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Agriculture and Natural Resources

Agriculture Extension Service

Clerical Personnel	\$	45,027	
Social Security		2,575	
Extension Service Medicare		12,288	
State Retirement		2,889	
Life Insurance		120	
Medical Insurance		9,463	
Dental Insurance		595	
Disability Insurance		343	
Unemployment Compensation		144	
Employer Medicare		602	
Dues and Memberships		90	
Maintenance Agreements		349	
Postal Charges		1,547	
Travel		1,518	
Other Contracted Services		69,528	
Office Supplies		300	
Workers' Compensation Insurance		191	
In Service/Staff Development		85	
Total Agriculture Extension Service			\$ 147,654

Soil Conservation

Secretary(ies)	\$	32,862	
Social Security		1,814	
State Retirement		2,412	
Life Insurance		60	
Medical Insurance		9,463	
Dental Insurance		595	
Disability Insurance		211	
Unemployment Compensation		72	
Employer Medicare		424	
Dues and Memberships		290	
Postal Charges		44	
Travel		352	
Other Contracted Services		1,033	
Workers' Compensation Insurance		141	
Total Soil Conservation			49,773

Other Operations

Industrial Development

Contributions	\$	130,434	
Total Industrial Development			130,434

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Other Operations (Cont.)

Other Economic and Community Development

Clerical Personnel	\$	46,857	
Part-time Personnel		59,596	
Social Security		8,457	
State Retirement		2,366	
Life Insurance		65	
Medical Insurance		2,579	
Dental Insurance		701	
Disability Insurance		280	
Unemployment Compensation		805	
Employer Medicare		1,978	
Communication		131	
Postal Charges		16	
Printing, Stationery, and Forms		65	
Travel		274	
Office Supplies		1,023	
Textbooks		435	
Vehicle and Equipment Insurance		400	
Workers' Compensation Insurance		735	
Other Charges		<u>96,093</u>	
Total Other Economic and Community Development	\$		222,856

Veterans' Services

County Official/Administrative Officer	\$	40,376
Assistant(s)		4,452
Social Security		2,784
State Retirement		3,321
Life Insurance		70
Dental Insurance		645
Disability Insurance		331
Unemployment Compensation		83
Employer Medicare		651
Advertising		70
Communication		396
Dues and Memberships		25
Maintenance Agreements		450
Postal Charges		681
Printing, Stationery, and Forms		74
Rentals		444
Travel		1,222
Other Contracted Services		2,000

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services (Cont.)

Office Supplies	\$	1,484	
Other Supplies and Materials		4,926	
Workers' Compensation Insurance		151	
Total Veterans' Services			\$ 64,636

Other Charges

Contributions	\$	11,000	
Other Contracted Services		2,124	
Duplicating Supplies		3,187	
Building and Contents Insurance		25,408	
Liability Insurance		71,976	
Trustee's Commission		273,307	
Total Other Charges			387,002

Contributions to Other Agencies

Contributions	\$	65,500	
Rentals		15,600	
Total Contributions to Other Agencies			81,100

ARRA Grant No. 2

Contracts with Private Agencies	\$	50,000	
Total ARRA Grant No. 2			50,000

ARRA Grant No. 6

Other Salaries and Wages	\$	11,664	
Social Security		643	
Life Insurance		15	
Medical Insurance		1,126	
Dental Insurance		99	
Disability Insurance		73	
Unemployment Compensation		72	
Employer Medicare		150	
Communication		192	
Gasoline		154	
Data Processing Equipment		2,011	
Total ARRA Grant No. 6			16,199

Miscellaneous

County Official/Administrative Officer	\$	25,035	
Part-time Personnel		23,106	

(Continued)

Exhibit K-9

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

General Fund (Cont.)

Other Operations (Cont.)

Miscellaneous (Cont.)

Social Security	\$	2,803	
State Retirement		1,829	
Life Insurance		60	
Dental Insurance		595	
Disability Insurance		185	
Unemployment Compensation		227	
Employer Medicare		689	
Communication		74,441	
Dues and Memberships		12,468	
Workers' Compensation Insurance		262	
Total Miscellaneous			\$ 141,700

Capital Projects

Administration of Justice Projects

Building Improvements	\$	45,500	
Total Administration of Justice Projects			45,500

Public Health and Welfare Projects

Contracts with Government Agencies	\$	35,170	
Travel		210	
Total Public Health and Welfare Projects			35,380

Total General Fund \$ 22,235,783

Courthouse and Jail Maintenance Fund

General Government

Building

Maintenance and Repair Services - Buildings	\$	67,473	
Maintenance and Repair Services - Equipment		558	
Other Supplies and Materials		14,000	
Trustee's Commission		214	
Data Processing Equipment		5,739	
Furniture and Fixtures		1,924	
Maintenance Equipment		5,040	
Total Building			\$ 94,948

Total Courthouse and Jail Maintenance Fund 94,948

(Continued)

Exhibit K-9

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

Public Library Fund

Social, Cultural, and Recreational Services

Libraries

Librarians	\$	161,612	
Part-time Personnel		120,473	
Social Security		15,914	
State Retirement		9,858	
Life Insurance		344	
Medical Insurance		31,934	
Dental Insurance		2,454	
Disability Insurance		1,230	
Unemployment Compensation		1,347	
Employer Medicare		3,721	
Advertising		2,306	
Communication		5,982	
Data Processing Services		2,723	
Dues and Memberships		435	
Maintenance Agreements		3,174	
Maintenance and Repair Services - Buildings		339	
Pest Control		240	
Postal Charges		3,599	
Printing, Stationery, and Forms		108	
Rentals		415	
Travel		3,596	
Maintenance and Repair Services - Records		381	
Other Contracted Services		3,078	
Custodial Supplies		1,753	
Library Books/Media		70,235	
Office Supplies		6,522	
Periodicals		2,789	
Utilities		29,403	
Other Supplies and Materials		12,735	
Trustee's Commission		221	
Workers' Compensation Insurance		815	
In Service/Staff Development		1,649	
Building Improvements		698	
Data Processing Equipment		9,654	
Furniture and Fixtures		16,017	
Office Equipment		4,777	
Other Equipment		1,593	
Total Libraries		<u>534,124</u>	\$ 534,124
Total Public Library Fund			\$ 534,124

(Continued)

Exhibit K-9

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

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

County Official/Administrative Officer	\$	34,102	
Supervisor/Director		32,004	
Laborers		20,134	
Social Security		4,922	
State Retirement		5,583	
Life Insurance		140	
Medical Insurance		17,291	
Dental Insurance		1,449	
Disability Insurance		648	
Unemployment Compensation		234	
Employer Medicare		1,151	
Advertising		882	
Communication		799	
Maintenance and Repair Services - Vehicles		1,000	
Travel		188	
Gasoline		3,007	
Tires and Tubes		442	
Other Supplies and Materials		289	
Trustee's Commission		4,312	
Vehicle and Equipment Insurance		1,500	
Workers' Compensation Insurance		3,572	
In Service/Staff Development		300	
Total Sanitation Management			\$ 133,949

Convenience Centers

Maintenance and Repair Services - Buildings	\$	1,062	
Rentals		8,150	
Other Contracted Services		469,160	
Asphalt - Hot Mix		22,680	
Concrete		16,562	
Electricity		7,254	
General Construction Materials		1,670	
Water and Sewer		1,296	
Fencing		195	
Other Supplies and Materials		101	
Total Convenience Centers			528,130

Other Waste Collection

Supervisor/Director	\$	2,678
Deputy(ies)		32,219

(Continued)

Exhibit K-9

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Other Waste Collection (Cont.)

Social Security	\$	2,076	
State Retirement		2,553	
Life Insurance		53	
Medical Insurance		4,158	
Dental Insurance		347	
Disability Insurance		265	
Unemployment Compensation		78	
Employer Medicare		486	
Communication		397	
Maintenance and Repair Services - Vehicles		1,178	
Travel		328	
Gasoline		1,823	
Instructional Supplies and Materials		9,553	
Uniforms		114	
Other Supplies and Materials		2,370	
Vehicle and Equipment Insurance		1,700	
Workers' Compensation Insurance		1,292	
Motor Vehicles		18,043	
Total Other Waste Collection			\$ 81,711

Recycling Center

Contracts with Private Agencies	\$	4,547	
Total Recycling Center			4,547

Landfill Operation and Maintenance

Contracts with Private Agencies	\$	595,280	
Contributions		17,235	
Total Landfill Operation and Maintenance			612,515

Other Waste Disposal

Contracts with Private Agencies	\$	68,314	
Rentals		130	
Total Other Waste Disposal			68,444

Total Solid Waste/Sanitation Fund \$ 1,429,296

Drug Control Fund

Public Safety

Drug Enforcement

Advertising	\$	2,528	
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(Continued)

Exhibit K-9

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

Drug Control Fund (Cont.)

Public Safety (Cont.)

Drug Enforcement (Cont.)

Communication	\$	12,364	
Contracts with Government Agencies		1,250	
Contracts with Private Agencies		8,144	
Confidential Drug Enforcement Payments		10,000	
Dues and Memberships		690	
Medical and Dental Services		405	
Tow-in Services		7,490	
Travel		4,672	
Veterinary Services		690	
Animal Food and Supplies		478	
Law Enforcement Supplies		3,502	
Office Supplies		1,000	
Uniforms		1,157	
Other Supplies and Materials		436	
Trustee's Commission		1,300	
Vehicle and Equipment Insurance		3,000	
In Service/Staff Development		774	
Other Charges		2,144	
Data Processing Equipment		2,283	
Office Equipment		498	
Total Drug Enforcement			\$ 64,805

Total Drug Control Fund \$ 64,805

District Attorney General Fund

Administration of Justice

District Attorney General

Communication	\$	829	
Data Processing Services		198	
Dues and Memberships		1,134	
Printing, Stationery, and Forms		260	
Travel		1,618	
Periodicals		148	
Uniforms		1,548	
Other Supplies and Materials		747	
Trustee's Commission		117	
In Service/Staff Development		1,655	
Other Charges		1,124	
Furniture and Fixtures		1,476	
Law Enforcement Equipment		625	
Total District Attorney General			\$ 11,479

Total District Attorney General Fund 11,479

(Continued)

Exhibit K-9

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

Other Special Revenue Fund

Other Operations

Tourism

Supervisor/Director	\$	45,312	
Clerical Personnel		14,902	
Social Security		3,382	
State Retirement		3,326	
Life Insurance		60	
Medical Insurance		9,463	
Dental Insurance		322	
Disability Insurance		344	
Unemployment Compensation		189	
Employer Medicare		791	
Advertising		57,559	
Communication		3,660	
Dues and Memberships		1,000	
Maintenance and Repair Services - Buildings		1,210	
Postal Charges		1,889	
Travel		350	
Office Supplies		333	
Utilities		2,714	
Other Supplies and Materials		1,875	
Liability Insurance		911	
Workers' Compensation Insurance		300	
Other Charges		523	
Total Tourism		<u>150,415</u>	\$ 150,415

Principal on Debt

General Government

Principal on Notes	\$	<u>5,000</u>	
Total General Government			5,000

Interest on Debt

General Government

Interest on Notes	\$	<u>192</u>	
Total General Government			<u>192</u>

Total Other Special Revenue Fund \$ 155,607

Constitutional Officers - Fees Fund

Administration of Justice

Circuit Court

Constitutional Officers' Operating Expenses	\$	<u>2,894</u>	
Total Circuit Court			\$ 2,894

(Continued)

Exhibit K-9

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

Constitutional Officers - Fees Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court

Special Commissioner Fees/Special Master Fees	\$	18,525	
Total Chancery Court			\$ 18,525

Total Constitutional Officers - Fees Fund \$ 21,419

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	79,436	
Clerical Personnel		69,537	
Social Security		8,607	
State Retirement		10,902	
Life Insurance		148	
Medical Insurance		18,361	
Dental Insurance		1,240	
Disability Insurance		1,113	
Unemployment Compensation		54	
Employer Medicare		2,013	
Dues and Memberships		3,534	
Licenses		750	
Maintenance Agreements		8,123	
Maintenance and Repair Services - Equipment		175	
Pest Control		240	
Postal Charges		88	
Travel		150	
Disposal Fees		291	
Office Supplies		982	
In Service/Staff Development		50	
Office Equipment		500	
Total Administration			\$ 206,294

Highway and Bridge Maintenance

Foremen	\$	68,006	
Equipment Operators		156,625	
Truck Drivers		142,680	
Laborers		295,771	
Overtime Pay		51,284	
Social Security		40,137	
State Retirement		47,291	
Life Insurance		1,375	

(Continued)

Exhibit K-9

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Medical Insurance	\$	116,618	
Dental Insurance		10,674	
Disability Insurance		5,027	
Unemployment Compensation		736	
Employer Medicare		9,387	
Contracts with Private Agencies		970	
Rentals		1,263	
Other Contracted Services		21,453	
Asphalt		600,120	
Crushed Stone		127,858	
Custodial Supplies		4,271	
Fertilizer, Lime, and Seed		1,225	
Other Road Supplies		15,499	
Pipe - Metal		33,204	
Road Signs		11,191	
Uniforms		5,615	
Other Supplies and Materials		47	
Total Highway and Bridge Maintenance			\$ 1,768,327

Operation and Maintenance of Equipment

Mechanic(s)	\$	56,867	
Nightwatchmen		79,735	
Overtime Pay		6,131	
Social Security		7,819	
State Retirement		8,341	
Life Insurance		194	
Medical Insurance		31,767	
Dental Insurance		2,083	
Disability Insurance		647	
Unemployment Compensation		175	
Employer Medicare		1,829	
Other Contracted Services		104	
Equipment and Machinery Parts		95,091	
Garage Supplies		829	
Gasoline		549,487	
Lubricants		5,662	
Tires and Tubes		16,721	
Other Supplies and Materials		29,597	
Total Operation and Maintenance of Equipment			893,079

(Continued)

Exhibit K-9

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges

Communication	\$	3,088	
Electricity		11,562	
Natural Gas		8,465	
Water and Sewer		470	
Liability Insurance		58,600	
Trustee's Commission		25,624	
Vehicle and Equipment Insurance		50,000	
Workers' Compensation Insurance		94,704	
Total Other Charges			\$ 252,513

Capital Outlay

Highway Construction	\$	297,468	
Highway Equipment		83,589	
Total Capital Outlay			381,057

Total Highway/Public Works Fund \$ 3,501,270

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	1,320,000	
Principal on Notes		40,000	
Principal on Other Loans		208,000	
Total General Government			\$ 1,568,000

Interest on Debt

General Government

Interest on Bonds	\$	177,841	
Interest on Notes		7,804	
Interest on Other Loans		29,423	
Total General Government			215,068

Other Debt Service

General Government

Fiscal Agent Charges	\$	1,880	
Trustee's Commission		48,324	
Total General Government			50,204

Total General Debt Service Fund 1,833,272

(Continued)

Exhibit K-9

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

<u>Rural Debt Service Fund</u>			
<u>Principal on Debt</u>			
<u>Education</u>			
Principal on Bonds	\$	570,000	
Principal on Other Loans		<u>816,065</u>	
Total Education			\$ 1,386,065
<u>Interest on Debt</u>			
<u>Education</u>			
Interest on Bonds	\$	188,201	
Interest on Other Loans		<u>66,285</u>	
Total Education			254,486
<u>Other Debt Service</u>			
<u>Education</u>			
Contracts with Other Public Agencies	\$	1,600	
Fiscal Agent Charges		2,080	
Trustee's Commission		<u>1,016</u>	
Total Education			<u>4,696</u>
Total Rural Debt Service Fund			\$ 1,645,247
<u>Education Debt Service Fund</u>			
<u>Principal on Debt</u>			
<u>Education</u>			
Principal on Bonds	\$	685,000	
Principal on Other Loans		<u>761,835</u>	
Total Education			\$ 1,446,835
<u>Interest on Debt</u>			
<u>Education</u>			
Interest on Bonds	\$	191,735	
Interest on Other Loans		<u>55,585</u>	
Total Education			247,320
<u>Other Debt Service</u>			
<u>Education</u>			
Contracts with Other Public Agencies	\$	1,600	
Fiscal Agent Charges		2,080	
Trustee's Commission		<u>19,933</u>	
Total Education			<u>23,613</u>
Total Education Debt Service Fund			1,717,768

(Continued)

Exhibit K-9

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

<u>General Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>General Administration Projects</u>		
Financial Advisory Services	\$	26,500
Fiscal Agent Charges		250
Legal Services		10,000
Underwriter's Discount		17,676
Other Debt Issuance Charges		11,600
Building Improvements		<u>1,423,206</u>
Total General Administration Projects		<u>\$ 1,489,232</u>
Total General Capital Projects Fund		<u>\$ 1,489,232</u>
Total Governmental Funds - Primary Government		<u><u>\$ 34,734,250</u></u>

Exhibit K-10

Anderson County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Anderson County School Department
For the Year Ended June 30, 2010

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 16,259,116	
Career Ladder Program	168,752	
Career Ladder Extended Contracts	173,235	
Homebound Teachers	61,234	
Educational Assistants	483,324	
Certified Substitute Teachers	52,507	
Non-certified Substitute Teachers	192,801	
Social Security	1,025,913	
State Retirement	1,083,215	
Life Insurance	20,293	
Medical Insurance	1,740,167	
Unemployment Compensation	2,855	
Employer Medicare	240,023	
Payments to Retirees	42,992	
Other Contracted Services	50,017	
Instructional Supplies and Materials	416,661	
Textbooks	550,228	
Other Supplies and Materials	6,076	
Refund to Applicant for Criminal Investigation	4,164	
Other Charges	34,535	
Regular Instruction Equipment	313,833	
Total Regular Instruction Program		\$ 22,921,941

Special Education Program

Teachers	\$ 3,376,245
Career Ladder Program	38,365
Homebound Teachers	33,573
Educational Assistants	605,224
Speech Pathologist	253,094
Other Salaries and Wages	251,026
Certified Substitute Teachers	6,358
Non-certified Substitute Teachers	26,542
Social Security	265,319
State Retirement	294,225
Life Insurance	6,661
Medical Insurance	492,436
Unemployment Compensation	4,594
Employer Medicare	62,839
Contracts with Private Agencies	44,296

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Dues and Memberships	\$	35	
Other Contracted Services		45,189	
Instructional Supplies and Materials		19,244	
Other Supplies and Materials		6,236	
Total Special Education Program			\$ 5,831,501

Vocational Education Program

Teachers	\$	2,185,970	
Career Ladder Program		24,000	
Clerical Personnel		95,884	
Other Salaries and Wages		41,480	
Certified Substitute Teachers		6,450	
Non-certified Substitute Teachers		24,355	
Social Security		139,014	
State Retirement		150,680	
Life Insurance		2,654	
Medical Insurance		243,929	
Unemployment Compensation		1,724	
Employer Medicare		32,596	
Maintenance and Repair Services - Equipment		17,980	
Instructional Supplies and Materials		98,931	
Other Supplies and Materials		11,589	
Vocational Instruction Equipment		92,771	
Other Equipment		8,711	
Total Vocational Education Program			3,178,718

Adult Education Program

Supervisor/Director	\$	85,149	
Teachers		63,099	
Career Ladder Program		1,740	
Other Salaries and Wages		19,808	
Social Security		10,074	
State Retirement		9,864	
Life Insurance		139	
Medical Insurance		10,972	
Unemployment Compensation		118	
Employer Medicare		2,356	
Travel		2,799	
Instructional Supplies and Materials		4,359	

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Adult Education Program (Cont.)

Other Supplies and Materials	\$	722	
In Service/Staff Development		125	
Other Charges		678	
Furniture and Fixtures		11,880	
Regular Instruction Equipment		28,932	
Total Adult Education Program			\$ 252,814

Support Services

Attendance

Supervisor/Director	\$	74,890	
Career Ladder Program		3,000	
Clerical Personnel		30,926	
Other Salaries and Wages		222,912	
Social Security		16,338	
State Retirement		14,032	
Life Insurance		252	
Medical Insurance		8,652	
Unemployment Compensation		22	
Employer Medicare		4,663	
Travel		2,929	
Total Attendance			378,616

Health Services

Medical Personnel	\$	343,080	
Social Security		19,339	
State Retirement		21,150	
Life Insurance		508	
Medical Insurance		40,344	
Unemployment Compensation		449	
Employer Medicare		4,540	
Travel		5,032	
Drugs and Medical Supplies		14,997	
Other Supplies and Materials		3,407	
Total Health Services			452,846

Other Student Support

Career Ladder Program	\$	5,260	
Guidance Personnel		854,113	
Medical Personnel		106,505	

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Social Security	\$	55,468	
State Retirement		61,592	
Life Insurance		1,100	
Medical Insurance		98,928	
Unemployment Compensation		657	
Employer Medicare		12,973	
Contracts with Government Agencies		333,559	
Printing, Stationery, and Forms		169	
Travel		5,041	
Other Contracted Services		67	
Other Supplies and Materials		12,234	
In Service/Staff Development		2,500	
Other Charges		10,039	
Total Other Student Support			\$ 1,560,205

Regular Instruction Program

Supervisor/Director	\$	83,986	
Career Ladder Program		13,500	
Librarians		663,129	
Secretary(ies)		30,531	
Clerical Personnel		21,234	
Other Salaries and Wages		122,302	
Social Security		54,054	
State Retirement		59,047	
Life Insurance		1,140	
Medical Insurance		99,072	
Unemployment Compensation		705	
Employer Medicare		12,841	
Maintenance and Repair Services - Equipment		5,468	
Travel		1,021	
Library Books/Media		76,931	
Other Supplies and Materials		32,526	
In Service/Staff Development		24,558	
Total Regular Instruction Program			1,302,045

Special Education Program

Supervisor/Director	\$	85,022
Career Ladder Program		5,500
Psychological Personnel		138,724

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Clerical Personnel	\$	96,584	
Social Security		18,870	
State Retirement		21,803	
Life Insurance		328	
Medical Insurance		41,002	
Unemployment Compensation		202	
Employer Medicare		4,413	
Payments to Retirees		2,090	
Consultants		34,115	
Rentals		4,000	
Total Special Education Program			\$ 452,653

Vocational Education Program

Supervisor/Director	\$	84,562	
Career Ladder Program		1,000	
Other Salaries and Wages		85,745	
Social Security		10,169	
State Retirement		11,787	
Life Insurance		202	
Medical Insurance		19,369	
Unemployment Compensation		115	
Employer Medicare		2,379	
Travel		37,989	
In Service/Staff Development		3,000	
Total Vocational Education Program			256,317

Adult Programs

Teachers	\$	2,000	
Other Salaries and Wages		64,900	
Social Security		4,113	
State Retirement		4,876	
Life Insurance		101	
Medical Insurance		4,633	
Unemployment Compensation		57	
Employer Medicare		962	
Communication		521	
Travel		1,034	
Other Contracted Services		1,250	
Other Supplies and Materials		11,109	

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Adult Programs (Cont.)

Regular Instruction Equipment	\$ 9,351	
Total Adult Programs		\$ 104,907

Other Programs

On-Behalf Payments to OPEB	\$ 257,517	
Total Other Programs		257,517

Board of Education

Secretary to Board	\$ 6,000	
Board and Committee Members Fees	38,900	
Social Security	1,874	
State Retirement	1,182	
Life Insurance	403	
Unemployment Compensation	5	
Employer Medicare	647	
Audit Services	12,000	
Consultants	3,250	
Contributions	25,000	
Dues and Memberships	7,224	
Legal Services	18,828	
Travel	21,423	
Judgments	21,697	
Liability Insurance	129,022	
Premiums on Corporate Surety Bonds	847	
Trustee's Commission	431,112	
Workers' Compensation Insurance	209,390	
Other Charges	2,074	
Total Board of Education		930,878

Director of Schools

County Official/Administrative Officer	\$ 119,253
Career Ladder Program	1,000
Secretary(ies)	30,964
Other Salaries and Wages	45,313
Social Security	11,265
State Retirement	9,993
Life Insurance	147
Medical Insurance	16,934
Unemployment Compensation	81

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

Employer Medicare	\$	2,699	
Communication		80,009	
Dues and Memberships		3,243	
Maintenance and Repair Services - Equipment		120	
Postal Charges		7,950	
Travel		2,297	
Office Supplies		3,450	
Other Supplies and Materials		2,981	
Other Charges		8,832	
Total Director of Schools			\$ 346,531

Office of the Principal

Principals	\$	1,259,083	
Career Ladder Program		21,000	
Assistant Principals		561,200	
Secretary(ies)		537,273	
Social Security		139,503	
State Retirement		156,533	
Life Insurance		2,705	
Medical Insurance		216,792	
Unemployment Compensation		1,645	
Employer Medicare		32,925	
Payments to Retirees		3,690	
Communication		23,679	
Travel		9,297	
Other Supplies and Materials		57	
In Service/Staff Development		12,283	
Administration Equipment		58,309	
Total Office of the Principal			3,035,974

Fiscal Services

Supervisor/Director	\$	81,570	
Accountants/Bookkeepers		239,213	
Social Security		17,972	
State Retirement		22,157	
Life Insurance		353	
Medical Insurance		22,845	
Unemployment Compensation		230	
Employer Medicare		4,477	

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services (Cont.)

Maintenance and Repair Services - Office Equipment	\$	160	
Travel		1,426	
Office Supplies		2,934	
Other Supplies and Materials		12,843	
In Service/Staff Development		327	
Total Fiscal Services			\$ 406,507

Human Services/Personnel

Supervisor/Director	\$	51,291	
Secretary(ies)		23,955	
Social Security		4,665	
State Retirement		5,523	
Life Insurance		88	
Unemployment Compensation		57	
Employer Medicare		1,091	
Advertising		708	
Maintenance and Repair Services - Office Equipment		250	
Travel		709	
Office Supplies		2,427	
Other Supplies and Materials		1,121	
In Service/Staff Development		675	
Total Human Services/Personnel			92,560

Operation of Plant

Supervisor/Director	\$	74,389	
Clerical Personnel		16,604	
Custodial Personnel		1,406,583	
Social Security		84,848	
State Retirement		98,962	
Life Insurance		2,848	
Medical Insurance		241,454	
Unemployment Compensation		1,755	
Employer Medicare		20,462	
Payments to Retirees		5,510	
Maintenance and Repair Services - Vehicles		6,208	
Rentals		83,648	
Disposal Fees		55,475	
Other Contracted Services		38,123	
Custodial Supplies		167,238	

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Electricity	\$ 1,587,266	
Natural Gas	382,202	
Water and Sewer	209,996	
Other Supplies and Materials	12,773	
Building and Contents Insurance	190,255	
Motor Vehicles	49,520	
Plant Operation Equipment	19,704	
Total Operation of Plant		\$ 4,755,823

Maintenance of Plant

Supervisor/Director	\$ 61,552	
Maintenance Personnel	428,426	
Social Security	27,960	
State Retirement	39,332	
Life Insurance	588	
Medical Insurance	62,187	
Unemployment Compensation	590	
Employer Medicare	6,745	
Communication	171,904	
Maintenance and Repair Services - Buildings	21,779	
Maintenance and Repair Services - Equipment	17,175	
Travel	100	
Other Contracted Services	51,349	
Custodial Supplies	9,785	
Gasoline	27,667	
Office Supplies	1,877	
Other Supplies and Materials	192,070	
Furniture and Fixtures	20,730	
Other Equipment	4,990	
Total Maintenance of Plant		1,146,806

Transportation

Supervisor/Director	\$ 79,735
Career Ladder Program	2,000
Clerical Personnel	16,544
Social Security	5,976
State Retirement	5,973
Life Insurance	80
Medical Insurance	15,283

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Unemployment Compensation	\$	42	
Employer Medicare		1,398	
Contracts with Vehicle Owners		2,448,646	
Other Contracted Services		5,890	
Other Supplies and Materials		369	
Motor Vehicles		26,488	
Total Transportation			\$ 2,608,424

Central and Other

Supervisor/Director	\$	85,149	
Career Ladder Program		3,000	
Secretary(ies)		26,163	
Other Salaries and Wages		285,729	
Social Security		23,123	
State Retirement		26,221	
Life Insurance		395	
Medical Insurance		24,305	
Unemployment Compensation		357	
Employer Medicare		5,408	
Travel		1,970	
Other Contracted Services		330,313	
Other Supplies and Materials		63,185	
In Service/Staff Development		859	
Administration Equipment		14,932	
Data Processing Equipment		40,211	
Total Central and Other			931,320

Operation of Non-Instructional Services

Early Childhood Education

Supervisor/Director	\$	8,269	
Teachers		311,718	
Career Ladder Program		1,000	
Secretary(ies)		10,064	
Clerical Personnel		11,335	
Educational Assistants		97,361	
Social Security		26,067	
State Retirement		29,189	
Life Insurance		777	
Medical Insurance		50,396	

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

Unemployment Compensation	\$	503	
Employer Medicare		6,097	
Communication		987	
Contributions		50	
Maintenance and Repair Services - Office Equipment		1,183	
Postal Charges		27	
Travel		194	
Other Contracted Services		3,718	
Drugs and Medical Supplies		993	
Food Supplies		9,017	
Instructional Supplies and Materials		4,090	
Natural Gas		2,848	
Office Supplies		1,589	
Other Supplies and Materials		3,293	
Building and Contents Insurance		40	
Workers' Compensation Insurance		1,898	
In Service/Staff Development		956	
Refund to Applicant for Criminal Investigation		48	
Other Charges		4,725	
Data Processing Equipment		418	
Total Early Childhood Education			\$ 588,850

Capital Outlay

Regular Capital Outlay

Architects	\$	36,877	
Other Contracted Services		7,270	
Other Supplies and Materials		9,021	
Building Construction		128,980	
Building Improvements		400,440	
Total Regular Capital Outlay			582,588

Principal on Debt

Education

Principal on Notes	\$	1,134,801	
Principal on Capital Leases		4,588	
Total Education			1,139,389

(Continued)

Exhibit K-10

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

General Purpose School Fund (Cont.)

Interest on Debt

Education

Interest on Notes	\$ 372,120	
Interest on Capital Leases	12,684	
Total Education		\$ 384,804

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$ 812,710	
Total Education		812,710

Total General Purpose School Fund \$ 54,713,244

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$ 1,261,017	
Certified Substitute Teachers	12,242	
Social Security	71,310	
State Retirement	77,208	
Life Insurance	1,319	
Medical Insurance	112,965	
Unemployment Compensation	851	
Employer Medicare	17,288	
Instructional Supplies and Materials	369,148	
Total Regular Instruction Program		\$ 1,923,348

Special Education Program

Teachers	\$ 465,989
Educational Assistants	67,903
Other Salaries and Wages	101,618
Certified Substitute Teachers	330
Non-certified Substitute Teachers	1,456
Social Security	36,315
State Retirement	37,712
Life Insurance	1,008
Medical Insurance	76,683
Unemployment Compensation	913
Employer Medicare	8,757
Travel	551
Instructional Supplies and Materials	445,029

(Continued)

Exhibit K-10

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Other Supplies and Materials	\$	2,772	
Workers' Compensation Insurance		3,010	
Special Education Equipment		426,632	
Total Special Education Program			\$ 1,676,678

Vocational Education Program

Educational Assistants	\$	18,729	
Other Salaries and Wages		3,281	
Social Security		1,126	
State Retirement		1,375	
Life Insurance		50	
Medical Insurance		4,633	
Unemployment Compensation		48	
Employer Medicare		263	
Other Contracted Services		4,000	
Other Supplies and Materials		21,795	
Vocational Instruction Equipment		44,443	
Total Vocational Education Program			99,743

Support Services

Other Student Support

Other Salaries and Wages	\$	5,000	
Social Security		310	
Employer Medicare		72	
Travel		39,672	
Other Supplies and Materials		25,510	
In Service/Staff Development		22,616	
Other Charges		16,189	
Total Other Student Support			109,369

Regular Instruction Program

Supervisor/Director	\$	90,461	
Secretary(ies)		25,946	
Social Security		6,868	
State Retirement		7,624	
Life Insurance		97	
Medical Insurance		8,122	
Unemployment Compensation		57	
Employer Medicare		1,624	

(Continued)

Exhibit K-10

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Travel	\$	18,292	
Other Contracted Services		11,568	
Other Supplies and Materials		18,006	
Workers' Compensation Insurance		502	
In Service/Staff Development		136,798	
Other Charges		191	
Other Equipment		1,882	
Total Regular Instruction Program			\$ 328,038

Special Education Program

Psychological Personnel	\$	104,425	
Clerical Personnel		58,134	
Social Security		9,740	
State Retirement		10,832	
Life Insurance		227	
Medical Insurance		12,112	
Unemployment Compensation		148	
Employer Medicare		2,278	
Consultants		142,462	
Postal Charges		1,931	
Travel		48,045	
Workers' Compensation Insurance		774	
In Service/Staff Development		28,989	
Total Special Education Program			420,097

Board of Education

Workers' Compensation Insurance	\$	5,722	
Total Board of Education			5,722

Director of Schools

Postal Charges	\$	400	
Total Director of Schools			400

Office of the Principal

Communication	\$	1,679	
Total Office of the Principal			1,679

Transportation

Other Salaries and Wages	\$	16,805	
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(Continued)

Exhibit K-10

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Contracts with Private Agencies	\$	95,893	
Contracts with Parents		11,360	
Contracts with Vehicle Owners		2,655	
Maintenance and Repair Services - Vehicles		2,612	
Gasoline		11,533	
Total Transportation			<u>\$ 140,858</u>

Total School Federal Projects Fund \$ 4,705,932

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	61,775
Accountants/Bookkeepers		71,850
Clerical Personnel		439,552
Cafeteria Personnel		663,492
Other Salaries and Wages		13,849
Social Security		73,898
State Retirement		68,928
Life Insurance		2,881
Medical Insurance		152,095
Unemployment Compensation		2,667
Employer Medicare		17,421
Payments to Retirees		4,360
Bank Charges		3,882
Communication		11,618
Dues and Memberships		295
Licenses		1,680
Maintenance and Repair Services - Equipment		19,965
Postal Charges		1,804
Printing, Stationery, and Forms		1,326
Travel		4,647
Other Contracted Services		20,892
Food Supplies		1,055,251
Office Supplies		3,772
USDA - Commodities		164,029
Other Supplies and Materials		7,702
Trustee's Commission		12
Workers' Compensation Insurance		21,687

(Continued)

Exhibit K-10

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

In Service/Staff Development	\$	4,245	
Refund to Applicant for Criminal Investigation		120	
Food Service Equipment		11,529	
Furniture and Fixtures		7,792	
Total Food Service			<u>\$ 2,915,016</u>

Total Central Cafeteria Fund \$ 2,915,016

Other Education Special Revenue Fund

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	74,417
Teachers		108,894
Social Workers		53,808
Medical Personnel		44,794
Secretary(ies)		62,500
Educational Assistants		1,067,275
Other Salaries and Wages		94,178
Non-certified Substitute Teachers		110
Social Security		83,986
State Retirement		91,553
Life Insurance		2,889
Medical Insurance		196,773
Unemployment Compensation		2,505
Employer Medicare		20,101
Payments to Retirees		2,935
Advertising		193
Communication		15,309
Consultants		1,350
Contracts with Other School Systems		761,597
Contributions		100
Dues and Memberships		1,446
Operating Lease Payments		11,300
Maintenance and Repair Services - Office Equipment		2,662
Maintenance and Repair Services - Vehicles		1,091
Pest Control		960
Postal Charges		644
Travel		14,766
Other Contracted Services		53,124

(Continued)

Exhibit K-10

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

Other Education Special Revenue Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services (Cont.)

Drugs and Medical Supplies	\$	3,539	
Electricity		12,312	
Food Supplies		18,771	
Gasoline		4,333	
General Construction Materials		5,626	
Instructional Supplies and Materials		17,335	
Natural Gas		3,816	
Office Supplies		8,497	
Water and Sewer		2,022	
Other Supplies and Materials		25,342	
Building and Contents Insurance		2,249	
Vehicle and Equipment Insurance		4,500	
Workers' Compensation Insurance		6,498	
In Service/Staff Development		29,692	
Refund to Applicant for Criminal Investigation		312	
Other Charges		20,765	
Building Improvements		62,914	
Data Processing Equipment		36,451	
Office Equipment		9,198	
Other Equipment		764	
Total Community Services			\$ 3,046,196

Principal on Debt

Education

Principal on Capital Leases	\$	25,855	
Total Education			25,855

Interest on Debt

Education

Interest on Capital Leases	\$	71,522	
Total Education			71,522

Total Other Education Special Revenue Fund \$ 3,143,573

Total Governmental Funds - Anderson County School Department \$ 65,477,765

Exhibit K-11

Anderson County, Tennessee
Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balances -
City Agency Funds
For the Year Ended June 30, 2010

	Cities - Sales Tax Fund	City School ADA - Clinton Fund	City School ADA - Oak Ridge Fund	Total
<u>Cash Receipts</u>				
Current Property Taxes	\$ 0	\$ 1,524,582	\$ 7,481,807	\$ 9,006,389
Trustee's Collections - Prior Years	0	63,363	313,205	376,568
Circuit/Clerk and Master Collections - Prior Years	0	14,459	71,829	86,288
Interest and Penalty	0	17,150	80,591	97,741
Local Option Sales Tax	11,303,012	871,121	4,266,180	16,440,313
Coal Severance Tax	0	4,886	23,853	28,739
Interstate Telecommunications Tax	0	444	2,186	2,630
Marriage Licenses	0	387	1,899	2,286
Total Cash Receipts	\$ 11,303,012	\$ 2,496,392	\$ 12,241,550	\$ 26,040,954
<u>Cash Disbursements</u>				
Remittance of Revenues Collected	\$ 11,189,982	\$ 2,456,715	\$ 12,046,637	\$ 25,693,334
Trustee's Commission	113,030	40,984	201,044	355,058
Total Cash Disbursements	\$ 11,303,012	\$ 2,497,699	\$ 12,247,681	\$ 26,048,392
Excess of Cash Receipts Over (Under)	\$ 0	\$ (1,307)	\$ (6,131)	\$ (7,438)
Cash Disbursements	0	2,634	12,582	15,216
Cash Balance, July 1, 2009	\$ 0	\$ 1,327	\$ 6,451	\$ 7,778
Cash Balance, June 30, 2010				

STATISTICAL SECTION

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

	Tables	Pages
Financial Trends:		
These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.	1-6	228-234
Revenue Capacity:		
These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.	7-10	235-238
Debt Capacity:		
These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.	11-15	239-243
Demographic and Economic Information:		
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.	16-17	244-245
Operating Information:		
These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.	18-20	246-248

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

Table 1

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

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Governmental Activities:								
Invested in Capital Assets, Net of Related Debt Restricted for:	\$ 1,759,576	\$ 3,677,748	\$ 4,795,772	\$ 7,485,543	\$ 9,187,426	\$ 11,364,951	\$ 15,163,056	\$ 15,002,377
Highway	594,373	967,776	1,740,500	1,379,754	971,846	870,595	961,417	972,780
Debt Service	343,039	514,489	797,035	947,042	1,084,976	1,465,266	2,061,209	2,653,340
Courthouse and Jail (2)	0	0	0	0	57,551	86,728	93,109	93,109
Public Library (2)	0	0	0	0	109,136	109,059	223,052	249,191
Solid Waste (2)	0	0	0	0	198,665	183,051	385,169	241,030
Drug Control (2)	0	0	0	0	99,497	82,630	91,807	165,820
Tourism (2)	0	0	0	0	0	100,279	61,626	88,919
Other Purposes	254,040	439,064	606,468	797,752	303,040	195,536	347,467	387,877
Unrestricted	(22,816,572)	(20,570,791)	(17,603,786)	(14,374,348)	(9,992,846)	(6,996,196)	(7,484,171)	(7,666,758)
Subtotal Governmental Activities Net Assets	\$ (19,865,544)	\$ (14,971,714)	\$ (9,664,011)	\$ (3,764,257)	\$ 2,019,291	\$ 7,461,899	\$ 11,903,741	\$ 12,187,685
Business-type Activities:								
Invested in Capital Assets, Net of Related Debt Restricted for:	\$ 9,348,039	\$ 9,663,218	\$ 10,053,279	\$ 10,749,737	\$ 10,592,256	\$ 10,518,405	\$ 0	\$ 0
Unrestricted	0	0	0	0	0	0	0	1,526,540
Unrestricted	1,442,959	1,312,134	1,340,772	1,287,859	1,393,488	1,544,982	0	1,398,449
Subtotal Business-type Activities Net Assets	\$ 10,790,998	\$ 10,975,352	\$ 11,394,051	\$ 12,037,596	\$ 11,985,744	\$ 12,063,387	\$ 0	\$ 2,924,989
Primary Government:								
Invested in Capital Assets, Net of Related Debt Restricted for:	\$ 11,107,615	\$ 13,340,966	\$ 14,849,051	\$ 18,235,280	\$ 19,779,682	\$ 21,883,356	\$ 15,163,056	\$ 15,002,377
Unrestricted	0	0	0	0	0	0	0	1,526,540
Unrestricted	594,373	967,776	1,740,500	1,379,754	971,846	870,595	961,417	972,780
Debt Service	343,039	514,489	797,035	947,042	1,084,976	1,465,266	2,061,209	2,653,340
Courthouse and Jail (2)	0	0	0	0	57,551	86,728	93,109	93,109
Public Library (2)	0	0	0	0	109,136	109,059	223,052	249,191
Solid Waste (2)	0	0	0	0	198,665	183,051	385,169	241,030
Drug Control (2)	0	0	0	0	99,497	82,630	91,807	165,820
Tourism (2)	0	0	0	0	0	100,279	61,626	88,919
Other Purposes	254,040	439,064	606,468	797,752	303,040	195,536	347,467	387,877
Unrestricted	(21,373,613)	(19,258,657)	(16,263,014)	(13,086,489)	(8,599,358)	(5,451,214)	(7,484,171)	(6,268,309)
Total Primary Government Net Assets (3)	\$ (9,074,546)	\$ (3,996,362)	\$ 1,730,040	\$ 8,273,339	\$ 14,005,035	\$ 19,525,286	\$ 11,903,741	\$ 15,112,674

(1) The county implemented GASB 34 in fiscal year 2003. Therefore, ten years of data is not available but will be accumulated over time.
 (2) Prior to fiscal years 2007 and 2008, these line items were included in Other Purposes.
 (3) See Table 2 for changes in net assets from year to year.
 (4) As of December 31, 2009, Anderson County Utility Board merged with Anderson County Water Authority.

Table 2

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

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Expenses								
Governmental Activities:								
General Government	\$ 2,384,417	\$ 2,958,476	\$ 3,043,074	\$ 3,625,905	\$ 3,382,567	\$ 3,825,776	\$ 3,678,421	\$ 3,806,607
Finance	2,074,278	2,264,600	2,353,548	2,289,764	2,500,844	2,582,694	2,772,399	2,795,163
Administration of Justice	2,143,265	2,487,842	2,396,649	2,499,792	2,354,901	2,227,931	2,601,237	2,867,590
Public Safety	6,005,316	6,525,846	6,550,593	7,265,640	7,634,445	9,474,855	10,629,849	11,073,910
Public Health and Welfare	4,306,111	4,821,032	5,490,734	5,700,376	5,847,219	6,880,198	6,830,198	2,847,206
Social, Cultural, and Recreational Services	246,687	274,330	290,638	305,178	395,711	363,662	543,805	606,085
Agriculture and Natural Resources	153,247	160,814	158,093	256,550	259,270	194,110	191,929	198,699
Other Operations	907,842	950,493	784,386	1,101,170	1,168,858	1,814,950	1,383,097	1,252,748
Highways	4,273,421	3,965,497	2,830,170	3,315,744	4,355,441	3,744,401	3,777,430	3,887,060
Education	0	0	0	103,464	0	0	0	0
Interest on Long-term Debt	2,195,850	1,631,665	1,543,338	1,774,242	1,787,493	1,561,094	1,056,082	758,747
Other Debt Service	213,476	233,936	128,947	215,508	262,708	123,866	117,537	53,825
Total Governmental Activities Expenses	\$ 24,903,910	\$ 26,274,631	\$ 25,670,170	\$ 28,453,333	\$ 29,949,457	\$ 32,000,759	\$ 33,591,984	\$ 30,147,640
Business-type Activities:								
Water and Sewer (4)	\$ 1,841,550	\$ 1,962,176	\$ 2,069,838	\$ 2,238,689	\$ 2,402,422	\$ 2,368,759	\$ 1,475,798	\$ 0
Ambulance Service (5)	0	0	0	0	0	0	0	4,411,487
Total Business-type Activities Expenses	\$ 1,841,550	\$ 1,962,176	\$ 2,069,838	\$ 2,238,689	\$ 2,402,422	\$ 2,368,759	\$ 1,475,798	\$ 4,411,487
Total Primary Government Expenses	\$ 26,745,460	\$ 28,236,707	\$ 27,640,008	\$ 30,692,022	\$ 32,351,879	\$ 34,369,518	\$ 35,067,782	\$ 34,559,127
Program Revenues								
Governmental Activities:								
Charges for Services:								
General Government	\$ 1,078,964	\$ 1,125,816	\$ 1,026,912	\$ 1,044,089	\$ 1,211,133	\$ 1,053,338	\$ 1,160,416	\$ 1,185,031
Finance	1,583,976	1,630,854	1,754,221	1,813,917	1,973,724	1,987,292	2,043,580	2,034,646
Administration of Justice	1,647,842	1,656,494	1,802,240	1,927,388	1,833,139	1,685,908	1,937,762	1,965,338
Public Safety	537,734	552,327	503,359	554,705	502,858	515,637	718,661	556,712
Public Health and Welfare (2)	2,496,522	3,530,284	3,847,134	4,530,165	4,832,207	5,142,663	5,849,858	128,311
Social, Cultural, and Recreational Services	46,634	53,948	53,712	59,388	61,976	190,913	68,771	71,417
Other Operations	0	0	0	0	0	0	140,187	0
Highways	183,836	205,001	272,479	350,675	406,180	560,649	522,822	513,164
Interest on Long-term Debt	0	0	0	0	338,925	326,092	158,325	69,580
Operating Grants and Contributions	3,336,015	3,426,740	3,174,796	2,643,078	2,852,940	3,257,888	3,061,445	3,457,014
Capital Grants and Contributions (3)	1,313,529	352,265	292,704	2,087,387	897,373	893,945	985,527	1,556,900
Total Governmental Activities Program Revenues	\$ 12,225,052	\$ 12,533,729	\$ 12,727,557	\$ 15,010,792	\$ 14,911,055	\$ 15,614,325	\$ 16,647,354	\$ 11,538,113
Business-type Activities:								
Charges for Services:								
Water and Sewer	\$ 1,670,079	\$ 1,719,379	\$ 1,818,137	\$ 1,967,035	\$ 2,279,290	\$ 2,431,402	\$ 1,247,504	\$ 0
Ambulance Service	0	0	0	0	0	0	0	5,534,480
Capital Grants and Contributions	0	423,375	425,000	940,801	0	0	0	0
Total Business-type Activities Program Revenues	\$ 1,670,079	\$ 2,142,754	\$ 2,243,137	\$ 2,907,836	\$ 2,279,290	\$ 2,431,402	\$ 1,247,504	\$ 5,534,480
Total Primary Government Program Revenues	\$ 13,895,131	\$ 14,676,483	\$ 14,970,694	\$ 17,918,628	\$ 17,190,345	\$ 18,045,727	\$ 17,894,858	\$ 17,072,593

(Continued)

Table 2

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Anderson County, Tennessee								
Changes in Net Assets								
Last Eight Fiscal Years (1)								
(accrual basis of accounting) (cont.)								
Net (Expense)/Revenue								
Governmental Activities	\$ (12,678,858)	\$ (13,740,802)	\$ (12,842,613)	\$ (13,442,541)	\$ (15,038,402)	\$ (16,386,434)	\$ (16,944,630)	\$ (18,609,827)
Business-type Activities	(171,471)	180,878	173,299	669,147	(123,132)	62,643	(228,294)	1,122,993
Total Primary Government Net Expense	\$ (12,850,329)	\$ (13,560,224)	\$ (12,669,314)	\$ (12,773,394)	\$ (15,161,534)	\$ (16,323,791)	\$ (17,172,924)	\$ (17,486,834)

General Revenues and Other Changes in Net Assets

Governmental Activities:								
Taxes:								
Property Taxes	\$ 12,842,570	\$ 13,040,094	\$ 12,735,886	\$ 12,833,697	\$ 13,117,940	\$ 13,464,967	\$ 14,075,895	\$ 13,839,528
Sales Taxes	511,551	722,130	805,743	843,717	985,038	1,016,987	926,173	934,132
Other Taxes	821,487	886,672	1,439,492	1,426,737	1,983,801	1,683,405	1,984,125	1,852,972
Grants and Contributions Not Restricted to Specific Programs	3,678,888	3,707,744	3,081,497	3,538,483	4,140,252	5,150,780	4,198,585	3,959,502
Unrestricted Investment Income	256,942	203,825	276,969	504,488	559,351	484,487	160,454	50,899
Gain (Loss) on Sale of Capital Assets	0	0	0	96,514	0	0	0	0
Miscellaneous	86,743	74,167	49,095	58,769	70,568	43,416	41,240	58,435
Transfers	0	0	(238,366)	39,890	(35,000)	(15,000)	0	(1,801,996)
Total Governmental Activities	\$ 18,198,181	\$ 18,634,632	\$ 18,150,316	\$ 19,342,295	\$ 20,821,950	\$ 21,829,042	\$ 21,386,472	\$ 18,893,472
Business-type Activities:								
Sales Taxes	\$ 49,546	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Unrestricted Investment Income	5,622	3,776	7,034	14,288	36,280	0	4,190	0
Miscellaneous	10,500	0	0	0	0	0	0	0
Transfers	0	0	238,366	(39,890)	35,000	15,000	0	1,801,996
Total Business-type Activities	\$ 65,668	\$ 3,776	\$ 245,400	\$ (25,602)	\$ 71,280	\$ 15,000	\$ 4,190	\$ 1,801,996
Total Primary Government	\$ 18,263,849	\$ 18,638,408	\$ 18,395,716	\$ 19,316,693	\$ 20,893,230	\$ 21,844,042	\$ 21,390,662	\$ 20,695,468
Change in Net Assets								
Governmental Activities	\$ 5,519,323	\$ 4,893,830	\$ 5,307,703	\$ 5,899,754	\$ 5,783,548	\$ 5,442,608	\$ 4,441,842	\$ 283,945
Business-type Activities	(105,803)	184,854	418,699	643,545	(51,852)	77,643	(224,104)	2,924,989
Total Primary Government	\$ 5,413,520	\$ 5,078,184	\$ 5,726,402	\$ 6,543,299	\$ 5,731,696	\$ 5,520,251	\$ 4,217,738	\$ 3,208,934

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

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

(3) This amount for the year 2006 includes:

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

(4) As of December 31, 2009, Anderson County Utility Board merged with Anderson County Water Authority.

(5) The Business-type Activity is now Anderson County Emergency Medical Services.

Table 3

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

Fiscal Year	Property Tax (2)	Local Option Sales Tax	Interstate Communi-cations Tax	Hotel Motel Tax	Local Litigation Tax	Business Tax	Mineral, Coal Gas & Oil Severance Tax	Other Local Tax	Total
2003	\$ 12,842,570	\$ 511,551	\$ 5,841	\$ 128,715	\$ 254,295	\$ 297,608	\$ 129,584	\$ 5,444	\$ 14,175,608
2004	13,040,094	722,130	5,349	129,939	280,883	333,822	132,095	4,584	14,648,896
2005	12,735,886	805,743	5,364	134,738	327,692	756,324 (3)	198,865	16,509	14,981,121
2006	12,833,697	843,717	5,479	139,225	294,356	793,956	189,147	4,574	15,104,151
2007	13,117,940	985,038	5,125	177,196	289,691	1,307,583	181,814	22,392	16,086,779
2008	13,464,967	1,016,987	4,084	180,233	296,065	1,028,801	149,665	24,557	16,165,359
2009	14,075,895	926,173	3,753	168,321	297,034	1,045,622	466,144 (4)	3,251	16,986,193
2010	13,839,528	934,132	5,735	178,023	290,851	1,008,018	350,342	20,003	16,626,632

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

(2) Includes current-year, prior-year, interest and penalty, and in-lieu-of property taxes.

(3) Prior to fiscal year 2005, business tax was distributed based on property tax distribution, which included the

Discretely Presented Anderson County School Department.

(4) This is the first year that Gas and Oil Severance tax was collected and included in this figure.

Table 4

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund:										
Reserved	\$ 121,952	\$ 221,553	\$ 199,846	\$ 296,073	\$ 755,557	\$ 279,141	\$ 324,579	\$ 618,661	\$ 759,326	\$ 1,165,325
Unreserved	1,658,650	2,622,253	4,261,566	4,000,725	4,156,548	5,286,117	7,019,488	7,715,751	4,360,374	3,064,517
Total General Fund	\$ 1,780,602	\$ 2,843,806	\$ 4,461,412	\$ 4,296,798	\$ 4,912,405	\$ 5,565,258	\$ 7,344,067	\$ 8,334,412	\$ 5,119,700	\$ 4,229,842
All Other Governmental Funds:										
Reserved	\$ 29,219	\$ 15,933	\$ 13,215	\$ 385,599	\$ 4,598,932	\$ 7,147,825	\$ 9,729,622	\$ 9,468,991	\$ 8,776,515	\$ 8,855,295
Unreserved, Reported In:										
Special Revenue Funds	1,199,948	1,136,394	1,035,630	1,415,124	1,277,166	2,164,596	1,320,239	1,213,829	1,608,528	1,476,166
Debt Service Funds	1,759,436	1,713,695	1,767,012	1,790,559	2,617,523	2,881,162	3,048,646	3,648,132	4,523,342	4,815,007
Capital Projects Funds	7,082	0	0	0	0	47,960	(190,806)	0	0	194,427
Total Other Governmental Funds	\$ 2,995,685	\$ 2,866,022	\$ 2,815,857	\$ 3,591,282	\$ 8,493,621	\$ 12,191,543	\$ 13,907,701	\$ 14,330,952	\$ 14,908,385	\$ 15,340,895
Total Governmental Funds (1)	\$ 4,776,287	\$ 5,709,828	\$ 7,277,269	\$ 7,888,080	\$ 13,406,026	\$ 17,756,801	\$ 21,251,768	\$ 22,665,364	\$ 20,028,085	\$ 19,570,737

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

Table 5

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues:										
Local Taxes	\$ 14,284,748	\$ 14,670,570	\$ 14,864,570	\$ 15,402,349	\$ 15,973,264	\$ 15,901,248	\$ 17,453,374	\$ 17,758,428	\$ 17,931,124	\$ 18,702,680
Licenses and permits	237,143	260,265	262,113	303,338	312,175	277,564	435,207	334,781	364,232	426,596
Fines, Forfeitures, and Penalties	294,635	325,699	370,148	427,735	464,091	472,529	416,581	504,416	504,416	632,630
Charges for Current Services	4,673,112	5,084,502	5,973,533	5,839,958	6,228,056	6,930,644	4,984,369	5,453,574	5,951,297	810,065
Other Local Revenues	1,260,907	888,826	1,158,942	849,065	963,584	1,369,514	1,747,527	2,069,833	1,620,956	1,349,716
Fees Received from County Officials (1)	0	0	0	0	1,277,573	1,354,986	3,693,734	3,677,288	3,692,048	3,692,571
State of Tennessee	3,143,781	2,983,226	3,551,284	3,483,171	3,438,717	3,401,578	3,686,942	4,035,130	3,869,497	3,840,768
Federal Government	340,757	776,305	409,311	678,092	231,108	1,833,543	642,244	600,570	523,594	557,182
Other Governments and Citizens Groups	122,915	139,165	3,458,424	2,966,178	2,174,828	2,574,130	2,382,651	3,317,542	2,491,489	1,782,115
Total Revenues	\$ 24,357,998	\$ 25,098,558	\$ 30,054,325	\$ 31,227,459	\$ 31,139,038	\$ 34,107,298	\$ 35,498,577	\$ 37,663,827	\$ 37,118,653	\$ 31,774,323
Expenditures:										
General Government	\$ 2,354,285	\$ 2,502,448	\$ 2,706,226	\$ 2,994,719	\$ 3,167,562	\$ 3,459,948	\$ 3,290,754	\$ 3,444,613	\$ 3,478,014	\$ 3,530,085
Finance	2,025,449	2,029,905	2,055,313	2,213,122	2,293,211	2,263,540	2,495,518	2,602,777	2,757,148	2,778,596
Administration of Justice	1,886,328	1,996,125	2,151,193	2,358,261	2,330,126	2,472,047	2,355,187	2,429,489	2,710,219	2,795,870
Public Safety	5,369,399	5,506,290	6,165,119	6,222,472	6,340,657	7,821,651	7,809,510	9,450,720	10,710,833	10,627,568
Public Health and Welfare	4,040,765	4,314,606	4,482,218	5,043,678	5,264,081	5,245,520	5,742,633	6,280,097	7,702,019	2,688,777
Social, Cultural, and Recreational Services	234,603	253,009	263,472	268,495	287,399	298,894	318,068	359,240	538,636	598,734
Agriculture and Natural Resources	140,945	144,980	152,408	167,855	153,674	255,659	257,428	189,683	196,294	197,427
Other Operations	819,433	3,059,257	904,384	939,409	777,750	1,057,494	1,157,513	1,587,847	1,378,998	1,244,342
Highways	2,321,751	2,414,641	2,755,636	2,443,708	2,470,425	3,545,565	3,897,183	3,591,901	3,393,640	3,501,270
Debt Service:										
Principal on Debt	5,424,982	5,800,614	4,494,918	4,756,275	4,060,229	4,097,347	4,215,281	4,195,683	4,316,371	4,405,900
Interest on Debt	1,271,985	833,277	2,456,869	1,640,404	1,534,095	1,714,639	1,700,799	1,480,507	1,006,019	717,066
Other Debt Service	33,816	30,623	153,024	284,776	90,211	252,051	221,390	83,246	76,568	78,513
Capital Projects	0	49,833	105,814	1,228,570	778,751	975,440	3,949,006	650,169	1,534,296	1,570,112
Total Expenditures	\$ 25,923,741	\$ 28,935,608	\$ 28,846,594	\$ 30,561,742	\$ 29,548,171	\$ 33,459,795	\$ 37,410,270	\$ 36,345,972	\$ 39,799,055	\$ 34,734,250
Excess of Revenues Over (Under) Expenditures	\$ (1,565,743)	\$ (3,837,050)	\$ 1,207,731	\$ 665,717	\$ 1,590,867	\$ 647,503	\$ (1,911,693)	\$ 1,317,855	\$ (2,680,402)	\$ (2,959,927)
Other Financing Sources (Uses):										
Notes Issued	\$ 0	\$ 0	\$ 100,000	\$ 8,395,000	\$ 300,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,450,000
Capital Leases Issued	382,189	331,044	196,931	318,291	0	0	0	0	0	0
Refunding Debt Issued	0	13,720,000	12,933,000	0	0	4,580,000	0	0	0	0
Other Loans Issued	0	1,700,000	0	0	3,344,356	3,856,132	5,499,975	81,245	0	0
Proceeds from Sale of Capital Assets	0	0	0	0	0	0	0	0	0	13,115
Premiums on Bonds Sold	0	189,880	0	0	0	0	0	29,496	0	0
Insurance Recovery	0	0	0	0	0	0	0	0	43,123	19,525
Transfers In (1)	4,510,346	5,149,004	2,552,902	1,380,648	1,809,005	1,549,975	2,100,128	1,497,380	1,955,218	1,869,414
Transfers Out (1)	(2,006,968)	(2,588,549)	(2,552,902)	(1,380,648)	(2,109,005)	(1,710,085)	(2,235,128)	(1,512,380)	(1,955,218)	(1,849,475)
Redemption of Refunded Debt	0	(13,732,625)	(12,867,400)	(8,185,474)	0	(4,572,750)	0	0	0	0
Total Other Financing Sources (Uses)	\$ 2,885,567	\$ 4,788,754	\$ 362,531	\$ 527,817	\$ 3,344,356	\$ 3,703,272	\$ 5,406,660	\$ 95,741	\$ 43,123	\$ 2,502,579
Net Change in Fund Balances	\$ 1,319,824	\$ 931,704	\$ 1,570,262	\$ 1,193,534	\$ 4,935,223	\$ 4,350,775	\$ 3,494,967	\$ 1,413,596	\$ (2,637,279)	\$ (457,348)
Debt Service as a Percentage of Noncapital Expenditures	26.0%	23.1%	24.7%	22.8%	19.8%	18.7%	18.3%	16.1%	15.1%	16.4%

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

Table 6

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

Fiscal Year	Property Tax	Local Option Sales Tax	Interstate Communi-cations Tax	Hotel Motel Tax	Local Litigation Tax	Business Tax	Mineral Severance Tax	Coal Severance Tax	Other Local Tax	Total
2001	\$12,176,498	\$ 519,206	\$ 5,099	\$ 126,055	\$ 224,422	\$ 246,945	\$ 121,119	\$ 4,306	\$ 1,999	\$ 13,425,649
2002	12,719,652	504,283	4,728	112,552	237,604	263,745	104,816	4,316	2,220	13,953,916
2003	12,809,222	481,007	5,841	128,715	253,487	297,608	129,584	3,454	1,990	14,110,908
2004	12,984,453	724,201	5,349	129,939	280,883	333,822	132,095	3,341	1,243	14,595,326
2005	12,853,661	796,107	5,292	134,738	327,692	756,324	198,865	15,723	786	15,089,188
2006	12,770,676	828,239	5,473	139,225	294,356	793,956	189,147	3,509	1,065	15,025,646
2007	13,118,321	964,365	5,248	177,196	289,691	1,307,583	181,814	20,092	2,300	16,066,610
2008	13,604,976	1,016,987	4,084	180,233	296,065	1,028,801	149,665	21,827	2,730	16,305,368
2009	13,737,972	942,886	3,852	168,321	297,034	1,045,622	126,280	40,612	2,284	16,364,863
2010	13,920,827	940,492	5,735	178,023	290,851	1,008,018	138,958	68,597	10,571	16,562,072

Table 7

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

Fiscal Year Ended December 31	(1a) Real Property		(1b) Personal Property		(1c) Public Utility Property		Total Appraised Value	Total Assessed Value	Total Direct Tax Rate	Ratio of Total Assessed to Total Appraised Value
	Tax Year	Appraised Value	Assessed Value	Appraised Value	Assessed Value	Appraised Value				
2001	2000	\$ 2,882,067,700	\$ 828,100,855	\$ 318,990,968	\$ 91,055,827	\$ 67,339,249	\$ 3,268,397,917	\$ 956,193,269	3.32	29.26%
2002	2001	2,928,146,700	841,114,335	325,344,114	90,414,968	60,280,307	3,313,771,121	964,683,472	3.32	29.11%
2003	2002	2,974,766,300	853,864,145	317,599,626	88,263,392	59,732,351	3,352,098,277	974,980,330	3.32	29.09%
2004	2003	3,012,353,000	863,322,920	306,978,956	82,335,143	52,690,385	3,372,022,341	974,637,775	3.40	28.90%
2005	(2) 2004	3,050,012,600	872,896,130	312,102,890	83,469,007	53,459,049	3,415,574,539	985,767,614	3.40	28.86%
2006	2005	3,809,604,800	1,077,413,360	324,661,031	97,398,417	74,055,042	4,208,320,873	1,215,542,050	2.82	28.88%
2007	2006	3,904,492,300	1,102,774,960	353,263,679	105,979,217	72,689,618	4,330,445,597	1,248,733,467	2.82	28.84%
2008	2007	4,043,862,400	1,149,011,110	389,371,776	100,002,700	64,086,782	4,497,320,958	1,284,261,540	2.82	28.56%
2009	2008	4,134,408,100	1,177,967,050	389,765,798	100,456,659	65,417,775	4,589,591,673	1,314,403,485	2.82	28.64%
2010	2009	4,203,971,000	1,198,159,565	413,123,786	103,947,656	60,168,982	4,677,263,768	1,335,200,161	2.82	28.55%

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

- (a) Real Property:
 - Residential and Farm at 25 percent of value
 - Commercial and Industrial at 40 percent of value
 - (b) Personal Property at 30 percent of value
 - (c) Railroads at 40 percent of value and other Public Utilities at 55 percent of value
- (2) In fiscal years 1998 and 2005, county-wide reappraisals of real property were conducted by the State of Tennessee, Division of Property Assessment. Also the county-wide reappraisals of real property were completed during tax years 1998 and 2005.

Table 8

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

Fiscal Year	Tax Year	County Direct Rates										Overlapping Rates			
		General Fund	General Purpose School Fund	General Debt Service Fund	Rural Debt Service	Education Debt Service	Total Direct Tax Rate	Total Direct Inside Clinton	Total Direct Inside Oak Ridge	Total Direct Remainder of Anderson County	City of Clinton	City of Oak Ridge	City of Norris	City of Lake City	
2001	2000	\$ 0.97	\$ 1.94	\$ 0.23	\$ 0.01	\$ 0.17	\$ 3.32	\$ 3.31	\$ 3.14	\$ 3.32	\$ 0.89	\$ 2.57	\$ 1.89	\$ 1.15	
2002	2001	0.98	1.91	0.25	0.01	0.17	3.32	3.31	3.14	3.32	0.89	2.94	1.89	1.50	
2003	2002	0.96	1.92	0.26	0.01	0.17	3.32	3.31	3.14	3.32	0.89	2.94	1.89	1.60	
2004	2003	0.96	1.92	0.26	0.01	0.17	3.40	3.31	3.14	3.32	0.89	2.87	1.89	1.60	
2005	2004	0.93	2.06	0.23	0.01	0.17	3.40	3.39	3.22	3.40	0.89	2.87	1.60	1.60	
2006	2005	0.78	1.72	0.19	0.01	0.13	2.82	2.82	2.69	2.83	0.89	2.87	1.60	1.60	
2007	2006	0.78	1.71	0.19	0.01	0.13	2.82	2.81	2.68	2.82	0.73	2.55	1.53	1.60	
2008	2007	0.78	1.71	0.19	0.01	0.13	2.82	2.81	2.68	1.71	0.73	2.65	1.53	1.60	
2009	2008	0.79	1.71	0.18	0.01	0.13	2.82	2.81	2.68	1.71	0.78	2.77	1.98	1.60	
2010	2009	0.79	1.71	0.18	0.01	0.13	2.82	2.81	2.68	1.71	0.76	2.39	1.55	1.60	

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

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

(3) In fiscal year 2005, county-wide reappraisals of real property were conducted by the State of Tennessee, Division of Property Assessment. Also the county-wide reappraisals of real property were completed during tax years 1998 and 2005.

Table 9

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

Taxpayer	2010			2001		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value (2)	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value (3)
Oak Ridge Project LLC	\$ 37,781,663	1	2.94%			
Aisin Automotive (4)	36,357,941	2				
Magna International	12,638,471	3				
Summit Properties	11,891,237	4	0.93%	\$ 11,488,400	4	1.20%
USEC Inc (5)	10,800,546	5				
Richard Chinn	9,998,181	6				
Bell South	9,403,200	7	0.73%	18,430,246	1	1.93%
Food Lion	8,250,314	8	0.64%	6,830,240	6	0.71%
Wal Mart	8,295,349	9				
Methodist Medical Center	7,556,040	10	0.59%	7,415,440	8	0.78%
Boeign, Incorporated	0			12,152,326	3	1.27%
Dico Tire, Incorporated	0		0.00%	6,454,117	7	0.67%
Crown American Corporation	0		0.00%	14,423,360	2	1.51%
Manufacturing Sciences Corp.	0		0.00%	8,587,961	5	0.90%
Oak Ridge Corporate	0		0.00%	4,916,440	9	0.51%
Techmer PM	0		0.00%	4,617,922	10	0.48%
Totals	<u>\$ 152,972,942</u>		<u>5.83%</u>	<u>\$ 95,316,452</u>		<u>9.96%</u>

(1) Taken from the records of the Anderson County Trustee's Office.

(2) Total taxable value including real, personal, and public utility property for tax year 2009 (fiscal year 2010) is \$1,335,200,161.

(3) Total taxable value including real, personal, and public utility property for tax year 2000 (fiscal year 2001) is \$937,004,449.

(4) Total taxable value for Aisin Automotive is \$1,021,657. Aisin does not show up on the tax roll because it is in-lieu-of taxes.

(5) Total taxable value for USEC Inc is \$289,454.63. USEC does not show up on the tax roll because it is in-lieu-of taxes.

Table 10

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

Fiscal Year Ended June 30	Tax Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years (1)	Total Collections to Date		Uncollected Taxes to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy	Amount	Percentage of Levy
2001	2000	\$ 30,929,677	\$ 29,215,549	94.46%	\$ 1,496,073	\$ 30,711,622	99.29%	\$ 218,055	0.71%
2002	2001	31,218,032	29,464,179	94.38%	1,639,269	31,103,448	99.63%	114,584	0.37%
2003	2002	31,553,817	29,547,862	93.64%	1,926,783	31,474,645	99.75%	79,172	0.25%
2004	2003	31,541,534	29,710,989	94.20%	1,803,070	31,514,059	99.91%	27,475	0.09%
2005	2004	32,691,543	31,110,500	95.16%	1,540,463	32,650,963	99.88%	40,580	0.12%
2006	2005	33,550,148	31,908,542	95.11%	1,617,670	33,526,212	99.93%	23,936	0.07%
2007	2006	34,484,834	32,724,486	94.90%	1,741,226	34,465,712	99.94%	19,122	0.06%
2008	2007	34,479,582	33,772,795	97.95%	585,575	34,358,370	99.65%	121,212	0.35%
2009	2008	35,271,646	34,150,225	96.82%	553,575	34,703,800	98.39%	567,846	1.61%
2010	2009	35,939,486	34,723,573	96.62%	0	34,723,573	96.62%	1,215,913	3.38%

(1) Collections in subsequent years include amounts collected by the Trustee's Office after June 30 of each year and amounts collected by the Clerk and Master in Chancery Court.

Table 11

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

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income (2)	Per Capita (2)
	General Obligation Bonds (1)	Capital Outlay Notes	Capital Leases	Water and Sewer Bonds (1)	Capital Outlay Notes				
2001	\$ 48,224,484	\$ 2,344,714	\$ 549,084	\$ 1,149,037	\$ 267,750	\$ 52,535,069	2.70%	\$ 735	
2002	47,013,414	1,766,904	593,996	1,106,868	220,541	50,701,723	2.60%	708	
2003	43,494,290	1,388,094	486,943	1,175,271	159,400	46,703,998	2.39%	650	
2004	40,603,340	899,284	148,719	1,253,963	102,119	43,007,425	2.19%	595	
2005	40,383,107	835,474	16,889	1,250,367	42,800	42,528,637	1.98%	589	
2006	40,487,589	521,666	0	1,177,475	10,000	42,196,730	1.96%	582	
2007	41,958,949	335,000	0	1,102,755	0	43,396,704	1.98%	590	
2008	37,899,511	280,000	0	1,022,723	0	39,202,234	1.77%	527	
2009	33,638,140	225,000	0	0	0	33,863,140	1.50%	453	
2010	31,727,241	180,000	0	0	0	31,907,241	1.48%	426	

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

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

Table 12

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

<u>Fiscal Year</u>	<u>Estimated Population</u>	<u>Assessed Property Value</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Funds</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
2001	71,457	\$ 956,193,269	\$ 48,224,484	\$ 1,759,436	\$ 46,465,048	4.86%	\$ 650
2002	71,627	964,683,472	47,013,414	1,713,695	45,299,719	4.70%	632
2003	71,904	974,980,330	43,494,290	1,767,011	41,727,279	4.28%	580
2004	72,244	974,637,775	40,603,340	2,373,282	38,230,058	3.92%	529
2005	72,244	985,767,614	40,383,107	2,637,523	37,745,584	3.83%	522
2006	72,469	1,215,542,050	40,487,589	2,877,398	37,610,191	3.09%	519
2007	73,579	1,248,733,467	41,958,949	3,048,646	38,910,303	3.12%	529
2008	74,446	1,284,261,540	37,899,511	3,648,132	34,251,379	2.67%	460
2009	74,738	1,314,403,485	33,638,140	4,523,342	29,114,798	2.22%	390
2010	74,849	1,335,200,161	31,727,241	4,815,007	26,912,234	2.02%	360

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

Table 13
Anderson County, Tennessee
Direct and Overlapping Governmental Activities Debt
As of June 30, 2010

Direct General Bonded Debt and Loans Payable:	
Anderson County	\$ 31,727,241 (1)
Less: Amount Available in Debt Service Funds	(4,815,007)
Total Direct General Bonded Debt and Loans Payable - Net	\$ 26,912,234
Overlapping General Bonded Debt:	
City of Oak Ridge	\$ 106,972,655 (2)
City of Clinton	4,694,638 (2)
Town of Lake City	544,509 (2)
Total Overlapping General Bonded Debt	\$ 112,211,802
Total Direct General Bonded Debt and Loans Payable and Overlapping General Bonded Debt	\$ 139,124,036

Method used to calculate overlapping debt:

Information on the county's bonded debt and loans payable is taken from Exhibit K-1 under the Miscellaneous Schedules section of this audit.

The amounts available in the unreserved fund balances of the debt service funds on Exhibit C-1 under the Basic Financial Statements is removed from the total bonded debt.

The overlapping General Bonded Debt is obtained from each individual city in Anderson County. These totals are then added to the county's direct general bonded debt and loans payable - net to obtain Total Direct General Bonded Debt and Loans Payable and overlapping General Bonded Debt.

Footnotes:

- (1) Includes long-term loans payable financed by PBA loan agreements.
- (2) Includes general bonded debt only.

Table 14
Anderson County, Tennessee
Computation of Legal Debt Margin
June 30, 2010

Not Applicable to Anderson County, Tennessee

NOTE:

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

Table 15

Anderson County, Tennessee
Pledged Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Total Revenues (1)	Less Operating Expenses (2)	Net Available Revenue	Debt Service Requirements (3)		Coverage	
				Bonds (4)	Notes		
2001	\$ 1,686,833	\$ 1,129,308	\$ 557,525	\$ 143,253	\$ 87,734	\$ 230,987	2.41
2002	1,655,320	1,180,701	474,619	106,212	53,284	159,496	2.98
2003	1,735,747	1,348,129	387,618	101,947	74,964	176,911	2.19
2004	1,723,155	1,456,902	266,253	126,310	60,418	186,728	1.43
2005	1,825,171	1,566,766	258,405	132,010	61,841	193,851	1.33
2006	1,981,323	1,714,328	266,995	137,233	34,122	171,355	1.56
2007	2,350,570	1,858,103	492,467	130,277	10,382	140,659	3.50
2008	2,444,516	1,819,125	625,391	131,294	0	131,294	4.76
2009 (5)	0	0	0	0	0	0	0.00
2010	0	0	0	0	0	0	0.00

This table only includes the Water and Revenue Bonds of the Public Utility Fund (Enterprise Fund).

- Notes: (1) Includes operating revenues and nonoperating revenues and excludes capital grants and contributions from developers.
(2) Does not include depreciation expense.
(3) Includes principal and interest amounts.
(4) Includes other loans payable.
(5) On December 31, 2008, Anderson County Utility Board (ACUB) merged with Anderson County Water Authority Board. All debt requirements transferred with ACUB.

Table 16

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

Fiscal Year	Population (1)	Personal Income (amounts expressed in thousands) (1)	Per Capita Personal Income (1)	Median Age (1)	School Attendance (2)	Unemployment Rate (3)
2001	71,457	\$ 1,943,202	\$ 27,194	39.9	8,645	4.1%
2002	71,627	1,947,825	27,194	39.9	8,627	4.0%
2003	71,904	1,955,357	27,194	39.9	8,510	4.4%
2004	72,244	1,964,603	27,194	39.9	8,486	5.1%
2005	72,244	2,151,426	29,780	39.2	8,431	5.8%
2006	72,469	2,158,127	29,780	40.7	8,336	5.3%
2007	73,579	2,191,183	29,780	41.4	8,528	3.6%
2008	74,446	2,217,002	29,780	41.4	8,694	5.4%
2009	74,738	2,258,433	30,218	41.4	8,541	10.8%
2010	74,849	2,154,154	28,780	39.2	8,117	9.4%

Data Sources:

(1) U.S. Census Bureau and East Tennessee Development District.

(2) Anderson County Schools.

(3) Tennessee Department of Labor and Workforce Development.

Table 17

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

Employer	2010			2001		
	Employees	Rank	Percentage of County Work Force	Employees	Rank	Percentage of County Work Force
BWXT - Y12 (1)	4,600	1	12.84%			
UT Battelle (1)	4,200	2	11.73%	4,500	1	(3)
Anderson County Government	1,739	3	4.85%	1,084	5	(3)
Methodist Medical Center	1,350	4	3.77%	1,300	4	(3)
Bechtel Jacobs Co., LLC	1,337	5	3.73%	1,916	3	(3)
SAIC	1,100	6	3.07%	1,000	6	(3)
Wackenhut-Oak Ridge Team	902	7	2.52%			
Oak Ridge Associated Universities	850	8	2.37%			
SiTel	500	9	1.40%			
City of Oak Ridge	464	10	1.30%	425	10	(3)
Carlisle Tire & Wheel Co. (2)	-		-	545	9	(3)
Lockheed Martin Energy System, Inc (1)	-		-	4,150	2	(3)
Boeing Engineering, Inc.	-		-	900	7	(3)
Eagle Bend Manufacturing	-		-	700	8	(3)
BNFL, Inc.	-		-			
Duratek Resource Recovery	-		-			
Total	<u>17,042</u>		<u>47.58%</u>	<u>16,520</u>		

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

(1) In 1997 Lockheed Martin Energy System, Inc., was the Department of Energy contract manager for the Y-12 and X-10 sites in Oak Ridge. In 2006 those sites were managed by BWXT-Y12 and UT Battelle.

(2) Carlisle Tire & Wheel Co. was previously named Dico Tire.

(3) Due to unavailability of total county work force, percentage is not calculated.

Table 18

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

Function	Full-Time Equivalent Employees as of June 30									
	2003	2004	2005	2006	2007	2008	2009	2010		
General Government	37.0	38.5	39.7	43.7	42.3	42.0	40.0	39.0		
Finance	48.8	50.7	49.0	48.3	50.3	45.4	48.0	47.0		
Administration of Justice	50.8	52.9	51.7	54.1	43.7	47.6	46.0	46.0		
Public safety	103.0	112.9	111.5	121.0	131.8	147.6	159.0	167.0		
Public Health and Welfare	90.6	92.8	90.5	92.8	93.8	105.1	87.0	75.0		
Social, Cultural, and Recreational Services	1.5	11.3	11.3	12.8	13.7	12.8	8.0	6.0		
Agriculture and Natural Resources	2.6	2.7	2.5	2.7	3.0	3.0	3.0	3.0		
Other Operations	3.7	4.3	3.3	4.5	6.1	6.1	6.0	4.0		
Solid Waste	3.0	3.0	3.0	3.0	2.4	3.0	3.0	3.0		
Highways	38.2	36.8	33.2	33.1	33.0	33.8	34.0	30.0		
Water and Sewer (2)	15.8	15.9	14.8	16.4	18.2	21.3	0.0	0.0		
TOTAL	<u>395.0</u>	<u>421.8</u>	<u>410.5</u>	<u>432.4</u>	<u>438.3</u>	<u>467.7</u>	<u>434.0</u>	<u>420.0</u>		

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

(2) On December 31, 2008, Anderson County Utility Board (ACUB) merged with Anderson County Water Authority, therefore, ACUB employees will not be reflected on this report subsequent to 2008.

Table 19

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

Function:	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Register of Deeds	15,100	16,500	18,500	18,000	15,500	17,000	16,100	14,708	14,042	12,793
Documents Filed										
Chancery Court										
Cases Filed	1,808	1,705	1,566	1,670	1,565	1,704	1,655	2,121	2,396	2,215
Case Dispositions	1,749	1,997	1,394	1,448	1,390	2,117	1,564	1,704	2,146	1,889
General Sessions Court I										
Civil Cases Filed	1,011	1,146	1,354	1,522	1,320	1,439	1,679	2,087	2,185	2,138
Criminal Cases Files	5,897	6,081	7,839	8,641	8,710	6,246	7,478	7,887	7,671	7,825
General Sessions Court II										
Civil Cases Filed	492	477	382	419	429	420	560	519	700	615
Criminal Cases Files	4,496	4,778	5,497	6,201	5,702	5,423	5,182	4,584	5,442	5,104
Circuit Court										
Cases Filed	659	649	761	839	757	858	750	713	638	606
Case Dispositions	532	544	599	NA	772	785	926	880	741	664
Criminal Court										
Cases Filed	1,184	983	964	1,025	922	934	911	1,729	1,640	2,441
Case Dispositions	1,279	941	815	835	974	980	617	519	1,411	1,691
Sheriff's Department										
Physical arrests	608	527	793	910	768	803	2,363	2,717	3,157	2,779
Traffic violations	703	906	2,071	1,997	1,042	576	274	406	702	674
Back-Up units required	2,580	3,844	4,566	6,283	5,856	5,974	5,974	7,985	9,836	9,357
Emergency Dispatch										
Calls for Service										
Sheriff	15,707	15,703	22,777	25,661	25,205	12,602	24,795	28,645	34,016	36,115
Ambulance	14,701	16,142	17,166	19,327	20,953	10,476	22,446	22,101	25,440	29,373
Fire & Rescue Calls	NA	NA	NA	NA	NA	2,135	5,121	4,152	4,992	4,490
Ambulance Service										
Transports (1)	9,836	8,719	11,868	13,043	14,760	15,843	15,797	17,875	20,505	15,319
Highway Department										
Road resurfacing (miles)	16	24	28	14	32	36	28	17	14	14
Water										
New connections	101	97	105	88	100	100	125	209	(2)	(2)
Gallons produced and purchased	469,674	482,189	474,336	455,233	485,515	483,672	439,240	476,752	(2)	(2)
Gallons sold	343,786	360,934	353,989	334,293	338,187	338,670	360,308	376,930	(2)	(2)
Wastewater										
Average daily sewage treatment (thousands of gallons)	61	63	64	65	67	69	78	80	(2)	(2)

Sources: Various government departments.

NA Information not available.

(1) These numbers only represent actual transports of patients. They do not represent any calls that had no transports or a stand-by. Fiscal years 2008 and 2009 include all responses.

(2) These numbers are not available at June 30, 2009, due to the merger of Anderson County Water Authority and Anderson County Utility Board on December 31, 2008.

Table 20

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

Function	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
General Government								
Buildings	5	5	5	5	5	5	5	5
Vehicles	5	6	6	5	5	6	6	8
Administration of Justice								
Vehicles	1	1	1	1	1	1	1	1
Public Safety								
Buildings	2	2	2	2	3	4	4	4
Vehicles	79	77	81	71	77	91	110	115
Haz-mat Vehicle	0	0	0	1	1	1	1	1
Public Health and Welfare								
Buildings	2	2	2	2	2	2	3	3
Ambulances	10	14	16	18	16	19	21	19
Vehicles	2	3	3	4	4	5	9	7
Social, Cultural, and Recreational								
Buildings	1	1	1	1	1	1	1	1
Parks	8	8	8	7	7	7	7	7
Highway								
Buildings	1	1	1	1	1	1	1	1
Bridges	65	65	65	65	65	66	66	67
Roads (miles)	500	501	534	535	535	536	538	504
Water								
Water Mains (miles)	440	450	460	465	475	480	(2)	(2)
Fire Hydrants	145	160	180	188	205	220	(2)	(2)
Sewer								
Sanitary Sewers (miles)	43	43	43	50	57	57	(2)	(2)

Sources: Various government departments.

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

(2) These assets were transferred to Anderson County Water Authority during the merger with Anderson County Utility Board on December 31, 2008.

SINGLE AUDIT SECTION



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
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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

December 3, 2010

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

To the County Mayor and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Anderson County, Tennessee, as of and for the year ended June 30, 2010, which collectively comprise Anderson County's basic financial statements and have issued our report thereon dated December 3, 2010. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Anderson County Emergency Communications District as described in our report on Anderson County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified a deficiency in internal control over financial reporting that we consider to be a material weakness.

A deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a material weakness: 10.01.

Compliance and Other Matters

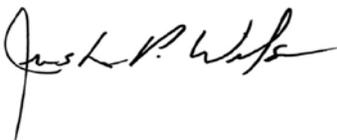
As part of obtaining reasonable assurance about whether Anderson County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards and are described in the accompanying Schedule of Findings and Questioned Costs as items 10.02 and 10.03.

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

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

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

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury

JPW/sb



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

December 3, 2010

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

To the County Mayor and Board of County Commissioners:

Compliance

We have audited the compliance of Anderson County with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2010. Anderson County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Anderson County's management. Our responsibility is to express an opinion on Anderson County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Anderson County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We

believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Anderson County's compliance with those requirements.

In our opinion, Anderson County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

The management of Anderson County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Anderson County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Anderson County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

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

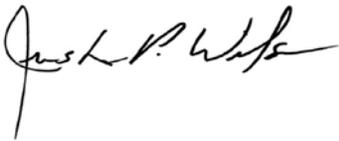
Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Anderson County as of and for the year ended June 30, 2010, and have issued our report thereon dated December 3, 2010. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise Anderson County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

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

Yours very truly,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a long vertical stroke extending downwards from the end.

Justin P. Wilson
Comptroller of the Treasury

JPW/sb

Anderson County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants - (I)
For the Year Ended June 30, 2010

Federal/Pass-through Agency/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	\$ 164,029 (3)
Passed-through State Department of Education:			
ARRA - Child Nutrition Discretionary Grants, Limited Availability	10.579	N/A	3,550
Fresh Fruit and Vegetable Program	10.582	N/A	30,411
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	439,015
National School Lunch Program	10.555	N/A	1,298,165 (3)
Summer Food Service Program for Children	10.559	N/A	7,446
Passed-through State Department of Human Services:			
Child and Adult Care Food Program	10.558	(2)	172,370
Total U.S. Department of Agriculture			\$ 2,114,986
U.S. Department of Justice:			
Direct Program:			
State Criminal Alien Assistance Program	16.606	N/A	\$ 7,201
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	Z-08-023278-00	783
Passed-through Tennessee Bureau of Investigation:			
Edward Byrne Memorial State and Local Law			
Enforcement Assistance Discretionary Grants Program	16.580	(2)	62,264
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2009-DJ-BX-0749	11,467
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG)			
Program/Grants to State and Territories	16.803	(2)	50,000
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG)			
Program/Grants to Units of Local Government	16.804	2009-SB-B9-2869	47,801
Total U.S. Department of Justice			\$ 179,516
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
State and Community Highway Safety	20.600	N/A	\$ 59,356
Total U.S. Department of Transportation			\$ 59,356
U.S. Environmental Protection Agency:			
Direct Program:			
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	N/A	16,541
Total U.S. Environmental Protection Agency			\$ 16,541
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	N/A	\$ 79,075
Passed-through State Department of Education:			
Title I Cluster:			
Title I Grants to Local Educational Agencies	84.010	N/A	1,549,228
Title I Grants to Local Educational Agencies, Recovery Act	84.389	N/A	347,998
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,575,909
Special Education - Preschool Grants	84.173	N/A	66,951
Special Education - Grants to States, Recovery Act	84.391	N/A	645,058
Special Education - Preschool Grants, Recovery Act	84.392	N/A	1,210
Career and Technical Education - Basic Grants to States	84.048	N/A	136,415
Safe and Drug-free Schools and Communities - State Grants	84.186	N/A	26,713
State Grants for Innovative Programs	84.298	N/A	4,088
Education Technology State Grants	84.318	N/A	6,379
Education Technology State Grants, Recovery Act	84.386	N/A	32,550
Improving Teacher Quality State Grants	84.367	N/A	409,700
State Fiscal Stabilization Funds Cluster:			
State Fiscal Stabilization Funds (SFSF) - Education State Grants, Recovery Act	84.394	N/A	1,270,600
State Fiscal Stabilization Funds (SFSF) - Government Services, Recovery Act	84.397	N/A	333,946
Passed-through State Department of Human Services:			
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	N/A	40,438
Total U.S. Department of Education			\$ 6,526,258

(Continued)

Anderson County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants - (I) (Cont.)

Federal/Pass-through Agency/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Health and Human Services:			
Direct Program:			
Head Start Cluster:			
Head Start	93.600	N/A	\$ 2,734,966
ARRA - Regular Head Start	93.708	N/A	108,933
ARRA - Early Head Start	93.709	N/A	<u>47,054</u>
Total U.S. Department of Health and Human Services			<u>\$ 2,890,953</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Homeland Security Cluster:			
Emergency Management Performance Grants	97.042	(2)	\$ 27,641
Homeland Security Grant Program	97.067	GG-08-24121-00	65,772 (4)
Homeland Security Grant Program	97.067	(2)	<u>12,378 (4)</u>
Total U.S. Department of Homeland Security			<u>\$ 105,791</u>
Total Expenditures of Federal Awards			<u>\$ 11,893,401</u>

<u>State Grants</u>		<u>Contract Number</u>	
Reappraisal Program - Comptroller of the Treasury	N/A	(2)	\$ 9,028
Juvenile Services Program - State Children's Services Commission	N/A	(2)	9,882
Litter Program - State Department of Transportation	N/A	(2)	41,108
Waste Tire Grant - State Department of Environment and Conservation	N/A	(2)	67,971
Law Enforcement Training Program	N/A	(2)	34,200
Drug Court Grant - State Department of Finance and Administration	N/A	(2)	59,338
Health and Welfare Grants - State Department of Health	N/A	(2)	395,068
Adult Basic Education - State Department of Education	N/A	(2)	22,963
Drivers Education - State Department of Education	N/A	(2)	13,695
Early Childhood Education - Pilot - State Department of Education	N/A	(2)	<u>611,892</u>
Total State Grants			<u>\$ 1,265,145</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 \$1,462,194.
- (4) Total for CFDA No. 97.067 is \$78,150.

Anderson County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2010

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. There are no findings from the Comprehensive Annual Financial Report for Anderson County, Tennessee, for the year ended June 30, 2009, which have not been corrected.

ANDERSON COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2010

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Anderson County is unqualified.
2. The audit of the financial statements of Anderson County disclosed a significant deficiency in internal control. That condition was considered to be a material weakness.
3. The audit disclosed one instance of noncompliance that is material to the financial statements of Anderson County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program, National School Lunch Program, and Summer Food Service Program for Children (CFDA Nos. 10.553, 10.555, and 10.559); the Title I Cluster: Title I Grants to Local Educational Agencies and Title I Grants to Local Educational Agencies, Recovery Act (CFDA Nos. 84.010 and 84.389); the Special Education Cluster: Special Education – Grants to States, Special Education – Preschool Grants, Special Education – Grants to States, Recovery Act, and Special Education – Preschool Grants, Recovery Act (CFDA Nos. 84.027, 84.173, 84.391, and 84.392); the Improving Teacher Quality State Grants (CFDA No. 84.367); the State Fiscal Stabilization Cluster: State Fiscal Stabilization Fund – Education State Grants, Recovery Act and State Fiscal Stabilization Fund – Government Services, Recovery Act (CFDA Nos. 84.394 and 84.397); and the Head Start Cluster: Head Start, ARRA – Regular Head Start, ARRA – Early Head Start (CFDA Nos. 93.600, 93.708, and 93.709) were determined to be major programs.
8. A \$356,802 threshold was used to distinguish between Type A and Type B federal programs.
9. Anderson County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICES OF DIRECTOR OF ACCOUNTS AND BUDGETS AND DIRECTOR OF SCHOOLS

FINDING 10.01 **A FUND DEFICIT OF \$1,267,609 EXISTED IN THE GENERAL PURPOSE SCHOOL FUND AT JUNE 30, 2010**
(Internal Control – Material Weakness Under Government Auditing Standards)

The General Purpose School Fund had a deficit in unreserved fund balance of \$1,267,609 at June 30, 2010. This deficit resulted from actual revenues for the year being materially below budget estimates while expenditures were not held within those lower available funding levels. The Local Taxes major category of revenues was \$1,101,996 below budget estimates and total revenues were \$2,633,195 below estimates. Sound business practices dictate that budgets be monitored and operations adjusted to hold expenditures within available funding.

RECOMMENDATION

Management should liquidate the deficit in unreserved fund balance and should closely monitor and hold operations of the General Purpose School Fund within available funding to ensure that the deficit does not recur.

OFFICES OF COUNTY MAYOR AND DIRECTOR OF ACCOUNTS AND BUDGETS

FINDING 10.02 **A REVENUE ANTICIPATION NOTE WAS NOT RETIRED IN COMPLIANCE WITH STATE STATUTES**
(Material Noncompliance Under Government Auditing Standards)

During the period under examination, the Self-Insurance Fund borrowed \$550,000 from the General Fund in the form of a revenue anticipation note to provide cash for the payment of health insurance claims. Of this amount, only \$250,000 was paid back during the fiscal year. Therefore, \$300,000 of this note was not retired by June 30, 2010, due to the lack of available funds. Section 9-21-801, Tennessee Code Annotated, provides that revenue anticipation notes shall mature not later than the close of the fiscal year issued. This note has been reflected in the financial statements of this report as a Due from Other Funds in the General Fund and as a Due to Other Funds in the Self-Insurance Fund.

RECOMMENDATION

Management should ensure that all revenue anticipation notes are retired prior to the end of the fiscal year issued as required by state statute.

MANAGEMENT'S RESPONSE – COUNTY MAYOR AND DIRECTOR OF ACCOUNTS AND BUDGETS

In March 2010, the General Fund loaned \$550,000 to the Self-Insurance Fund due to extremely large claims. It was the intention of this office to have that loan retired by June 30, 2010, as state statute prescribes. Due to slow stop-loss recovery payments we expected from our stop-loss carrier and continued higher than anticipated claims, the Self-Insurance Fund was unable to repay \$300,000 of the borrowed amount by June 30, 2010. It is the goal of our Self-Insurance Fund to never require funding from the legislative body. As of today's date, the amount outstanding to the General Fund is \$150,000, and we expect that to be fully repaid by January 30, 2011. We understand that to avoid this issue in the future, claims will have to decrease, premiums must increase, or the legislative body must be willing to provide funding without expectations of recovery from the Self Insurance Fund.

OFFICE OF COUNTY CLERK

FINDING 10.03 **A CASH SHORTAGE OF \$1,209.87 EXISTED IN THE COUNTY CLERK'S OFFICE AT JUNE 30, 2010** (Noncompliance Under Government Auditing Standards)

A cash shortage of \$4,104.26 was reported in the prior-year annual financial report, resulting from documents that had not been entered into the accounting records. A review of the deposit slips for those days revealed that nine checks related to the unrecorded documents had been included in the items deposited, and cash from other unrelated documents had been removed from the deposits to reconcile with the amount of work reflected on each date. This \$4,104.26 cash shortage was collected by the county clerk from a former employee's family on November 24, 2009.

During the billing cycle for current year's business tax collections, the county clerk discovered an additional four checks totaling \$1,209.87 that had been channeled through the office without being accounted for on the official records. The following table details these four receipts that had not been accounted for properly:

<u>Date</u>	<u>Description</u>	<u>Amount</u>
8-1-09	M & M Treasures	\$ 22.00
11-25-08	Tower Services, Inc.	149.75
8-25-09	Vogue Beauty Shop	432.08
4-27-09	New Harvest Buffet, Inc.	<u>606.04</u>
Total		<u>\$ 1,209.87</u>

The county clerk has notified the county attorney and the district attorney general of this additional cash shortage. The county's bonding company has been notified that the county plans to file a claim.

RECOMMENDATION

County officials should continue their effort to collect the cash shortage discussed above.

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

There were no findings and questioned costs for federal awards.

**ANDERSON COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2010**

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