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



**FOR THE YEAR ENDED JUNE 30, 2010**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**BEDFORD COUNTY, TENNESSEE**  
**FOR THE YEAR ENDED JUNE 30, 2010**

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

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

*JAMES R. ARNETTE*  
*Director*

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

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

*SHERRIE GILL, CFE*  
*PATTY VARGO, CFE*  
*JACOB KENNEDY*  
*State Auditors*

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

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

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***Audit Highlights***  
Comprehensive Annual Financial Report  
Bedford County, Tennessee  
For the Year Ended June 30, 2010

***Scope***

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

***Results***

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

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

***Findings***

The following are summaries of the audit findings:

**OFFICE OF COUNTY MAYOR**

- ◆ The Ambulance Service had deficiencies in computer system backup procedures.
- ◆ The receipting software used by the Office of Zoning and Building Inspections did not have adequate application controls.

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**OFFICES OF SUPERINTENDENT OF SCHOOLS AND FINANCE DIRECTOR**

- ◆ The School Department had purchasing deficiencies.
- ◆ The School Department did not account for all American Recovery and Reinvestment Grants separately from other county funds.

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**OFFICE OF SHERIFF**

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

## **OTHER FINDING**

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

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## INTRODUCTORY SECTION

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## **BEDFORD COUNTY, TENNESSEE**

### **Letter of Transmittal**

November 15, 2010

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

The Comprehensive Annual Financial Report of Bedford County, Tennessee, for the year ended June 30, 2010, is hereby submitted as required by state statutes. These statutes require that all local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by the State of Tennessee's Comptroller of the Treasury, Division of County Audit, or by independent public accountants within six months of the close of each fiscal year. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Bedford County, Tennessee. This report was prepared by the county's Finance Department in conjunction with the above state agency.

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

The goal of the independent audit was to provide reasonable assurance that the financial statements of Bedford County, Tennessee, for the fiscal year ended June 30, 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 financial statements of Bedford County, Tennessee, have been audited by the State of Tennessee's Comptroller of the Treasury, Division of County Audit. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion on the financial statements of Bedford County, Tennessee, for the fiscal year ended June 30, 2010, that are fairly presented in accordance with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

## **Profile of the Government**

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

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

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

Bedford County provides a full range of essential services, including police and fire protection; solid waste disposal; emergency medical services; emergency management planning; and construction and maintenance of highways, streets, and other infrastructure. Bedford County also is financially responsible for a legally separate school district, which is reported separately within its financial statements. Additional information on this legally separate entity along with the county’s other discretely presented component units can be found in Note I.A. in the notes to the financial statements.

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

Transfers between departments require the approval of the Bedford County Commission. Budget-to-actual comparisons are provided in this report for each governmental fund for which an appropriated budget has been adopted. For the General Fund, this comparison is presented as required supplementary information. For other governmental funds with appropriated annual budgets, this comparison is presented in the combining and individual fund subsection of this report. Please see the Table of Contents for specific page numbers.

## **Local Economy**

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

As of September 2010, Bedford County had an estimated labor force of 22,260 with 19,720 employed resulting in an 11.4 percent unemployment rate. Bedford County's unemployment rate is slightly above the state average of 9.6 percent.

There are many significant factors that will undoubtedly contribute to the continued growth of our economy. One factor is that Bedford County is within a day's drive of 75 percent of the nation's markets and only minutes from three major interstates.

SMW Automotive and Gold River Feed Products are opening new plants in Shelbyville and creating 204 new jobs. There are plans to build a recharging hub for electric cars in Shelbyville. Also, site plans have been approved for a Waffle House and Microtel Hotel.

According to the 2000 federal census, Bedford County had a population of 37,586. This is an increase of more than 19 percent since the 1990 census. Bedford County's current population is estimated at 44,696.

## **Long-term Financial Planning**

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

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

## **Relevant Financial Policies**

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

## **Major Initiatives**

Bedford County has currently completed the first phase of a major education capital project. The first phase included an addition to Shelbyville Central High School, a new elementary school (Learning Way), and a new Community High School. The Community High School

was originally planned to be a middle school in the ten-year master growth plan presented by the Bedford County Board of Education.

### **Awards and Acknowledgments**

Bedford County adopted the County Financial Management System of 1981 in November 2006. This local option law created a county financial management office. In April 2007, the county hired a certified public accountant as its first director of finance. Through great efforts by the director of finance and his staff, the county prepared financial statements in accordance with GAAP and received its first unqualified financial statement audit in at least 20 years.

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the county for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2009. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

To be awarded a Certificate of Achievement, the county had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Sincerely,

A handwritten signature in black ink that reads "Robert Daniel". The signature is written in a cursive, flowing style.

Robert Daniel, CPA, CGFM  
Director of Finance

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Bedford County  
Tennessee**

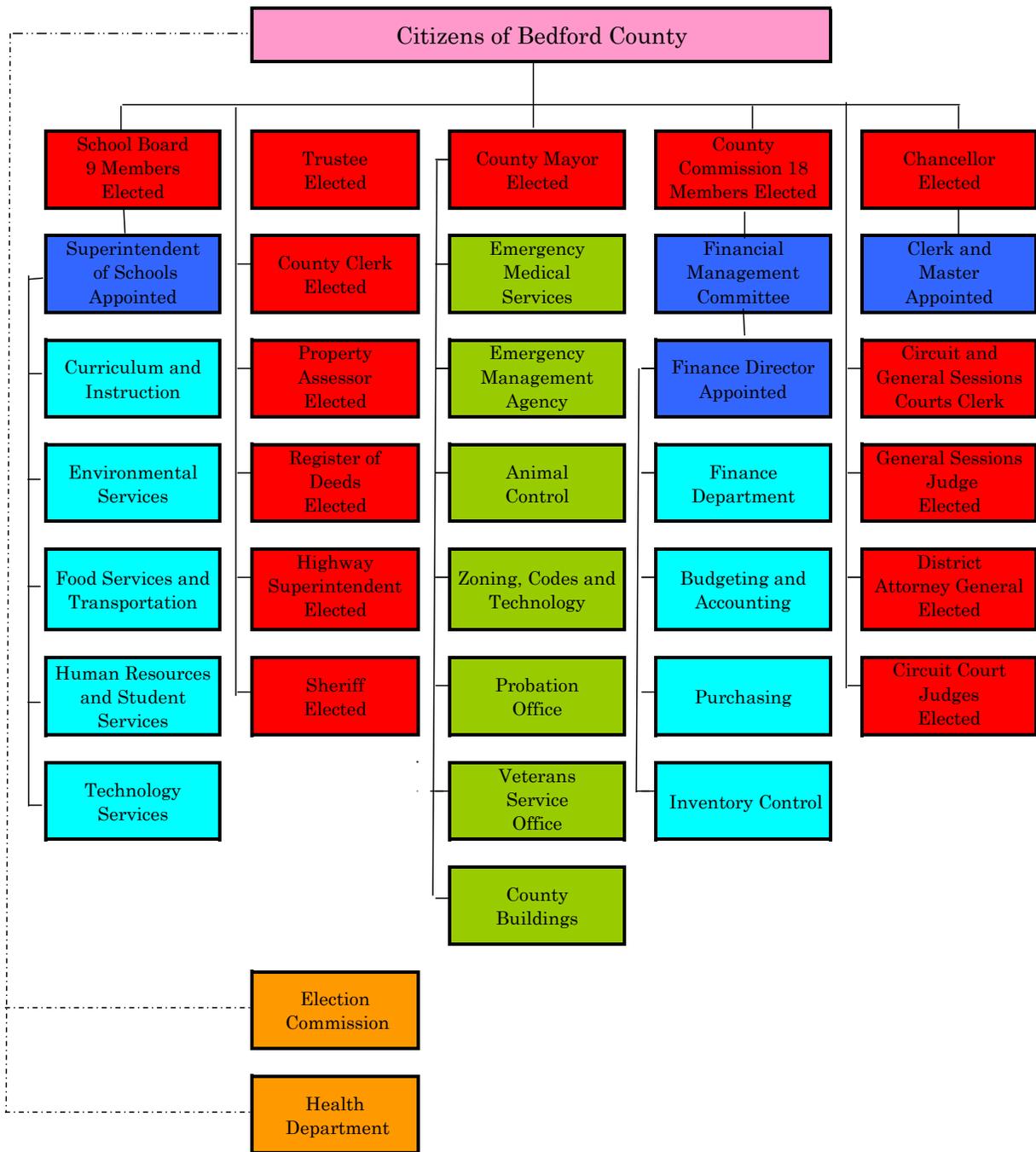
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2009

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



Note(s):

- - - - - : Denotes State appointment

# Bedford County Officials

## June 30, 2010

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### **Officials**

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

### **Board of County Commissioners**

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

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

### **Financial Management Committee**

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

Janice Brothers  
Bobby Vannatta  
J.D. Wilson

### **Audit Committee**

Joe Tillet, Jr., Chairman  
Virgil Johnson  
Sheila Roark

Bailey Little  
Bob Garner

(Continued)

## Bedford County Officials (Cont.)

### **Board of Education**

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

Andrea Anderson  
Chad Graham  
Leonard Singleton  
Glen Forsee

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

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

Jean Harrison  
Harry Layne  
Eugene Ray  
William Lewis

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## **FINANCIAL SECTION**

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

**INDEPENDENT AUDITOR'S REPORT**

November 15, 2010

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

To the County Mayor and County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bedford County, Tennessee, as of and for the year ended June 30, 2010, which collectively comprise Bedford County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Bedford County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Bedford County Nursing Home, which comprises the entire business-type activities and is also a major enterprise fund of the primary government. Also, we did not audit the financial statements of the discretely presented Emergency Communications District of Bedford County, which represent 1.1 percent of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Bedford County Nursing Home and the Emergency Communications District of Bedford County is based on the reports of the other auditors.

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

amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bedford County, Tennessee, as of June 30, 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 November 15, 2010, on our consideration of Bedford County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

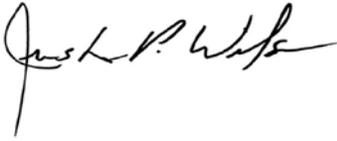
As described in Note V.C., Bedford County has adopted the provisions of Governmental Accounting Standards Board Statement No. 51, Accounting and Financial Reporting for Intangible Assets; and Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, which became effective for the year ended June 30, 2010.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 23 through 34 and budgetary comparison, pension, and other postemployment benefits information on pages 98 through 104 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 Bedford County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Bedford County School

Department and the Bedford County Solid Waste Authority (discretely presented component units), miscellaneous schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Bedford County School Department and the Bedford County Solid Waste Authority (discretely presented component units), and miscellaneous schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied 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 written in a cursive style with a large initial "J" and "W".

Justin P. Wilson  
Comptroller of the Treasury

JPW/sb

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

As management for Bedford County, Tennessee, we offer readers of the financial statements for Bedford County, Tennessee, this narrative overview and analysis of the financial activities of the Bedford County government for the year ended June 30, 2010. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

**Financial Highlights**

- The liabilities of Bedford County government exceeded its assets at the close of the most recent fiscal year by \$26,553,165 (net assets). Of this amount, \$69,318,522 is debt that is attributable to the Bedford County Board of Education.
- From yearly activity, the government's total net assets increased by \$4,743,256.
- As of the close of the current fiscal year, the governmental funds of Bedford County reported combined ending fund balances of \$17,974,908, an increase of \$1,196,933 in comparison with the prior year. The majority of this increase can be attributed to decreases in debt payments, and an increase in medical and food costs. Most of this total amount, \$17,465,434 is available for spending at the government's discretion (unreserved fund balance).
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$11,194,313, or 68.5 percent of total General Fund expenditures.
- The total debt of Bedford County decreased by \$4,792,242 or 5.8 percent during the current fiscal year.

**Overview of the Financial Statements**

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

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the finances of Bedford County in a manner similar to a private-sector business. The government-wide financial statements consist of two statements: the Statement of Net Assets and the Statement of Activities.

The Statement of Net Assets presents information on all of the assets and liabilities for Bedford County with the differences between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Bedford County is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of Bedford County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Bedford County include general government; finance; administration of justice; public safety; public health and welfare; social, cultural, and recreational services; agriculture and natural resources; other operations; highways/public works; and education. The business-type activity of the county consists of a nursing home.

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

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

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

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

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

Bedford County maintains 11 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General and General Debt Service funds, all of which are considered to be major funds. Data from the other nine governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

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

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

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

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

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

## **Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Bedford County, liabilities exceeded assets by \$26,553,165

at the close of the fiscal year. The Constitution for the State of Tennessee only allows the local legislative body authorization to issue debt. Therefore, whenever the Bedford County Board of Education requires additional money to fund school construction and equipment, the related debt must be issued by the Bedford County government. As of June 30, 2010, Bedford County had outstanding debt totaling \$69,318,522 for capital purposes of the Bedford County Board of Education, but the capital assets are reported in the financial statements of the Bedford County Board of Education. Bedford County has incurred the related liability significantly decreasing its unrestricted net assets without a corresponding increase in the county's capital assets.

**BEDFORD COUNTY'S Net Assets**

	Governmental		Business-type		Total	
	Activities		Activities			
	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10
Current and Other Assets	\$ 29,614,956	\$ 30,477,932	\$ 1,022,213	\$ 190,679	\$ 30,637,169	\$ 30,668,611
Capital Assets	30,256,679	29,667,675	1,170,287	1,047,850	31,426,966	30,715,525
Total Assets	\$ 59,871,635	\$ 60,145,607	\$ 2,192,500	\$ 1,238,529	\$ 62,064,135	\$ 61,384,136
Long-term Liabilities	\$ 82,854,008	\$ 78,235,271	\$ 0	\$ 0	\$ 82,854,008	\$ 78,235,271
Other Liabilities	10,042,630	9,673,608	377,916	28,422	10,420,546	9,702,030
Total Liabilities	\$ 92,896,638	\$ 87,908,879	\$ 377,916	\$ 28,422	\$ 93,274,554	\$ 87,937,301
Net Assets:						
Invested in Capital Assets,						
Net of Related Debt	\$ 21,868,974	\$ 21,777,268	\$ 0	\$ 0	\$ 21,868,974	\$ 21,777,268
Invested in Capital Assets	0	0	1,170,287	1,047,850	1,170,287	1,047,850
Restricted	7,127,016	7,604,590	0	0	7,127,016	7,604,590
Unrestricted	(62,020,993)	(57,145,130)	644,297	162,257	(61,376,696)	(56,982,873)
Total Net Assets	\$ (33,025,003)	\$ (27,763,272)	\$ 1,814,584	\$ 1,210,107	\$ (31,210,419)	\$ (26,553,165)

By far, the largest portion of Bedford County's net assets totaling \$22,825,118 reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. Bedford County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Bedford County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the net assets of Bedford County totaling \$7,604,590 represents resources that are subject to external restrictions on how they may be used. Any balance remaining may be used to meet the government's ongoing obligations to citizens and creditors.

## Bedford County's Changes in Net Assets

**Governmental activities.** Governmental activities increased Bedford County government's net assets by \$5,347,733. Key elements of this increase are as follows:

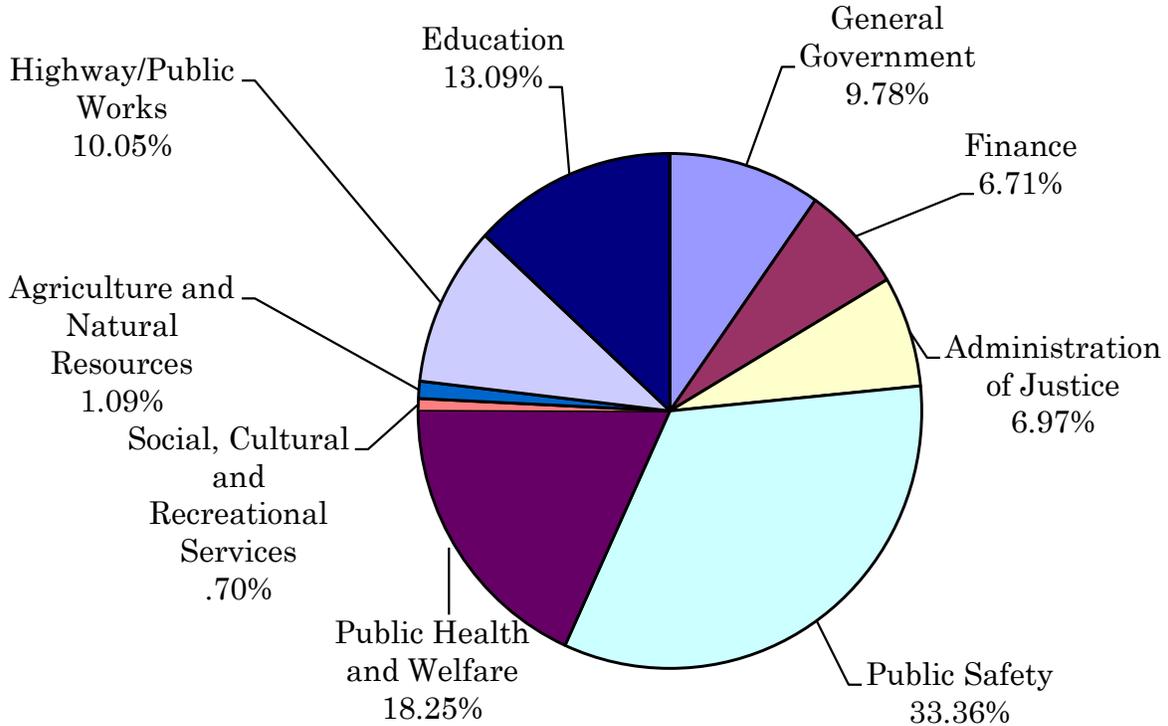
### BEDFORD COUNTY'S Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10
Revenues:						
Program Revenues:						
Charges for Services	\$ 5,997,802	\$ 6,801,259	\$ 7,112,743	\$ 517,163	\$ 13,110,545	\$ 7,318,422
Operating Grants and Contributions	3,598,823	3,838,749	0	0	3,598,823	3,838,749
Capital Grants and Contributions	670,265	191,388	0	0	670,265	191,388
General Revenues:						
Property Taxes	9,799,026	9,790,424	0	0	9,799,026	9,790,424
Local Option Sales Taxes	4,814,308	4,809,429	0	0	4,814,308	4,809,429
Other Taxes	1,126,519	1,372,638	0	0	1,126,519	1,372,638
Grants and Contributions Not						
Restricted to Specific Programs	698,500	830,886	0	0	698,500	830,886
Unrestricted Investment Earnings	713,713	375,462	0	60	713,713	375,522
Miscellaneous	190,650	534,805	59	449	190,709	535,254
Total Revenues	\$ 27,609,606	\$ 28,545,040	\$ 7,112,802	\$ 517,672	\$ 34,722,408	\$ 29,062,712
Expenses:						
General Government	\$ 1,744,838	\$ 2,267,967	\$ 0	\$ 0	\$ 1,744,838	\$ 2,267,967
Finance	1,587,046	1,557,134	0	0	1,587,046	1,557,134
Administration of Justice	1,614,768	1,615,942	0	0	1,614,768	1,615,942
Public Safety	7,305,080	7,739,326	0	0	7,305,080	7,739,326
Public Health and Welfare	5,276,550	4,233,405	0	0	5,276,550	4,233,405
Social, Cultural, and Recreational Services	156,662	163,391	0	0	156,662	163,391
Agriculture and Natural Resources	212,999	251,793	0	0	212,999	251,793
Other Operations	92,789	0	0	0	92,789	0
Highway/Public Works	1,195,559	2,331,309	0	0	1,195,559	2,331,309
Education(Payment to CU)	4,700,000	3,037,040	0	0	4,700,000	3,037,040
Interest on Long-term Debt	3,400,659	0	0	0	3,400,659	0
Other Debt Service	156,002	0	0	0	156,002	0
Nursing Home	0	0	7,025,043	1,122,149	7,025,043	1,122,149
Total Expenses	\$ 27,442,952	\$ 23,197,307	\$ 7,025,043	\$ 1,122,149	\$ 34,467,995	\$ 24,319,456
Increase (Decrease) in Net Assets	\$ 166,654	\$ 5,347,733	\$ 87,759	(604,477)	\$ 254,413	\$ 4,743,256
Prior-period Adjustment	0	(86,002)	0	0	0	(86,002)
Net Assets, July 1	(33,191,657)	(33,025,003)	1,726,825	1,814,584	(31,464,832)	(31,210,419)
Net Assets, June 30	\$ (33,025,003)	\$ (27,763,272)	\$ 1,814,584	\$ 1,210,107	\$ (31,210,419)	\$ (26,553,165)

## Governmental Program Expenses

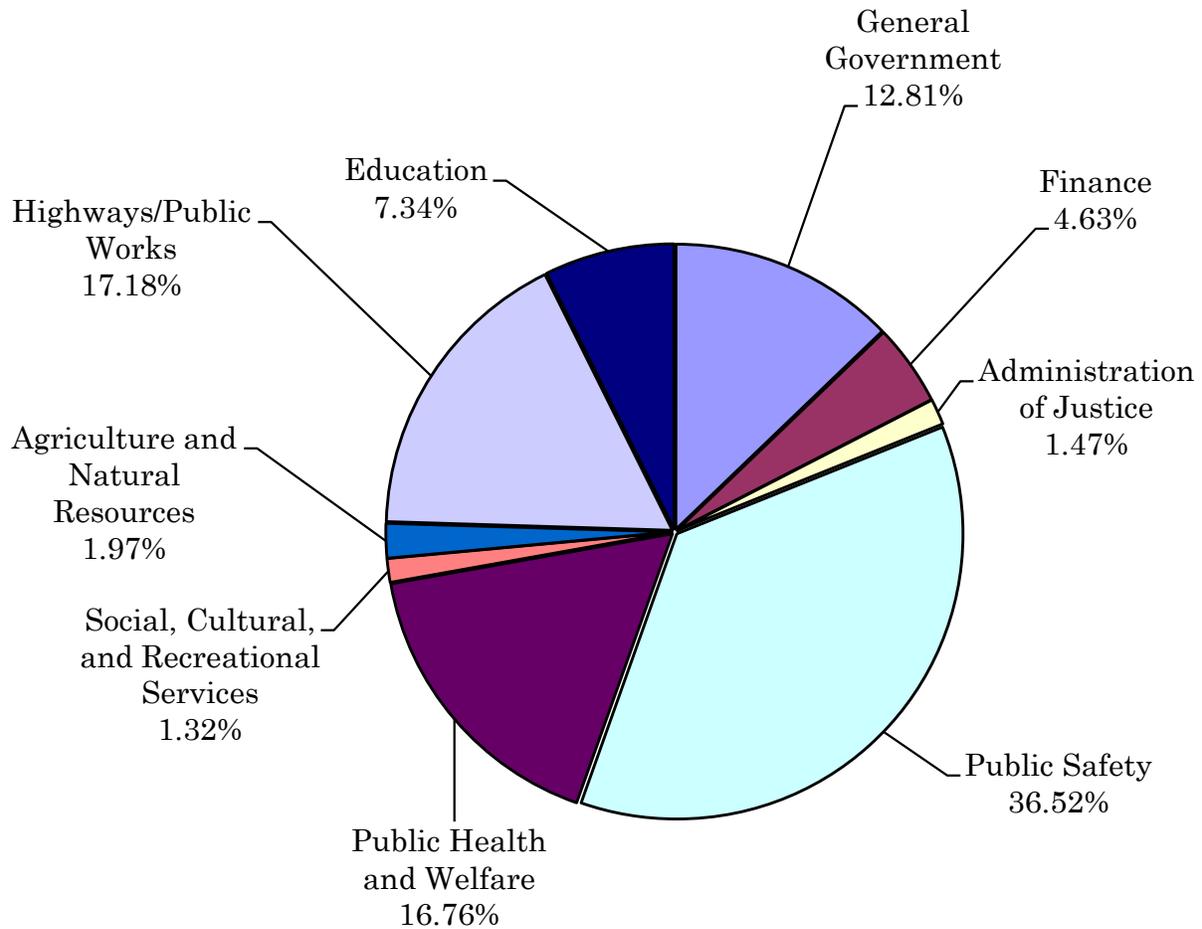
Public Safety expenses of \$7,739,326 are the largest expenses of Bedford County, the primary government, consisting of 33.36 percent of total expenses. Of these amounts, \$1,964,264 was recovered from charges for services and \$1,190,047 from operating grants and contributions. For additional details, see illustrations below.

### Expenses by Governmental Activity



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

## Net Cost by Governmental Activity



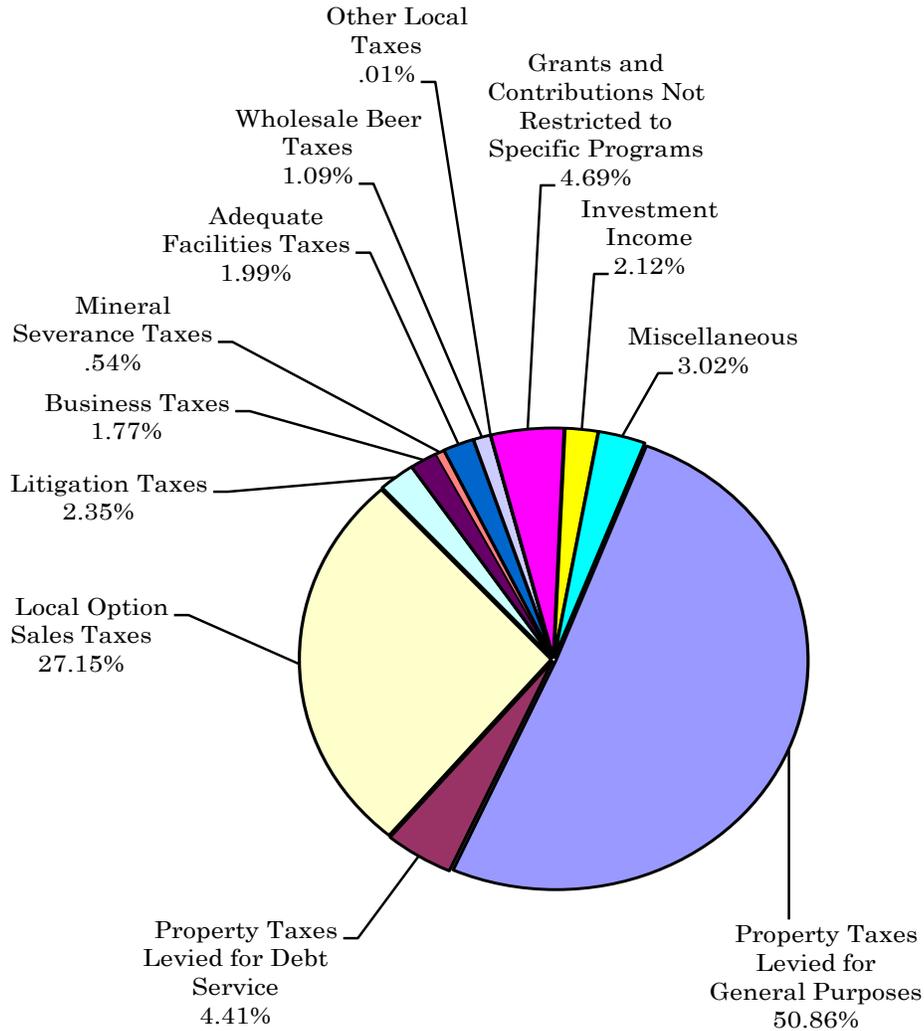
**Revenues** on the government-wide Statement of Activities are broken into two major categories: program and general revenues.

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

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

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

## General Revenues



## Financial Analysis of the Government's Funds

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

**Governmental funds.** The focus of Bedford County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Bedford County government's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Bedford County's governmental funds reported combined ending fund balances of \$17,974,908, an increase of \$1,196,933, in comparison with the prior year. Most of this total amount of \$17,465,434 constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of

fund balance is reserved to indicate that it is not available for new spending because it has already been committed (1) to liquidate contracts and purchase orders of the prior period (\$89,130) or (2) for a variety of other restricted purposes totaling \$420,344.

The General Fund is the chief operating fund of Bedford County government. At the end of the current fiscal year, unreserved fund balance was \$11,194,313, while total fund balance reached \$11,688,258. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 68.5 percent of total General Fund expenditures, while total fund balance represents 71.6 percent of that same amount. The General Fund's balance increased by \$7,415,129 during the current fiscal year. The original budget for the General Fund reflected an anticipated decrease in undesignated fund balance of \$1,739,901.

The General Debt Service Fund has a total fund balance of \$4,745,230. The decrease in fund balance during the current year in the General Debt Service Fund totaled \$218,364. This decrease was primarily from decreased investment income.

### General Fund Budgetary Highlights

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

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

	2009	2010
General Government	\$ 118,378	\$ 79,292
Finance	41,448	5,704
Administration of Justice	13,303	492
Public Safety	249,186	831,692
Public Health and Welfare	896,136	1,061,517
Social, Cultural, and Recreational Services	0	6,729
Agriculture and Natural Resources	0	50,449
Other Operations	108,733	116,354
Capital Projects	0	150,500
Total	<u>\$ 1,427,184</u>	<u>\$ 2,302,729</u>

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

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

	2009	2010
General Government	\$ 148,272	\$ 212,920
Finance	126,667	159,309
Administration of Justice	130,178	123,684
Public Safety	510,453	721,052
Public Health and Welfare	406,454	315,960
Agriculture and Natural Resources	34,750	36,639
Other Operations	36,744	44,338
Capital Projects	0	132,482
<b>Total</b>	<b>\$ 1,393,518</b>	<b>\$ 1,746,384</b>

At the close of the fiscal year, actual expenditures and encumbrances were \$1,746,384 less than budgetary estimates. Most of the unspent appropriation is in the personnel and benefit line items. The county typically budgets all positions as being filled for the entire year. Because of turnovers, appropriations are normally left unspent in those cost categories. Since Public Safety and Public Health and Welfare have most of the full-time employment, these functions typically will have more unspent appropriations than the other functions.

**Capital Assets and Debt Administration**

**Capital assets.** Bedford County's investment in capital assets for its governmental funds as of June 30, 2010, totals \$29,667,675, (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, other capital assets (includes equipment), and infrastructure (roads, highways, and bridges). The decrease in the governmental funds investment in capital assets for the current fiscal year totaled \$589,004, which represents a 1.9 percent decrease over the prior year.

	Governmental		Business-type		Total	
	Activities		Activities			
	2009	2010	2009	2010	2009	2010
Land	\$ 1,075,718	\$ 1,075,718	\$ 150,149	\$ 150,149	\$ 1,225,867	\$ 1,225,867
Buildings and Improvements	8,064,658	7,768,954	576,309	532,259	8,640,967	8,301,213
Other Capital Assets	2,741,914	2,433,170	443,829	365,442	3,185,743	2,798,612
Infrastructure	18,374,389	18,389,833	0	0	18,374,389	18,389,833
<b>Total</b>	<b>\$ 30,256,679</b>	<b>\$ 29,667,675</b>	<b>\$ 1,170,287</b>	<b>\$ 1,047,850</b>	<b>\$ 31,426,966</b>	<b>\$ 30,715,525</b>

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

**Long-term debt.** At the end of the current fiscal year, Bedford County government had total bonded debt outstanding of \$68,385,000. All debt is backed by the full faith and credit of the government.

**Bedford County, Tennessee**  
**Outstanding Debt**  
As of June 30, 2010

	Governmental Activities	
	2009	2010
General Obligation Bonds	\$ 71,390,000	\$ 68,385,000
Notes Payable	6,505,405	5,153,163
Other Debt Payable	4,194,000	3,759,000
Total	\$ 82,089,405	\$ 77,297,163

Bedford County’s total debt decreased by \$4,792,242 (5.8 percent) during the current fiscal year.

Currently, state statutes do not limit the amount of general obligation debt a government entity may issue. On April 16, 2010, Bedford County’s bond rating from Moody’s Investor Services was upgraded two steps from A2 to Aa3.

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

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

Bedford County adopted a budget for the fiscal year ending June 30, 2011, on June 29, 2010. Many factors were considered when adopting this budget, including an increased unemployment rate, a slowdown in the housing market, which affects several revenue items including excess fees from the register of deeds, development tax, building related permit fees, and a decrease in local option sales tax collections.

At the end of the 2009-10 fiscal year, unreserved fund balance in the General Fund increased to \$11,194,313. Bedford County has appropriated \$1,975,704 of this amount for spending in the 2010-11 fiscal year. Unreserved fund balance in the General Fund as of June 30, 2010, is estimated to be 68.5 percent of appropriations.

Unreserved fund balance in the General Debt Service Fund also increased to \$4,745,230. Of this amount, \$1,082,270 has been appropriated for spending in the 2010-2011 fiscal year. Unreserved fund balance in the General Debt Service Fund as of June 30, 2010, is estimated to be 55 percent of budgeted debt service expenditures.

<b>Fund</b>	<b>2009 Rate</b>	<b>Change</b>	<b>2010 Rate</b>
General	\$ 1.11	\$ 0.00	\$ 1.11
Highway/Public Works	0.04	0.00	0.04
General Purpose School	1.02	0.00	1.02
General Debt Service	0.10	0.00	0.10
Total County Property Tax	<u>\$ 2.27</u>	<u>\$ 0.00</u>	<u>\$ 2.27</u>

### **Request for Information**

This financial report is designed to provide a general overview of the Bedford County government's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Bedford County Director of Finance, 200 Dover Street, Shelbyville, TN 37160.

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# BASIC FINANCIAL STATEMENTS

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Exhibit A

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

	Primary Government			Component Units						
	Governmental Activities		Business-type Activities	Total	Bedford County		Bedford County		Emergency Communications District	
					Department	Solid Waste Authority	County	County	District	
	\$	255	\$	300,757	\$	6,756	\$	76,622	\$	305,714
Cash		16,631,017		16,631,017		12,008,543		0		0
Equity in Pooled Cash and Investments		0		0		176,789		0		0
Inventories		2,170,467		41,672		80,631		6,462		92,320
Accounts Receivable		(879,681)		(879,681)		0		0		0
Allowance for Uncollectibles		1,752,614		1,752,614		1,878,149		0		0
Due from Other Governments		197,841		(197,841)		0		0		0
Internal Balances		32,141		32,141		0		0		0
Due from Component Units		10,270,536		10,270,536		8,380,757		0		0
Property Taxes Receivable		(528,387)		(528,387)		(431,164)		0		0
Allowance for Uncollectible Property Taxes		11,217		11,217		0		0		10,725
Prepaid Items		0		8,924		0		0		0
Third-party Payor Settlements		819,912		819,912		0		0		0
Deferred Charges - Debt Issuance Costs		0		37,422		0		0		100
Restricted Assets										
Capital Assets:										
Assets Not Depreciated:										
Land		1,075,718		150,149		2,785,691		10,200		0
Assets Net of Accumulated Depreciation:										
Buildings and Improvements		7,768,954		532,259		95,133,086		182,044		217,521
Other Capital Assets		2,433,170		365,442		3,896,516		455,102		737,176
Infrastructure		18,389,833		0		0		0		0
Total Assets	\$	60,145,607	\$	1,238,529	\$	123,915,754	\$	730,430	\$	1,363,556

(Continued)

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

Exhibit A

	Primary Government		Total	Component Units			
	Governmental Activities	Business-type Activities		Bedford			
				Bedford County School Department	County Solid Waste Authority	Emergency Communications District	
\$	72,620	19,863	92,483	972,871	0	0	7,712
	0	0	0	44	0	0	0
	222,271	0	222,271	0	0	0	0
	9,396	0	9,396	707,370	668	82	32,141
	0	0	0	0	0	0	0
	424	8,559	8,983	0	0	0	0
	9,368,897	0	9,368,897	7,645,019	0	0	0
	5,525,577	0	5,525,577	0	13,426	110,448	
	72,709,694	0	72,709,694	318,761	1,687	148,608	
	87,908,879	28,422	87,937,301	9,644,065	15,781	298,991	

LIABILITIES

Accounts Payable	
Accrued Payroll	
Accrued Interest Payable	
Payroll Deductions Payable	
Due to Primary Government	
Due to State of Tennessee	
Unearned Revenues - Current Property Taxes	
Noncurrent Liabilities:	
Due Within One Year	
Due in More Than One Year (net of deferred premium on debt)	
Total Liabilities	

(Continued)

Exhibit A

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

	Primary Government		Component Units			
	Governmental Activities	Business-type Activities	Total	Bedford County		Emergency
				School Department	Solid Waste Authority	Communications District
	\$	\$	\$	\$	\$	\$
Invested in Capital Assets, Net of Related Debt	21,777,268	0	21,777,268	0	0	695,640
Invested in Capital Assets	0	1,047,850	1,047,850	101,815,293	647,346	0
Restricted for:						
Debt Service	5,242,654	0	5,242,654	0	0	0
Central Cafeteria	0	0	0	1,555,060	0	0
Highway	1,023,976	0	1,023,976	0	0	0
Capital Projects	450,000	0	450,000	0	0	0
Nursing Home Projects	403,935	0	403,935	0	0	0
Courtroom Security	175,903	0	175,903	0	0	0
Jail, Workhouse, and Courthouse	138,996	0	138,996	0	0	0
Extended School Program	0	0	0	121,472	0	0
Alcohol and Drug Treatment	49,480	0	49,480	0	0	0
Special Education	0	0	0	40,454	0	0
Courthouse and Jail Maintenance	38,369	0	38,369	0	0	0
Drug Control	32,866	0	32,866	0	0	0
Agriculture Center	30,815	0	30,815	0	0	0
Title I, Part A	0	0	0	25,720	0	0
Register Computer Systems	8,486	0	8,486	0	0	0
County Clerk Automation	7,252	0	7,252	0	0	0
Other Purposes	1,858	0	1,858	23,206	0	0
Unrestricted	(57,145,130)	162,257	(56,982,873)	10,690,484	67,303	368,925
Total Net Assets (Deficit)	\$ (27,763,272)	\$ 1,210,107	\$ (26,553,165)	\$ 114,271,689	\$ 714,649	\$ 1,064,565

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

Exhibit B

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

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets									
	Program Revenues					Component Units				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total	Bedford County		Bedford County		Emergency Communications District
						School Department	Authority	Solid Waste	Authority	
Primary Government:										
Governmental Activities:										
General Government	\$ 2,267,967	\$ 667,081	\$ 16,630	\$ 0	\$ (1,584,256)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Finance	1,557,134	974,475	10,546	0	(572,113)	0	0	0	0	0
Administration of Justice	1,615,942	1,424,996	9,000	0	(181,946)	0	0	0	0	0
Public Safety	7,739,326	1,964,264	1,190,047	69,092	(4,515,923)	0	0	0	0	0
Public Health and Welfare	4,233,405	1,749,721	410,609	0	(2,073,075)	0	0	0	0	0
Social, Cultural, and Recreational Services	163,391	0	0	0	(163,391)	0	0	0	0	0
Agriculture and Natural Resources	251,793	8,550	0	0	(243,243)	0	0	0	0	0
Highways/Public Works	2,331,309	12,172	72,147	122,296	(2,124,694)	0	0	0	0	0
Education	3,037,040	0	2,129,770	0	(907,270)	0	0	0	0	0
<b>Total Governmental Activities</b>	<b>\$ 23,197,307</b>	<b>\$ 6,801,259</b>	<b>\$ 3,838,749</b>	<b>\$ 191,388</b>	<b>\$ (12,365,911)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
Business-type Activities:										
Nursing Home	\$ 1,122,149	\$ 517,163	\$ 0	\$ 0	\$ (604,986)	\$ (604,986)	\$ 0	\$ 0	\$ 0	\$ 0
<b>Total Business-type Activities</b>	<b>\$ 1,122,149</b>	<b>\$ 517,163</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (604,986)</b>	<b>\$ (604,986)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Total Primary Government</b>	<b>\$ 24,319,456</b>	<b>\$ 7,318,422</b>	<b>\$ 3,838,749</b>	<b>\$ 191,388</b>	<b>\$ (12,365,911)</b>	<b>\$ (604,986)</b>	<b>\$ (12,970,897)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
Component Units:										
Bedford County School Department	\$ 58,395,797	\$ 1,636,002	\$ 6,511,375	\$ 890,377	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Bedford County Solid Waste Authority	965,490	0	947,218	0	0	0	0	(18,272)	0	0
Emergency Communications District	555,350	598,576	0	0	0	0	0	0	43,226	0
<b>Total Component Units</b>	<b>\$ 59,916,637</b>	<b>\$ 2,234,578</b>	<b>\$ 7,458,593</b>	<b>\$ 890,377</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (18,272)</b>	<b>\$ 43,226</b>	<b>\$ 0</b>

(Continued)

Exhibit B

Bedford County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets																				
	Expenses	Program Revenues				Total	Component Units														
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities		Bedford County			Emergency Communications District											
							Primary Government Activities	School Department	Solid Waste Authority												
General Revenues:																					
Taxes:																					
Property Taxes Levied for General Purposes					\$ 9,008,579	\$ 0	\$ 9,008,579	\$ 7,988,153	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0								
Property Taxes Levied for Debt Service					781,845	0	781,845	0	0	0	0	0	0								
Local Option Sales Taxes					4,809,429	0	4,809,429	1,771,641	0	0	0	0	0								
Adequate Facilities Tax					352,928	0	352,928	0	0	0	0	0	0								
Business Tax					313,324	0	313,324	0	0	0	0	0	0								
Wholesale Beer Tax					193,502	0	193,502	0	0	0	0	0	0								
Litigation Tax - General					171,415	0	171,415	0	0	0	0	0	0								
Litigation Tax - Jail, Workhouse, or Courthouse					142,008	0	142,008	0	0	0	0	0	0								
Litigation Tax - Courtroom Security					102,192	0	102,192	0	0	0	0	0	0								
Mineral Severance Tax					94,807	0	94,807	0	0	0	0	0	0								
Other Local Taxes					2,462	0	2,462	3,134	0	0	0	0	0								
Grants and Contributions Not Restricted to Specific Programs					830,886	0	830,886	36,891,817	0	0	0	0	0								22,000
Unrestricted Investment Earnings					375,462	60	375,522	3,440	0	0	0	0	0								590
Miscellaneous					389,407	449	389,856	120,554	0	0	0	0	0								664
Insurance Recovery					135,398	0	135,398	0	0	0	0	0	0								0
Total General Revenues					\$ 17,713,644	\$ 509	\$ 17,714,153	\$ 46,778,739	\$ 0	\$ 0	\$ 0	\$ 23,254									
Change in Net Assets					\$ 5,347,733	\$ (604,477)	\$ 4,743,256	\$ (2,579,304)	\$ (18,272)	\$ 66,480											
Prior-period Adjustment					(86,002)	0	(86,002)	132,525	0	0											
Net Assets (Deficit), July 1, 2009					(33,025,003)	1,814,584	(31,210,419)	116,718,468	732,921	998,085											
Net Assets (Deficit), June 30, 2010					\$ (27,763,272)	\$ 1,210,107	\$ (26,553,165)	\$ 114,271,689	\$ 714,649	\$ 1,064,565											

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

Exhibit C-1

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

	Major Funds		Nonmajor	Total	
	General	General	Other		Govern- mental Funds
		Debt Service	Govern- mental Funds		
<u>ASSETS</u>					
Cash	\$ 255	\$ 0	\$ 0	\$ 255	
Equity in Pooled Cash and Investments	10,900,487	4,333,435	1,397,095	16,631,017	
Accounts Receivable	1,862,736	303,010	4,721	2,170,467	
Allowance for Uncollectibles	(870,707)	(8,974)	0	(879,681)	
Due from Other Governments	614,964	749,966	387,684	1,752,614	
Due from Other Funds	0	0	243,004	243,004	
Due from Component Units	32,141	0	0	32,141	
Property Taxes Receivable	9,110,001	831,878	328,657	10,270,536	
Allowance for Uncollectible Property Taxes	(464,945)	(46,534)	(16,908)	(528,387)	
Prepaid Items	0	11,217	0	11,217	
Total Assets	\$ 21,184,932	\$ 6,173,998	\$ 2,344,253	\$ 29,703,183	
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 29,316	\$ 0	\$ 43,304	\$ 72,620	
Payroll Deductions Payable	867	0	8,529	9,396	
Due to State of Tennessee	0	0	424	424	
Due to Other Funds	45,163	0	0	45,163	
Deferred Revenue - Current Property Taxes	8,319,580	749,512	299,805	9,368,897	
Deferred Revenue - Delinquent Property Taxes	310,315	34,163	11,388	355,866	
Other Deferred Revenues	791,433	645,093	439,383	1,875,909	
Total Liabilities	\$ 9,496,674	\$ 1,428,768	\$ 802,833	\$ 11,728,275	
<u>Fund Balances</u>					
Reserved for Encumbrances	\$ 73,601	\$ 0	\$ 15,529	\$ 89,130	
Reserved for Alcohol and Drug Treatment	49,480	0	0	49,480	
Reserved for Litigation Tax - Jail, Workhouse, or Courthouse	138,996	0	0	138,996	
Reserved for Courtroom Security	175,903	0	0	175,903	
Reserved for Courthouse and Jail Maintenance	38,369	0	0	38,369	
Reserved for Computer System - Register	8,486	0	0	8,486	
Reserved for Automation Purposes - Sheriff	1,858	0	0	1,858	
Reserved for Automation Purposes - County Clerk	7,252	0	0	7,252	
Unreserved, Reported In:					
General Fund	11,194,313	0	0	11,194,313	
Special Revenue Funds	0	0	914,960	914,960	
Debt Service Funds	0	4,745,230	0	4,745,230	
Capital Projects Funds	0	0	610,931	610,931	
Total Fund Balances	\$ 11,688,258	\$ 4,745,230	\$ 1,541,420	\$ 17,974,908	
Total Liabilities and Fund Balances	\$ 21,184,932	\$ 6,173,998	\$ 2,344,253	\$ 29,703,183	

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

Exhibit C-2

Bedford County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds to  
the Statement of Net Assets  
June 30, 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)		\$ 17,974,908
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,075,718	
Add: buildings and improvements net of accumulated depreciation	7,768,954	
Add: other capital assets net of accumulated depreciation	2,433,170	
Add: infrastructure net of accumulated depreciation	<u>18,389,833</u>	29,667,675
(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	\$ (5,153,163)	
Less: other loans payable	(3,759,000)	
Less: bonds payable	(68,385,000)	
Add: deferred amount on refunding	40,439	
Add: deferred charges - debt issuance costs	819,912	
Less: compensated absences payable	(291,318)	
Less: other postemployment benefits liability	(202,769)	
Less: accrued interest on bonds and notes	(222,271)	
Less: other deferred revenue - premium on debt	<u>(484,460)</u>	(77,637,630)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>2,231,775</u>
Net assets (deficit) of governmental activities (Exhibit A)		<u>\$ (27,763,272)</u>

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

Exhibit C-3

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

	Major Funds		Nonmajor	Total Governmental Funds
	General	Debt Service	Other	
			Govern- mental Funds	
<b>Revenues</b>				
Local Taxes	\$ 9,875,980	\$ 5,642,739	\$ 579,201	\$ 16,097,920
Licenses and Permits	108,911	0	0	108,911
Fines, Forfeitures, and Penalties	331,095	0	45,085	376,180
Charges for Current Services	2,180,864	0	13,763	2,194,627
Other Local Revenues	323,347	246,253	682,868	1,252,468
Fees Received from County Officials	1,824,044	0	0	1,824,044
State of Tennessee	1,985,562	31,532	1,968,457	3,985,551
Federal Government	278,997	0	40,000	318,997
Other Governments and Citizens Groups	17,388	2,129,770	7,769	2,154,927
<b>Total Revenues</b>	<b>\$ 16,926,188</b>	<b>\$ 8,050,294</b>	<b>\$ 3,337,143</b>	<b>\$ 28,313,625</b>
<b>Expenditures</b>				
Current:				
General Government	\$ 1,085,169	\$ 0	\$ 0	\$ 1,085,169
Finance	1,541,368	0	470	1,541,838
Administration of Justice	1,620,290	0	593	1,620,883
Public Safety	7,357,657	0	36,336	7,393,993
Public Health and Welfare	3,541,722	0	474,830	4,016,552
Social, Cultural, and Recreational Services	163,391	0	0	163,391
Agriculture and Natural Resources	219,981	0	19,501	239,482
Other Operations	766,716	0	15,316	782,032
Highways	0	0	2,188,517	2,188,517
Debt Service:				
Principal on Debt	0	5,242,242	0	5,242,242
Interest on Debt	0	3,295,358	0	3,295,358
Other Debt Service	0	94,615	0	94,615
Capital Projects	38,018	0	0	38,018
<b>Total Expenditures</b>	<b>\$ 16,334,312</b>	<b>\$ 8,632,215</b>	<b>\$ 2,735,563</b>	<b>\$ 27,702,090</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 591,876	\$ (581,921)	\$ 601,580	\$ 611,535
<b>Other Financing Sources (Uses)</b>				
Notes Issued	\$ 0	\$ 0	\$ 450,000	\$ 450,000
Insurance Recovery	0	135,398	0	135,398
Transfers In	6,823,253	267,159	269,000	7,359,412
Transfers Out	0	(39,000)	(7,320,412)	(7,359,412)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 6,823,253</b>	<b>\$ 363,557</b>	<b>\$ (6,601,412)</b>	<b>\$ 585,398</b>
Net Change in Fund Balances	\$ 7,415,129	\$ (218,364)	\$ (5,999,832)	\$ 1,196,933
Fund Balance, July 1, 2009	4,273,129	4,963,594	7,541,252	16,777,975
Fund Balance, June 30, 2010	\$ 11,688,258	\$ 4,745,230	\$ 1,541,420	\$ 17,974,908

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

Exhibit C-4

Bedford County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds to the  
Statement of Activities  
For the Year Ended June 30, 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)		\$ 1,196,933	
(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	\$ 782,381		
Less: current year depreciation expense	<u>(1,371,385)</u>		(589,004)
(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	\$ 2,231,775		
Less: deferred delinquent property taxes and other deferred June 30, 2009	<u>(2,173,452)</u>		58,323
(3) The issuance of long-term debt (e.g., bonds, notes, and other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:			
Less: note proceeds	\$ (450,000)		
Add: change in premium on debt issuances	37,694		
Less: change in deferred debt issuance costs	(42,370)		
Add: principal payments on bonds	3,005,000		
Add: principal payments on notes	1,802,242		
Add: principal payments on other loans	435,000		
Less: change in deferred amount on refunding debt	<u>(10,320)</u>		4,777,246
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in accrued interest payable	\$ 19,112		
Change in compensated absences payable	(10,536)		
Change in other postemployment benefits liability	<u>(104,341)</u>		(95,765)
Change in net assets of governmental activities (Exhibit B)			<u>\$ 5,347,733</u>

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

Exhibit D-1

Bedford County, Tennessee  
Statement of Net Assets  
Proprietary Fund  
June 30, 2010

	<u>Major Fund</u> <u>Business-type</u> <u>Activities -</u> <u>Enterprise Fund</u> <u>Bedford</u> <u>County</u> <u>Nursing</u> <u>Home</u>
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 300,502
Accounts Receivable	41,672
Due from Other Funds	45,163
Third-party Payor Settlements	8,924
Restricted Assets	37,422
Total Current Assets	<u>\$ 433,683</u>
Noncurrent Assets:	
Capital Assets:	
Assets Not Depreciated:	
Land	\$ 150,149
Assets Net of Accumulated Depreciation:	
Buildings and Improvements	532,259
Other Capital Assets	365,442
Total Noncurrent Assets	<u>\$ 1,047,850</u>
Total Assets	<u>\$ 1,481,533</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 19,863
Due to State of Tennessee	8,559
Due to Other Funds	243,004
Total Current Liabilities	<u>\$ 271,426</u>
<u>NET ASSETS</u>	
Invested in Capital Assets	\$ 1,047,850
Unrestricted	<u>162,257</u>
Total Net Assets	<u>\$ 1,210,107</u>

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

Exhibit D-2

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

	<u>Major Fund</u> <u>Business-type</u> <u>Activities -</u> <u>Enterprise Fund</u> <u>Bedford</u> <u>County</u> <u>Nursing</u> <u>Home</u>
<u>Operating Revenues</u>	
Patient Service Revenue	\$ 572,403
Net Allowance for Contractual Adjustments	(55,240)
Other Revenue	449
Total Operating Revenues	<u>\$ 517,612</u>
<u>Operating Expenses</u>	
Medical and Nursing	\$ 229,034
Employee Benefits	82,152
Therapy and Ancillary Services	56,103
Administrative and General	473,758
Dietary Services	43,805
Plant Operation and Maintenance	57,376
Bed License Fees	19,840
Housekeeping Services	12,974
Laundry and Linen	11,523
Depreciation	123,982
Medical Records	5,002
Social Services	4,310
Recreational Activities	67
Other Operating Expenses	2,223
Total Operating Expenses	<u>\$ 1,122,149</u>
Operating Income (Loss)	<u>\$ (604,537)</u>
<u>Nonoperating Revenues (Expenses)</u>	
Investment Income	\$ 60
Total Nonoperating Revenues (Expenses)	<u>\$ 60</u>
Change in Net Assets	\$ (604,477)
Net Assets, July 1, 2009	<u>1,814,584</u>
Nets Assets, June 30, 2010	<u>\$ 1,210,107</u>

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

Exhibit D-3

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

	<u>Major Fund</u> <u>Business-type</u> <u>Activities -</u> <u>Enterprise Fund</u> <u>Bedford</u> <u>County</u> <u>Nursing</u> <u>Home</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from Residents and Third-party Payors	\$ 1,165,431
Received from Others	449
Payments to Suppliers	(779,368)
Payments to Employees	(458,138)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (71,626)</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Purchase of Equipment and Building Improvements	\$ (2,878)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (2,878)</u>
<u>Cash Flows from Investing Activities</u>	
Investment Income	\$ 60
Net Cash Provided By (Used In) Investing Activities	<u>\$ 60</u>
Net Increase (Decrease) in Cash	\$ (74,444)
Cash, July 1, 2009	<u>412,368</u>
Cash, June 30, 2010	<u><u>\$ 337,924</u></u>
<u>Reconciliation from Operating Income (Loss)</u> <u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (604,537)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	123,982
Provision for Bad Debts	66,454
(Increase) Decrease in Accounts Receivable	552,357
(Increase) Decrease in Due from Other Funds	(45,163)
(Increase) Decrease in Third-party Payor Settlement	54,239
(Increase) Decrease in Prepaid Expenses	86,892
(Increase) Decrease in Inventory	8,056
Increase (Decrease) in Accounts Payable	(161,498)
Increase (Decrease) in Due to State of Tennessee	8,559

(Continued)

Exhibit D-3

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

	<u>Major Fund</u> <u>Business-type</u> <u>Activities -</u> <u>Enterprise Fund</u> <u>Bedford</u> <u>County</u> <u>Nursing</u> <u>Home</u>
<u>Reconciliation from Operating Income (Loss)</u>	
<u>to Net Cash Provided By (Used In) Operating Activities (Cont.)</u>	
Increase (Decrease) in Accrued Salaries and Wages Payable	\$ (151,675)
Increase (Decrease) in Accrued Expenses	(1,811)
Increase (Decrease) in Accrued Payroll Taxes and Employee Withholdings	<u>(7,481)</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ (71,626)</u>
<u>Reconciliation of Cash</u>	
Cash	\$ 300,502
Cash in Memorial Fund	<u>37,422</u>
Cash, June 30, 2010	<u>\$ 337,924</u>

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

Exhibit E

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,371,773
Accounts Receivable	1,894
Due from Other Governments	<u>521,535</u>
Total Assets	<u><u>\$ 1,895,202</u></u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 521,535
Due to Litigants, Heirs, and Others	<u>1,373,667</u>
Total Liabilities	<u><u>\$ 1,895,202</u></u>

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

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

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**A. Reporting Entity**

Bedford County is a public municipal corporation governed by an elected 18-member board. As required by GAAP, these financial statements present Bedford County (the primary government) and its component units. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationship with the county.

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

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

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

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

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

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

Administrative Office:

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

**B. Government-wide and Fund Financial Statements**

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

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

Bedford County issues most debt for the discretely presented Bedford County School Department. 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, and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and the major enterprise fund are reported as separate columns in the fund financial statements.

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

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

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

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

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

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

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

Fiduciary fund financial statements are reported using the economic resources measurement focus, except for agency funds, which have no measurement focus, and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Bedford County reports the following major governmental funds:

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

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

Bedford County reports the following major enterprise fund:

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

Additionally, Bedford County reports the following fund types:

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

**Capital Projects Funds** – These funds account for various capital outlay expenditures.

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

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

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

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

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

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

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

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

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

#### **D. Assets, Liabilities, and Net Assets**

##### **1. Deposits and Investments**

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment Pool; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible

debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes.

The county trustee maintains a cash and internal investment pool that is used by all funds (excluding the Bedford County Nursing Home and the discretely presented Bedford County Solid Waste Authority) and the discretely presented Bedford County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General and General Purpose School funds. Bedford County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit and investments in the State Treasurer's Investment Pool are reported at cost. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

## **2. Receivables and Payables**

Activity between funds for unremitted current collections outstanding at the end of the fiscal year is referred to as due to/from other funds.

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

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

Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arises. This date is January 1 and is referred to as the lien date. However, revenues from property taxes are recognized in the period for which the taxes are levied, which is the ensuing fiscal year. Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable, less an estimated allowance for uncollectible taxes, is reported as deferred revenue as of June 30.

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

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

**3. Inventories and Prepaid Items**

Inventories of the discretely presented School Department are recorded at cost, determined on the first-in, first-out method.

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

**4. Capital Assets**

**Primary Government and Discretely Presented School Department**

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

Capital assets (excluding the Bedford County Nursing Home), which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial,

individual cost of \$10,000 or more (\$25,000 infrastructure) and an estimated useful life of more than three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

Property, plant, equipment, and infrastructure of the primary government (excluding the Bedford County Nursing Home) and the discretely presented School Department are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	10-40
Other Capital Assets	5-30
Infrastructure:	
Roads	40-50
Bridges	20-40

**Discretely Presented Bedford County Solid Waste Authority**

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

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

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

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

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

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

**5. Compensated Absences**

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

It is the policy of the county (excluding the Bedford County Nursing Home) and the Bedford County Solid Waste Authority to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since Bedford County and the discretely presented Solid Waste Authority do not have policies to pay any amounts when employees separate from service with the government. Personnel of the Highway Department and the Solid Waste Authority are compensated for any unused sick leave days at year end. All vacation pay is accrued when incurred in the government-wide financial statements for the county. 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.

**Discretely Presented Bedford County School Department**

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

**6. Long-term Obligations**

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

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

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

## **7. Net Assets**

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

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

As of June 30, 2010, Bedford County had \$69,318,522 in outstanding debt for capital purposes for the discretely presented Bedford County School Department. This debt is a liability of Bedford County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Bedford County has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county's capital assets.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for

appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The following table reflects designations on June 30, 2010:

<u>Fund/Purpose</u>	<u>Amount</u>
General:	
Animal Control	\$ 613,151
Future Capital Outlay	6,190,717
General Debt Service:	
Vocational Rehab	77,774
General Purpose School:	
Drivers Education	154,621
Summer School	42,331
Safe Schools	2,747

**8. Prior-period Adjustments**

The liability for other postemployment benefits was restated \$86,002 for Bedford County and \$132,525 for the Bedford County School Department due to changes in the actuarial estimates used to calculate those liabilities.

**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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

**Primary Government**

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

**Discretely Presented Bedford County School Department**

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

**Discretely Presented Bedford County Solid Waste Authority**

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

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

**Primary Government**

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

**Discretely Presented Bedford County School Department**

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

**Discretely Presented Bedford County Solid Waste Authority**

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

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

**A. Budgetary Information**

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

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

The budgetary level of control is at the major category level established by the 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, Beer Board, Budget and Finance

Committee, etc.). Management may make revisions within major categories, but only the County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

**B. Cash Shortage – Prior Year**

We reported a cash shortage of at least \$117,603.09 in the Bedford County Emergency Management Agency at June 30, 2007. The details of this cash shortage were disclosed in the county's Comprehensive Annual Financial Report in Finding 08.01 for the year ended June 30, 2008. The defendant pled guilty on May 27, 2009, and was ordered to pay restitution of \$60,000. The county received an insurance recovery from the insurance company in the amount of \$135,397.63 on December 3, 2009.

**IV. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

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

**Deposits**

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

Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

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

**Investments**

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

<u>Investment</u>	<u>Maturities</u>	<u>Cost</u>
State Treasurer's Investment Pool	Daily	\$ 1,811,876

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

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

**B. Capital Assets**

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

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

**Governmental Activities:**

	Balance 7-1-09	Increases	Decreases	Balance 6-30-10
Capital Assets Not Depreciated:				
Land	\$ 1,075,718	\$ 0	\$ 0	\$ 1,075,718
Total Capital Assets Not Depreciated	<u>\$ 1,075,718</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,075,718</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 12,448,987	\$ 20,320	\$ 0	\$ 12,469,307
Other Capital Assets	6,318,907	177,392	(124,033)	6,372,266
Roads and Bridges	22,624,672	584,669	0	23,209,341
Total Capital Assets Depreciated	<u>\$ 41,392,566</u>	<u>\$ 782,381</u>	<u>\$ (124,033)</u>	<u>\$ 42,050,914</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 4,384,329	\$ 316,024	\$ 0	\$ 4,700,353
Other Capital Assets	3,576,993	486,136	(124,033)	3,939,096
Roads and Bridges	4,250,283	569,225	0	4,819,508
Total Accumulated Depreciation	<u>\$ 12,211,605</u>	<u>\$ 1,371,385</u>	<u>\$ (124,033)</u>	<u>\$ 13,458,957</u>
Total Capital Assets Depreciated, Net	<u>\$ 29,180,961</u>	<u>\$ (589,004)</u>	<u>\$ 0</u>	<u>\$ 28,591,957</u>
Governmental Activities Capital Assets, Net	<u>\$ 30,256,679</u>	<u>\$ (589,004)</u>	<u>\$ 0</u>	<u>\$ 29,667,675</u>

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

**Governmental Activities:**

General Government	\$	56,019
Public Safety		378,735
Public Health and Welfare		260,216
Agriculture and Natural Resources		12,311
Highway/Public Works		<u>664,104</u>
 Total Depreciation Expense - Governmental Activities	 \$	 <u>1,371,385</u>

**Discretely Presented Bedford County School Department**

**Governmental Activities:**

	Balance 7-1-09	Increases	Decreases	Balance 6-30-10
Capital Assets Not Depreciated:				
Land	\$ 2,785,691	\$ 0	\$ 0	\$ 2,785,691
Construction in Progress	50,461,120	0	(50,461,120)	0
Total Capital Assets Not Depreciated	<u>\$ 53,246,811</u>	<u>\$ 0</u>	<u>\$ (50,461,120)</u>	<u>\$ 2,785,691</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 66,055,624	\$ 51,802,762	\$ 0	\$ 117,858,386
Other Capital Assets	7,338,147	756,543	(252,985)	7,841,705
Total Capital Assets Depreciated	<u>\$ 73,393,771</u>	<u>\$ 52,559,305</u>	<u>\$ (252,985)</u>	<u>\$ 125,700,091</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 21,121,398	\$ 1,603,902	\$ 0	\$ 22,725,300
Other Capital Assets	3,683,415	498,012	(236,238)	3,945,189
Total Accumulated Depreciation	<u>\$ 24,804,813</u>	<u>\$ 2,101,914</u>	<u>\$ (236,238)</u>	<u>\$ 26,670,489</u>
Total Capital Assets Depreciated, Net	<u>\$ 48,588,958</u>	<u>\$ 50,457,391</u>	<u>\$ (16,747)</u>	<u>\$ 99,029,602</u>
Governmental Activities Capital Assets, Net	<u>\$ 101,835,769</u>	<u>\$ 50,457,391</u>	<u>\$ (50,477,867)</u>	<u>\$ 101,815,293</u>

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

**Governmental Activities:**

Instruction	\$ 1,561,156
Support Services	501,385
Operation of Non-Instructional Services	<u>39,373</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 2,101,914</u></u>

**Discretely Presented Bedford County Solid Waste Authority**

**Governmental Activities:**

	Balance 7-1-09	Increases	Decreases	Balance 6-30-10
Capital Assets Not Depreciated:				
Land	\$ 10,200	\$ 0	\$ 0	\$ 10,200
Total Capital Assets Not Depreciated	<u>\$ 10,200</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,200</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 298,246	\$ 0	\$ 0	\$ 298,246
Other Capital Assets	792,890	111,084	(67,631)	836,343
Total Capital Assets Depreciated	<u>\$ 1,091,136</u>	<u>\$ 111,084</u>	<u>\$ (67,631)</u>	<u>\$ 1,134,589</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 109,107	\$ 7,095	\$ 0	\$ 116,202
Other Capital Assets	404,985	37,687	(61,431)	381,241
Total Accumulated Depreciation	<u>\$ 514,092</u>	<u>\$ 44,782</u>	<u>\$ (61,431)</u>	<u>\$ 497,443</u>
Total Capital Assets Depreciated, Net	<u>\$ 577,044</u>	<u>\$ 66,302</u>	<u>\$ (6,200)</u>	<u>\$ 637,146</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 587,244</u></u>	<u><u>\$ 66,302</u></u>	<u><u>\$ (6,200)</u></u>	<u><u>\$ 647,346</u></u>

Depreciation expense of \$44,782 was charged to the convenience center function of the authority.

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

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

**Due to/from Other Funds:**

Receivable Fund	Payable Fund	Amount
Primary Government:		
Nonmajor governmental	Nursing Home	\$ 243,004
Discretely Presented School Department:		
Nonmajor governmental	General Purpose School	4,562

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

**Due to/from Primary Government and Component Unit:**

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Component Unit: Emergency Communications District	\$ 32,141

**Interfund Transfers:**

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

**Primary Government**

Transfers Out	Transfers In		
	General Fund	Debt Service Fund	Nonmajor Governmental Funds
General Debt Service Fund	\$ 0	\$ 0	39,000
Nonmajor governmental funds	6,823,253	267,159	230,000
<b>Total</b>	<b>\$ 6,823,253</b>	<b>\$ 267,159</b>	<b>\$ 269,000</b>

**Discretely Presented Bedford County School Department**

Transfers Out	Transfers In	
	General Purpose School Fund	Nonmajor Governmental Funds
General Purpose School Fund	\$ 0	\$ 100,000
Nonmajor governmental funds	18,300	0
Totals	<u>\$ 18,300</u>	<u>\$ 100,000</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.

**D. Long-term Debt**

**Primary Government**

**General Obligation Bonds, Notes, and Other Loans**

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

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, and other loans outstanding were issued for original terms of up to 30 years for bonds, up to ten years for notes, and up to 20 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds, notes, and other loans included in long-term debt as of June 30, 2010, will be retired from the General Debt Service Fund.

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 Obligation Bonds	2 to 5%	\$ 68,790,000	\$ 62,120,000
General Obligation Bonds - Refunding	2 to 4.55	8,565,000	6,265,000
Capital Outlay Notes	2.75 to 4.14	10,033,000	5,153,163
Other Loans	variable	8,000,000	3,759,000

In prior years, Bedford County entered into a loan agreement with the Montgomery County Public Building Authority. This loan agreement provided for the authority to make \$8,000,000 available for loan to Bedford County on an as-needed basis for various renovation and construction projects. Bedford County had borrowed the entire amount of the loan. The loan is repayable at an interest rate that is a tax-exempt variable rate determined by the remarketing agent daily or weekly, depending on the particular program. In addition, the county pays various other fees (trustee, letter of credit, and debt remarketing) in connection with this loan. At June 30, 2010, the variable interest rate was .61 percent, and other fees totaled approximately .25 percent (letter of credit), .08 percent (remarketing), and \$85 per month (trustee) of the outstanding loan principal.

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2010, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Notes		
	Principal	Interest	Total
2011	\$ 1,933,011	\$ 178,077	\$ 2,111,088
2012	1,678,611	110,341	1,788,952
2013	1,250,185	51,736	1,301,921
2014	162,356	10,999	173,355
2015	129,000	4,837	133,837
Total	\$ 5,153,163	\$ 355,990	\$ 5,509,153

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2011	\$ 458,000	\$ 22,987	\$ 13,425	\$ 494,412
2012	482,000	20,186	11,913	514,099
2013	508,000	17,238	10,323	535,561
2014	534,000	14,132	8,646	556,778
2015	562,000	10,867	6,884	579,751
2016-2017	1,215,000	11,240	8,021	1,234,261
Total	\$ 3,759,000	\$ 96,650	\$ 59,212	\$ 3,914,862

Year Ending June 30	Bonds		
	Principal	Interest	Total
2011	\$ 3,120,000	\$ 2,904,089	\$ 6,024,089
2012	3,230,000	2,788,836	6,018,836
2013	3,350,000	2,661,312	6,011,312
2014	3,470,000	2,526,851	5,996,851
2015	2,950,000	2,386,597	5,336,597
2016-2020	13,380,000	10,221,342	23,601,342
2021-2025	13,320,000	7,456,278	20,776,278
2026-2030	9,650,000	4,898,124	14,548,124
2031-2035	10,865,000	2,645,325	13,510,325
2036-2037	5,050,000	343,349	5,393,349
Total	\$ 68,385,000	\$ 38,832,103	\$ 107,217,103

There is \$4,745,230 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$1,819, based on the 2000 federal census. Debt per capita, including bonds, notes, and other loans, totaled \$2,057, based on the 2000 federal census.

#### Changes in Long-term Liabilities

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

Governmental Activities:

	Bonds	Notes	Other Loans
Balance, July 1, 2009	\$ 71,390,000	\$ 6,505,405	\$ 4,194,000
Additions	0	450,000	0
Deductions	(3,005,000)	(1,802,242)	(435,000)
Balance, June 30, 2010	<u>\$ 68,385,000</u>	<u>\$ 5,153,163</u>	<u>\$ 3,759,000</u>
Balance Due Within One Year	<u>\$ 3,120,000</u>	<u>\$ 1,933,011</u>	<u>\$ 458,000</u>

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2009	\$ 280,782	\$ 12,426
Prior-period Adjustment	0	86,002
Additions	464,621	132,234
Deductions	(454,085)	(27,893)
Balance, June 30, 2010	<u>\$ 291,318</u>	<u>\$ 202,769</u>
Balance Due Within One Year	<u>\$ 14,566</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2010	\$ 77,791,250
Less: Balance Due Within One Year	(5,525,577)
Add: Unamortized Premium on Debt	484,460
Less: Deferred Amount on Refunding	<u>(40,439)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 72,709,694</u>

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

**Discretely Presented Bedford County School Department**

Changes in Long-term Liabilities

Long-term liability activity for the discretely presented Bedford County School Department for the year ended June 30, 2010, was as follows:

Governmental Activities:

	Other Postemployment Benefits
Balance, July 1, 2009	\$ 357,219
Prior-period Adjustment	(132,525)
Additions	426,534
Deductions	(332,467)
	<hr/>
Balance, June 30, 2010	\$ 318,761
	<hr/> <hr/>
Balance Due Within One Year	\$ 0
	<hr/> <hr/>

**Discretely Presented Bedford County Solid Waste Authority**

Changes in Long-term Liabilities

Long-term liability activity for the discretely presented Bedford County Solid Waste Authority for the year ended June 30, 2010, was as follows:

Governmental Activities:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2009	\$ 9,433	\$ 807
Additions	16,446	1,909
Deductions	(12,453)	(1,029)
	<hr/>	<hr/>
Balance, June 30, 2010	\$ 13,426	\$ 1,687
	<hr/> <hr/>	<hr/> <hr/>
Balance Due Within One Year	\$ 13,426	\$ 0
	<hr/> <hr/>	<hr/> <hr/>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2010	\$ 15,113
Less: Balance Due Within One Year	(13,426)
	<hr/>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	\$ 1,687
	<hr/> <hr/>

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Bedford County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2010, were \$88,449 and \$25,102, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

**V. OTHER INFORMATION**

**A. Risk Management**

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

**Employee Health Insurance**

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

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

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

**B. Risk Financing Activities**

Bedford 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. Bedford County's share of this second assessment totaled \$59,935.

**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. Bedford County, the Bedford County School Department, and the Bedford County Solid Waste Authority had no assets that met the definition of intangible assets at June 30, 2010. However, it is reasonably expected that Bedford County, the School Department, and the Solid Waste Authority 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 Bedford 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. Bedford County had not participated in derivative transactions as of June 30, 2010. However, it is reasonably expected that Bedford County may enter into derivative transactions in subsequent years.

**D. Related-party Transactions**

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

**E. Subsequent Event**

On August 31, 2010, Peggy Bush left the Office of Trustee and was succeeded by Tonya Davis.

**F. Contingent Liabilities**

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

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

## **G. Joint Ventures**

### **Primary Government**

The Argie Cooper Public Library is jointly owned by Bedford County and the City of Shelbyville and operates under Tennessee state law and the rules and regulations of the Highland Rim Regional Library. The library is governed by a voluntary, 14-member board of directors, seven appointed by the county and seven by the city. Bedford County has control over budgeting and financing of the joint venture only to the extent of representation by the seven board members appointed. Bedford County contributed \$138,691 to the operations of the library during the year ended June 30, 2010. As discussed in note V.E. above, the Bedford County Commission has authorized a contribution of \$1,000,000 to the Argie Cooper Public Library. This contribution is contingent upon the library entering into a binding construction contract in an amount not less than \$3,000,000 and the library receiving funds (including the county's contribution) sufficient to complete the project.

The Joint Economic Development Board is a joint venture between Bedford County and the cities of Bell Buckle, Normandy, Shelbyville, and Wartrace. The board comprises the city mayor or city manager, if so designated by the city's governing board of each member's municipality, the Bedford County mayor, three members of the City of Shelbyville Industrial Development Board, two residents of the unincorporated area of Bedford County, and a private citizen who owns greenbelt property. The purpose of the board is to foster communication and facilitate economic and community development between and among governmental entities, industry, and private citizens. The cities and county will provide the majority of funding for the board based on the percentage of their population compared to the total census of the county. Bedford County did not contribute to the Joint Economic Development Board for the year ended June 30, 2010.

The Seventeenth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Seventeenth Judicial District, Marshall, Lincoln, Moore, and Bedford counties, and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors, including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within the judicial district. Bedford County did not contribute to the DTF for the year ended June 30, 2010.

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

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

Administrative Offices:

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

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

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

**Discretely Presented Bedford County School Department**

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

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

Administrative Office:

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

**H. Jointly Governed Organization**

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

**I. Retirement Commitments**

**Employees**

**Plan Description**

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

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

## Funding Policy

The 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 5.31 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 \$811,046 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 post retirement increases of three percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. 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	\$811,046	100%	\$0
6-30-09	866,701	100	0
6-30-08	875,051	100	0

## Funded Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the plan was 89.49 percent funded. The actuarial accrued liability for benefits was \$38.39 million, and the actuarial value of assets was \$34.36 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$4.04 million. The covered payroll (annual payroll of active employees covered by the plan) was \$14.35 million, and the ratio of the UAAL to the covered payroll was 28.13 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 Bedford County School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979, are vested after five years of service. Members joining prior to July 1, 1979, are vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of Tennessee Code Annotated. State statutes are amended by the Tennessee General Assembly. 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 SETHEEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at [www.tn.gov/treasury/tcrs/Schools](http://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 \$1,633,814, \$1,590,979, and \$1,473,095, respectively, equal to the required contributions for each year.

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

#### Plan Description

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

#### Funding Policy

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

the Bedford County School Department recognized expenditures of \$27,893, \$1,029, and \$332,467, respectively, for postemployment health care during the year ended June 30, 2010.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	(County) Local Government Group Plan	(SWA) Local Government Group Plan
ARC	\$ 426,000	\$ 132,000	\$ 1,907
Interest on the NPO	10,111	4,429	36
Adjustment to the ARC	(9,577)	(4,195)	(34)
Annual OPEB cost	\$ 426,534	\$ 132,234	\$ 1,909
Amount of contribution	(332,467)	(27,893)	(1,029)
Increase/decrease in NPO	\$ 94,067	\$ 104,341	\$ 880
Net OPEB obligation, 7-1-09	357,219	12,426	807
Prior-period adjustments	(132,525)	86,002	0
Net OPEB obligation, 6-30-10	<u>\$ 318,761</u>	<u>\$ 202,769</u>	<u>\$ 1,687</u>

Fiscal Year Ended*	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-09	Local Education Group	\$ 426,000	47 %	\$ 224,694
6-30-10	"	426,534	78	318,761
6-30-09	Local Government Group (County)	132,000	25	98,428
6-30-10	"	132,234	21	202,769
6-30-09	Local Government Group (SWA)	1,907	58	807
6-30-10	"	1,909	54	1,687

\* Data only available for two years.

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2009, was as follows:

	Local Education Group Plan	(County) Local Government Group Plan
	<hr/>	<hr/>
Actuarial valuation date	7-1-09	7-1-09
Actuarial accrued liability (AAL)	\$ 4,040,000	\$ 1,622,000
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 4,040,000	\$ 1,622,000
Actuarial value of assets as a % of the AAL	13%	17%
Covered payroll (active plan members)	\$ 30,807,000	\$ 9,594,000
UAAL as a % of covered payroll	0%	0%
		(SWA) Local Government Group Plan
		<hr/>
Actuarial valuation date		7-1-09
Actuarial accrued liability (AAL)		\$ 12,642
Actuarial value of plan assets		\$ 0
Unfunded actuarial accrued liability (UAAL)		\$ 12,642
Actuarial value of assets as a % of the AAL		4%
Covered payroll (active plan members)		\$ 297,000
UAAL as a % of covered payroll		0%

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. The annual healthcare cost trend rate for the Local Government Plan was three 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.

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

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

### **L. Purchasing Laws**

#### Office of Director of Finance

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

#### Office of Solid Waste Authority

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

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

**A. Summary of Significant Accounting Policies**

This summary of significant accounting policies of the Bedford County Nursing Home is presented to assist in understanding the nursing home's financial statements. The financial statements and notes are representations of the nursing home's management who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles.

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

At June 30, 2010, there were related receivables or payables between Bedford County and the nursing home as described in Note VI.H.

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

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

Cash Flow – Cash and Cash Equivalents – The nursing home presents its cash flow statement using the direct method. For purposes of cash flow presentation, the nursing home considers cash in operating bank accounts, cash on hand, and certificates of deposit, which have original maturities of three months or less, as cash and cash equivalents. There were no cash equivalents at June 30, 2010.

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

Allowance for Doubtful Accounts – The nursing home uses the allowance method to account for uncollectible accounts receivable. Management considers the following factors when determining the collectability of specific patient accounts: patient's credit-worthiness, past transaction history with the patient, current economic and industry trends, and changes in the patient's payment terms. If the financial condition of the nursing home's patients was to deteriorate, adversely affecting their ability to make payments, additional allowances would be required. Accounts receivable are continually evaluated to identify amounts that are uncollectible and those amounts are written off when all collection attempts have been exhausted. Management has written off all accounts receivable accounts with remaining balances at June 30, 2010.

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

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

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

Operating Revenues and Expenses – The nursing home's operating revenues and expenses consist of revenues earned and expenses incurred relating to the operation and maintenance of its facility. All other revenues and expenses are reported as nonoperating revenues and expenses and consist of

those revenues and expenses that are related to financing and investing type of activities and result from non-exchange transactions or ancillary activities.

**B. Discontinued Operations**

Operations of the nursing home were transferred to a private company, Christian Care of Bedford County, LLC, on August 1, 2009. The assets and liabilities of the nursing home at August 1, 2009, were not sold or assumed by Christian Care of Bedford County, LLC, and remained benefits and obligations of the nursing home. Rent is paid by Christian Care of Bedford County, LLC, to a separate fund of the county. During the transition of operations, certain amounts were paid by the nursing home, but were later determined to be obligations of Christian Care of Bedford County, LLC. The total amount due from Christian Care of Bedford County, LLC, at June 30, 2010, was \$41,671. Third-party payments continued to be deposited into the nursing home's cash account after the transfer of operations. As a result, the nursing home had a due to Christian Care of Bedford County, LLC at June 30, 2010, of \$16,683. It is the intention of the county to transfer the entire net assets of the nursing home fund into another fund of the county subsequent to June 30, 2010.

**C. Cash and Cash Equivalents**

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

During the year ended June 30, 2010, the board of trustees chose to limit the investment of funds to demand deposits at banking institutions.

At June 30, 2010, the carrying amount of cash deposits, including patient funds, was \$329,365, and the bank balance was \$341,249. At June 30, 2010, the entire bank balance was covered by federal depository insurance, or by collateral held in the Tennessee Bank Collateral Pool. The Tennessee Bank Collateral Pool is a multiple financial institution collateral pool in which member financial institutions holding public funds pledge collateral securities. In the event any member financial institution fails, the entire collateral pool becomes available to satisfy the claims of governmental entities. The pool also has the ability to make additional assessments on a pro rata basis to the members of the pool if the value of collateral is inadequate to cover a loss.

**Interest Rate Risk and Concentration of Credit Risk.** The nursing home does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising

from changing interest rates. The nursing home places no limit on the amount it may invest in any one issuer.

**D. Capital Assets**

Capital assets are summarized as follows:

Business-type Activities:

	Balance 7-1-09	Additions	Balance 6-30-10
<b>Capital Assets Not Depreciated:</b>			
Land	\$ 150,149	\$ 0	\$ 150,149
Construction in Progress	0	0	0
Subtotal	<u>\$ 150,149</u>	<u>\$ 0</u>	<u>\$ 150,149</u>
<b>Capital Assets Depreciated:</b>			
Land Improvements	\$ 24,547	\$ 0	\$ 24,547
Building and Improvements	1,381,256	0	1,381,256
Departmental Equipment	724,299	1,545	725,844
Capital Equipment	430,147	0	430,147
Subtotal	<u>\$ 2,560,249</u>	<u>\$ 1,545</u>	<u>\$ 2,561,794</u>
<b>Less Accumulated Depreciation:</b>			
Land Improvements	\$ (24,547)	\$ 0	\$ (24,547)
Building and Improvements	(804,947)	(44,050)	(848,997)
Departmental Equipment	(408,529)	(51,357)	(459,886)
Capital Equipment	(302,088)	(28,575)	(330,663)
Subtotal	<u>\$ (1,540,111)</u>	<u>\$ (123,982)</u>	<u>\$ (1,664,093)</u>
Capital Assets Depreciated, Net	<u>\$ 1,020,138</u>	<u>\$ (122,437)</u>	<u>\$ 897,701</u>
Total Capital Assets, Net	<u>\$ 1,170,287</u>	<u>\$ (122,437)</u>	<u>\$ 1,047,850</u>

Depreciation expense for the year ended June 30, 2010, was \$123,982.

**E. Pension Plan**

Employees of Bedford County are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). The retirement plan for Bedford County Nursing Home was included in the total retirement program for Bedford County. As of August 1, 2009, all employees of the nursing home were terminated as county employees and became employees of Christian Care of Bedford County, LLC. In addition, the former nursing home employees were no longer participants

in the pension plan. Bedford County Nursing Home has no further obligations to the pension plan. Total contribution to the plan by the nursing home for the year ended June 30, 2010, totaled \$17,749. Bedford County required employees to contribute five percent of earnable compensation, and Bedford County is required to contribute at an actuarially determined rate. The rate for fiscal year ended June 30, 2010, was 5.31 percent of annual covered payroll.

**F. Risk Management**

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

Extended Reporting Period Coverage – The nursing home purchased a five-year extended reporting period option for its general liability and excess liability policies. The entire premium for the two policies has been recognized in the current year.

**G. Health Care Regulations**

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

**H. Related-party Transactions**

In a prior year, certain improvements were made to the facility that were financed through an advance from Bedford County. The remaining balance of \$243,004 was due the county as of June 30, 2010.

Bedford County maintains possession of funds amounting to \$37,422 for the nursing home's designated memorial fund. This amount is presented in the financial statements as "Restricted Assets" and further described in Note VI.J.

Bedford County sold certain inventory and supplies of the nursing home to Christian Care of Bedford County, LLC, and deposited the funds into another fund of the county. The total proceeds from the sale of the assets due from the county at June 30, 2010 were \$45,163.

**I. Litigation**

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

**J. Restricted Assets**

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

Cash in Memorial Fund	<u>\$ 37,422</u>
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**K. Designated Unrestricted Net Assets**

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

Cash in Memorial Fund	<u>\$ 37,422</u>
Designated Unrestricted Net Assets	\$ 37,422
Undesignated Unrestricted Net Assets	<u>124,835</u>
Unrestricted Net Assets	<u>\$ 162,257</u>

**L. Subsequent Event**

Subsequent to year end, the nursing home paid Bedford County \$243,004 for the balance due to the county for improvements made to the facility in a prior year.

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

**A. Summary of Significant Accounting Policies**

General Information – On May 15, 1984, the Tennessee state legislature approved the “Tennessee Emergency Communications District Law” (Acts 1984, ch. 867), which enables a county, upon approval by voters, to create a district to provide local emergency telephone service. Subsequently, in

July 1987, the county legislative body of Bedford County, Tennessee, approved the establishment of a district for their county, the Emergency Communications District of Bedford County. As provided by the Act, the district operates as a governmental organization through the directives of a nine-member board of directors and provides enhanced 9-1-1 emergency telephone service for its service area. The directors serve without compensation for terms of three to four years.

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

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

GASB Statement No. 14 specifies that component units must be legally separate organizations that have financial accountability to a primary government. Financial accountability exists prima facie if a special-purpose government is not fiscally independent. GASB states that to be fiscally independent, the government has to have the authority to do all of three activities. Two of these are to issue bonded debt without approval by another government and to levy taxes or set rates or charges without approval by another government. According to Section 7-86-114, Tennessee Code Annotated, before issuing negotiable bonds, the district must have approval of the legislative body of a county wherein a district is established. It also must have approval before making purchase contracts, lease agreements, and notes payable of over five years' duration. In addition, the Bedford County Commission has the ability to adjust the district's service charges. Because the district is both a legal entity and financially accountable to the primary government of Bedford County as the County Commission approves all members of the governing board and by the nature of its fiscal dependence on Bedford County as described above, it is a component unit of Bedford County.

At June 30, 2010, there was a payable to Bedford County by the district of \$32,141. The district did not engage in any activities that were subject to the approval of Bedford County.

Basis of Presentation and Accounting – As a governmental entity, the district abides by the accounting rules and regulations issued by the Governmental Accounting Standards Board (GASB) as well as the Financial Accounting Standards Board issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements. After

November 30, 1989, the district follows GASB guidance only and does not follow any FASB guidance issued after that date. Promulgations of that board require that the accrual method of accounting be used for governmental units that operate in a manner similar to a private business.

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

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

The accounting and financial reporting treatment applied to the district is determined by its measurement focus. The transactions of the district are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the Statements of Net Assets. Net assets (i.e., total assets net of total liabilities) are segregated into invested in capital assets, net of related debt; restricted for debt service; and unrestricted components. As of June 30, 2010, the district had an outstanding balance on a capital lease, amounts due the primary government, and accounts payable for vendor services.

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

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

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

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

Cash Flow – Cash and Cash Equivalents – The district presents its cash flow statement using the direct method. For purposes of cash flow presentation, the district considers cash in operating bank accounts, cash on hand, and certificates of deposit with an original maturity of 90 days or less to be cash and cash equivalents. At June 30, 2010, the district did not hold any certificates of deposit.

Use of Facilities – The district conducts its operations in a building owned by Bedford County at no cost to the district. The measurement of the contribution from Bedford County is not considered material for disclosure as in-kind support and as expense in the accompanying Statements of Revenue, Expenses, and Changes in Net Assets.

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

## **B. Cash and Cash Equivalents**

The district is authorized to make investments in bonds, notes or treasury bills of the United States, Federal Land Bank bonds, Federal Home Loan Bank notes and bonds, Federal National Mortgage Association notes and debentures, banks for cooperative debentures, or any of its other agencies, or obligations guaranteed as to principal and interest by the United States or

any of its agencies with a maturity not greater than one year, or in the pooled investment fund established under Tennessee law. During the year ended June 30, 2010, the board of directors chose to limit the investment of funds to deposits at banks.

Cash – At June 30, 2010, the carrying amount of cash deposits was \$305,714, and the bank balance was \$348,353. At June 30, 2010, the entire bank balance was covered by federal depository insurance or by collateral held in the Tennessee Bank Collateral Pool. The Tennessee Bank Collateral Pool is a multiple financial institution collateral pool to which member financial institutions holding public funds pledge collateral securities. In the event any member financial institution fails, the entire collateral pool becomes available to satisfy the claims of governmental entities. The pool also has the ability to make additional assessments on a pro rata basis to the members of the pool if the value of collateral is inadequate to cover a loss.

<u>Cash Accounts</u>	<u>Interest Rate</u>	<u>June 30, 2010</u>	
		<u>Carrying Amount</u>	<u>Bank Balance</u>
Regions Bank checking	N/A	\$ 230,446	\$ 273,085
Regions Bank money market	.2%	75,268	75,268
Total		<u>\$ 305,714</u>	<u>\$ 348,353</u>

**C. Accounts Receivable**

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

The following is the detail of the receivables at June 30, 2010:

AT&T	\$ 55,444
United Telephone	8,826
Charter Fiberlink	6,248
Others	<u>5,661</u>
Total	<u>\$ 76,179</u>

**D. Capital Assets**

Capital assets are summarized as follows:

	Balance 7-1-09	Additions	Balance 6-30-10
<u>Capital Assets Being Depreciated</u>			
Building and Improvements	\$ 57,463	\$ 170,916	\$ 228,379
Furniture and Fixtures	90,343	0	90,343
Office Equipment	68,981	6,136	75,117
Communications Equipment	1,165,487	4,469	1,169,956
Vehicle	16,414	28,735	45,149
Other Capital Assets	143,564	0	143,564
Subtotal	<u>\$ 1,542,252</u>	<u>\$ 210,256</u>	<u>\$ 1,752,508</u>
<u>Less Accumulated Depreciation and Amortization</u>			
Building and Improvements	\$ (6,474)	\$ (4,384)	\$ (10,858)
Furniture and Fixtures	(15,959)	(8,962)	(24,921)
Office Equipment	(40,064)	(5,595)	(45,659)
Communications Equipment	(527,123)	(98,711)	(625,834)
Vehicle	(16,414)	(4,310)	(20,724)
Other Capital Assets	(58,482)	(11,333)	(69,815)
Subtotal	<u>\$ (664,516)</u>	<u>\$ (133,295)</u>	<u>\$ (797,811)</u>
Capital Assets Depreciated, Net	<u>\$ 877,736</u>	<u>\$ 76,961</u>	<u>\$ 954,697</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 is covered under insurance policies maintained by Bedford County. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

**F. Accounts Payable**

Accounts payable includes amounts due vendors totaling \$7,712 at June 30, 2010.

**G. Capital Lease Obligations**

The district has entered into lease agreements as lessee for financing the acquisition of capital assets including communications equipment. These lease agreements are capital leases for accounting purposes and, therefore,

have been recorded at the present value of the future minimum lease payments as of the inception date.

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

Assets:	
Communication Equipment	\$ 604,591
Less: Accumulated Depreciation	<u>(156,186)</u>
Total, Net	<u><u>\$ 448,405</u></u>

The future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2010, are as follows:

Year Ending	
<u>June 30</u>	
2011	\$ 124,140
2012	124,140
2013	<u>31,035</u>
Total Minimum Lease Payments	\$ 279,315
Less: Amount Representing Interest	<u>(20,259)</u>
Present Value of Minimum Lease Payments	<u><u>\$ 259,056</u></u>

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

**H. Long-term Debt**

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

Balance 7-1-09	Payments	Balance 6-30-10	Due Within One Year
\$ 362,521	\$ 103,465	\$ 259,056	\$ 110,448

**I. Related Party Transactions**

Bedford County provides administrative and dispatch employees and certain services to the district. The expenses, which are primarily salaries, employee benefits, and services, are billed to the district on an "as needed" basis. Amounts paid to Bedford County for fiscal year 2010 totaled \$193,495.

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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Exhibit F-1

Bedford County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
General Fund  
For the Year Ended June 30, 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	
<u>Revenues</u>							
Local Taxes	\$ 9,875,980	\$ 0	\$ 0	\$ 9,875,980	\$ 9,238,000	\$ 9,238,000	\$ 637,980
Licenses and Permits	108,911	0	0	108,911	142,000	142,000	(33,089)
Fines, Forfeitures, and Penalties	331,095	0	0	331,095	520,540	520,540	(189,445)
Charges for Current Services	2,180,864	0	0	2,180,864	1,503,400	1,586,839	644,025
Other Local Revenues	323,347	0	0	323,347	141,000	313,831	9,516
Fees Received from County Officials	1,824,044	0	0	1,824,044	1,925,200	1,925,200	(101,156)
State of Tennessee	1,985,562	0	0	1,985,562	1,190,260	1,428,510	557,052
Federal Government	278,997	0	0	278,997	188,971	530,527	(251,530)
Other Governments and Citizens Groups	17,388	0	0	17,388	0	0	17,388
Total Revenues	\$ 16,926,188	\$ 0	\$ 0	\$ 16,926,188	\$ 14,849,371	\$ 15,635,447	\$ 1,290,741
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 102,103	\$ (571)	\$ 280	\$ 101,812	\$ 92,254	\$ 102,392	\$ 580
Board of Equalization	1,260	0	0	1,260	3,090	3,090	1,830
Beer Board	600	0	0	600	1,000	1,000	400
Budget and Finance Committee	2,304	0	0	2,304	2,700	2,700	396
County Mayor/Executive	200,693	(9,450)	0	191,243	249,894	250,328	59,085
County Attorney	35,208	0	0	35,208	40,000	40,000	4,792
Election Commission	185,064	0	0	185,064	215,232	249,552	64,488
Register of Deeds	295,157	0	8,000	303,157	324,189	324,206	21,049
Planning	63,365	(50)	165	63,480	71,607	72,607	9,127
Codes Compliance	49,656	0	0	49,656	59,415	59,415	9,759
County Buildings	149,759	(100)	1,200	150,859	158,890	192,273	41,414

(Continued)

Exhibit F-1

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

	Actual (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>Finance</u>							
Accounting and Budgeting	\$ 485,692	\$ (5,106)	7,016	\$ 487,602	\$ 505,952	\$ 507,845	\$ 20,243
Property Assessor's Office	328,736	(2,000)	4,600	331,336	372,330	373,280	41,944
Reappraisal Program	73,899	0	393	74,292	91,396	91,496	17,204
County Trustee's Office	282,336	0	0	282,336	330,392	330,392	48,056
County Clerk's Office	370,705	0	296	371,001	400,102	402,863	31,862
<u>Administration of Justice</u>							
Circuit Court	470,583	0	162	470,745	527,233	527,233	56,488
General Sessions Court	197,245	0	0	197,245	195,160	199,160	1,915
Chancery Court	234,249	0	1,600	235,849	267,813	268,298	32,449
Juvenile Court	190,226	(330)	135	190,031	206,246	202,246	12,215
Judicial Commissioners	160,239	0	0	160,239	168,147	168,147	7,908
Other Administration of Justice	107,732	0	0	107,732	111,153	111,153	3,421
Probation Services	260,016	0	0	260,016	269,297	269,304	9,288
<u>Public Safety</u>							
Sheriff's Department	2,396,765	(4,227)	15,127	2,407,665	2,377,033	2,479,128	71,463
Traffic Control	29,319	0	0	29,319	27,718	29,328	9
Jail	1,978,081	(202)	1,946	1,979,825	1,779,666	2,182,172	202,347
Workhouse	862,890	(97)	729	863,522	919,767	909,912	46,390
Juvenile Services	486,626	0	5,500	492,126	541,697	519,385	27,259
Other Emergency Management	1,244,586	(17,752)	11,565	1,238,399	1,071,526	1,429,174	190,775
County Coroner/Medical Examiner	12,600	0	0	12,600	20,000	20,000	7,400
Other Public Safety	346,790	0	0	346,790	522,199	522,199	175,409
<u>Public Health and Welfare</u>							
Local Health Center	431,914	(504)	8,747	440,157	573,501	701,344	261,187

(Continued)

Exhibit F-1

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

	Actual (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 Health and Welfare (Cont.)</u>							
Rabies and Animal Control	\$ 20	\$ 0	\$ 0	\$ 20	\$ 0	\$ 20	\$ 0
Ambulance/Emergency Medical Services	2,051,213	(4,802)	6,115	2,052,526	2,055,545	2,104,199	51,673
Other Local Health Services	41,940	0	0	41,940	14,440	44,440	2,500
Regional Mental Health Center	12,900	0	0	12,900	12,900	12,900	0
Appropriation to State	54,000	0	0	54,000	54,000	54,000	0
General Welfare Assistance	94,735	0	0	94,735	95,335	95,335	600
Sanitation Management	855,000	0	0	855,000	0	855,000	0
<u>Social, Cultural, and Recreational Services</u>							
Adult Activities	9,500	0	0	9,500	9,500	9,500	0
Senior Citizens Assistance	15,200	0	0	15,200	15,200	15,200	0
Libraries	138,691	0	0	138,691	131,962	138,691	0
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	134,851	0	0	134,851	117,221	167,670	32,819
Soil Conservation	30,400	0	0	30,400	30,400	30,400	0
Other Agriculture and Natural Resources	54,730	0	25	54,755	58,575	58,575	3,820
<u>Other Operations</u>							
Tourism	3,948	0	0	3,948	3,948	3,948	0
Veterans' Services	25,804	0	0	25,804	28,807	28,807	3,003
Other Charges	236,774	0	0	236,774	181,202	236,946	172
Contributions to Other Agencies	112,953	0	0	112,953	112,000	115,253	2,300
Employee Benefits	41,544	0	0	41,544	0	41,544	0
Miscellaneous	345,693	(5,104)	0	340,589	363,639	379,452	38,863
<u>Capital Projects</u>							
Other General Government Projects	38,018	0	0	38,018	20,000	170,500	132,482
<b>Total Expenditures</b>	<b>\$ 16,334,312</b>	<b>\$ (50,295)</b>	<b>\$ 73,601</b>	<b>\$ 16,357,618</b>	<b>\$ 15,801,273</b>	<b>\$ 18,104,002</b>	<b>\$ 1,746,384</b>

(Continued)

Exhibit F-1

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

	Actual (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	
Excess (Deficiency) of Revenues Over Expenditures	\$ 591,876	\$ 50,295	\$(73,601)	\$ 568,570	\$(951,902)	\$ (2,468,555)	\$ 3,037,125
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 20,699	\$ (20,699)
Transfers In	6,823,253	0	0	6,823,253	67,001	6,907,089	(83,836)
Transfers Out	0	0	0	0	(855,000)	0	0
Total Other Financing Sources (Uses)	\$ 6,823,253	\$ 0	\$ 0	\$ 6,823,253	\$(787,999)	\$ 6,927,788	\$ (104,535)
Net Change in Fund Balance	\$ 7,415,129	\$ 50,295	\$(73,601)	\$ 7,391,823	\$(1,739,901)	\$ 4,459,233	\$ 2,932,590
Fund Balance, July 1, 2009	4,273,129	(50,295)	0	4,222,834	1,871,918	4,077,453	145,381
Fund Balance, June 30, 2010	\$ 11,688,258	\$ 0	\$(73,601)	\$ 11,614,657	\$ 132,017	\$ 8,536,686	\$ 3,077,971

Exhibit F-2

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

(Dollar amounts in thousands)

Plan	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)
Primary Government, School Department, and Solid Waste Authority	7-1-07	\$ 33,805	\$ 34,633	\$ 828	97.61 %	\$ 12,583	6.58 %
"	7-1-09	34,356	38,393	4,037	89.49	14,351	28.13

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-3

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

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date *	Actuarial Value of Assets (a)	Actuarial 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>							
Local Government Group	7-1-07	\$ 0	305 \$	305	0 %	\$ 9,129	3 %
"	7-1-09	0	1,622	1,622	0	9,594	17
<u>DISCRETELY PRESENTED BEDFORD COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	7-1-07	0	4,222	4,222	0	31,598	13
"	7-1-09	0	4,040	4,040	0	30,807	13
<u>DISCRETELY PRESENTED BEDFORD COUNTY SOLID WASTE AUTHORITY</u>							
Local Government Group	7-1-07	0	13	13	0	321	4
"	7-1-09	0	13	13	0	297	4

\* An additional year will be reported as the data becomes available.

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

The budgetary level of control is at the major category level established by the 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, Beer Board, Budget and Finance Committee, etc.). Management may make revisions within major categories, but only the Bedford County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

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

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# Nonmajor Governmental Funds

## Special Revenue Funds

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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.

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Special Purpose Fund – The Special Purpose Fund is used to accumulate resources for future projects. This fund was closed during the year.

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

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

Other Special Revenue Fund – The Other Special Revenue Fund is used to account for the net proceeds generated from the sale of the Bedford County Hospital and related liabilities. This fund was closed during the year.

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

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

# Capital Projects Funds

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

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

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

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for expenditures to construct the Vocational Rehabilitation Center. This fund was closed during the year.

Exhibit G-1

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

	Special Revenue Funds			Capital Projects Funds			Total Nonmajor Governmental Funds
	Drug Control	Agriculture Center	Highway / Public Works	General Capital Projects	Nursing Home Projects	Total	
\$ 32,866 \$	30,815 \$	722,483 \$	786,164 \$	450,000 \$	160,931 \$	610,931 \$	1,397,095
0	0	4,721	4,721	0	0	0	4,721
0	0	387,684	387,684	0	0	0	387,684
0	0	0	0	0	243,004	243,004	243,004
0	0	328,657	328,657	0	0	0	328,657
0	0	(16,908)	(16,908)	0	0	0	(16,908)
\$ 32,866 \$	30,815 \$	1,426,637 \$	1,490,318 \$	450,000 \$	403,935 \$	853,935 \$	2,344,253

ASSETS

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

LIABILITIES AND FUND BALANCES

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

Fund Balances  
 Reserved for Encumbrances  
 Unreserved  
 Total Fund Balances  
 Total Liabilities and Fund Balances

Exhibit G-2

Bedford 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						Total
	Special Purpose	Drug Control	Agriculture Center	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	
<b>Revenues</b>							
Local Taxes	\$ 177,232	\$ 0	\$ 0	\$ 0	\$ 0	\$ 401,969	\$ 579,201
Fines, Forfeitures, and Penalties	2,557	42,528	0	0	0	0	45,085
Charges for Current Services	12,700	0	0	0	1,063	0	13,763
Other Local Revenues	42,523	16,516	11,123	304,896	0	18,677	393,735
State of Tennessee	0	0	0	0	0	1,968,457	1,968,457
Federal Government	0	0	0	40,000	0	0	40,000
Other Governments and Citizens Groups	0	0	0	0	0	7,769	7,769
<b>Total Revenues</b>	<b>\$ 235,012</b>	<b>\$ 59,044</b>	<b>\$ 11,123</b>	<b>\$ 344,896</b>	<b>\$ 1,063</b>	<b>\$ 2,396,872</b>	<b>\$ 3,048,010</b>
<b>Expenditures</b>							
Current:							
Finance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 470	\$ 0	\$ 470
Administration of Justice	0	0	0	0	593	0	593
Public Safety	0	36,336	0	0	0	0	36,336
Public Health and Welfare	176,826	0	0	291,697	0	0	468,523
Agriculture and Natural Resources	0	0	19,501	0	0	0	19,501
Other Operations	1,923	156	0	3,317	0	7,000	12,396
Highways	0	0	0	0	0	2,188,517	2,188,517
<b>Total Expenditures</b>	<b>\$ 178,749</b>	<b>\$ 36,492</b>	<b>\$ 19,501</b>	<b>\$ 295,014</b>	<b>\$ 1,063</b>	<b>\$ 2,195,517</b>	<b>\$ 2,726,336</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 56,263</b>	<b>\$ 22,552</b>	<b>\$ (8,378)</b>	<b>\$ 49,882</b>	<b>\$ 0</b>	<b>\$ 201,355</b>	<b>\$ 321,674</b>
<b>Other Financing Sources (Uses)</b>							
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Transfers In	230,000	0	0	0	0	0	230,000
Transfers Out	(657,797)	0	0	(6,420,717)	0	(19,384)	(7,097,898)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (427,797)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (6,420,717)</b>	<b>\$ 0</b>	<b>\$ (19,384)</b>	<b>\$ (6,867,898)</b>
<b>Net Change in Fund Balances</b>	<b>\$ (371,534)</b>	<b>\$ 22,552</b>	<b>\$ (8,378)</b>	<b>\$ (6,370,835)</b>	<b>\$ 0</b>	<b>\$ 181,971</b>	<b>\$ (6,546,224)</b>
<b>Fund Balance, July 1, 2009</b>	<b>371,534</b>	<b>10,314</b>	<b>39,193</b>	<b>6,370,835</b>	<b>0</b>	<b>684,837</b>	<b>7,476,713</b>
<b>Fund Balance, June 30, 2010</b>	<b>\$ 0</b>	<b>\$ 32,866</b>	<b>\$ 30,815</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 866,808</b>	<b>\$ 930,489</b>

(Continued)

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

	Capital Projects Funds				Total Nonmajor Governmental Funds
	General Capital Projects	Nursing Home Projects	Other Capital Projects	Total	
<u>Revenues</u>					
Local Taxes	\$ 0 \$	0 \$	0 \$	0 \$	579,201
Fines, Forfeitures, and Penalties	0	0	0	0	45,085
Charges for Current Services	0	0	0	0	13,763
Other Local Revenues	0	155,399	133,734	289,133	682,868
State of Tennessee	0	0	0	0	1,968,457
Federal Government	0	0	0	0	40,000
Other Governments and Citizens Groups	0	0	0	0	7,769
Total Revenues	\$ 0 \$	155,399 \$	133,734 \$	289,133 \$	3,337,143
<u>Expenditures</u>					
Current:					
Finance	\$ 0 \$	0 \$	0 \$	0 \$	470
Administration of Justice	0	0	0	0	593
Public Safety	0	0	0	0	36,336
Public Health and Welfare	0	6,307	0	6,307	474,830
Agriculture and Natural Resources	0	0	0	0	19,501
Other Operations	0	1,554	1,366	2,920	15,316
Highways	0	0	0	0	2,188,517
Total Expenditures	\$ 0 \$	7,861 \$	1,366 \$	9,227 \$	2,735,563
Excess (Deficiency) of Revenues Over Expenditures	\$ 0 \$	147,538 \$	132,368 \$	279,906 \$	601,580
<u>Other Financing Sources (Uses)</u>					
Notes Issued	\$ 450,000 \$	0 \$	0 \$	450,000 \$	450,000
Transfers In	0	0	39,000	39,000	269,000
Transfers Out	0	0	(222,514)	(222,514)	(7,320,412)
Total Other Financing Sources (Uses)	\$ 450,000 \$	0 \$	(183,514) \$	266,486 \$	(6,601,412)
Net Change in Fund Balances	\$ 450,000 \$	147,538 \$	(51,146) \$	546,392 \$	(5,999,832)
Fund Balance, July 1, 2009	0	13,393	51,146	64,539	7,541,252
Fund Balance, June 30, 2010	\$ 450,000 \$	160,931 \$	0 \$	610,931 \$	1,541,420

Exhibit G-3

Bedford County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Special Purpose Fund  
For the Year Ended June 30, 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>						
Local Taxes	\$ 177,232	\$ 0	\$ 177,232	\$ 201,227	\$ 201,227	\$ (23,995)
Fines, Forfeitures, and Penalties	2,557	0	2,557	250	250	2,307
Charges for Current Services	12,700	0	12,700	7,000	12,042	658
Other Local Revenues	42,523	0	42,523	6,500	18,819	23,704
Total Revenues	\$ 235,012	\$ 0	\$ 235,012	\$ 214,977	\$ 232,338	\$ 2,674
<u>Expenditures</u>						
<u>Public Health and Welfare</u>						
Rabies and Animal Control	\$ 176,826	\$ (3,399)	\$ 173,427	\$ 171,890	\$ 184,209	\$ 10,782
Other Operations	1,923	0	1,923	3,000	3,000	1,077
Miscellaneous	0	0	0	43,944	0	0
<u>Other Debt Service</u>						
General Government	\$ 178,749	\$ (3,399)	\$ 175,350	\$ 218,834	\$ 187,209	\$ 11,859
Total Expenditures	\$ 56,263	\$ 3,399	\$ 59,662	\$ (3,857)	\$ 45,129	\$ 14,533
Excess (Deficiency) of Revenues Over Expenditures	\$ 230,000	\$ 0	\$ 230,000	\$ 230,000	\$ 230,000	\$ 0
<u>Other Financing Sources (Uses)</u>						
Transfers In	(657,797)	0	(657,797)	(218,923)	(886,875)	229,078
Transfers Out	(427,797)	0	(427,797)	11,077	(656,875)	229,078
Total Other Financing Sources (Uses)	\$ (371,534)	\$ 3,399	\$ (368,135)	\$ 7,220	\$ (611,746)	\$ 243,611
Net Change in Fund Balance	371,534	(3,399)	368,135	358,325	611,746	(243,611)
Fund Balance, July 1, 2009	0	0	0	365,545	0	0
Fund Balance, June 30, 2010						

Exhibit G-4

Bedford 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	\$ 42,528	\$ 31,500	\$ 31,500	\$ 11,028
Other Local Revenues	16,516	8,000	36,332	(19,816)
Total Revenues	<u>\$ 59,044</u>	<u>\$ 39,500</u>	<u>\$ 67,832</u>	<u>\$ (8,788)</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 36,336	\$ 39,500	\$ 67,676	\$ 31,340
<u>Other Operations</u>				
Miscellaneous	156	0	156	0
Total Expenditures	<u>\$ 36,492</u>	<u>\$ 39,500</u>	<u>\$ 67,832</u>	<u>\$ 31,340</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 22,552</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 22,552</u>
Net Change in Fund Balance	\$ 22,552	\$ 0	\$ 0	\$ 22,552
Fund Balance, July 1, 2009	<u>10,314</u>	<u>6,005</u>	<u>6,005</u>	<u>4,309</u>
Fund Balance, June 30, 2010	<u>\$ 32,866</u>	<u>\$ 6,005</u>	<u>\$ 6,005</u>	<u>\$ 26,861</u>

Exhibit G-5

Bedford County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Agriculture Center 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>						
Other Local Revenues	\$ 11,123	0	11,123	4,000	6,573	4,550
Total Revenues	\$ 11,123	0	11,123	4,000	6,573	4,550
<u>Expenditures</u>						
<u>Agriculture and Natural Resources</u>						
Other Agriculture and Natural Resources	\$ 19,501	1,200	20,701	8,600	28,173	7,472
Total Expenditures	\$ 19,501	1,200	20,701	8,600	28,173	7,472
Excess (Deficiency) of Revenues Over Expenditures	\$ (8,378)	(1,200)	(9,578)	(4,600)	(21,600)	12,022
Net Change in Fund Balance Fund Balance, July 1, 2009	\$ 39,193	0	39,193	20,450	29,193	10,000
Fund Balance, June 30, 2010	\$ 30,815	(1,200)	29,615	15,850	7,593	22,022

Exhibit G-6

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 304,896	\$ 355,000	\$ 355,000	\$ (50,104)
Federal Government	40,000	0	0	40,000
Total Revenues	<u>\$ 344,896</u>	<u>\$ 355,000</u>	<u>\$ 355,000</u>	<u>\$ (10,104)</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Local Health Center	\$ 291,697	\$ 310,567	\$ 345,567	\$ 53,870
<u>Other Operations</u>				
Miscellaneous	3,317	19,000	19,000	15,683
Total Expenditures	<u>\$ 295,014</u>	<u>\$ 329,567</u>	<u>\$ 364,567</u>	<u>\$ 69,553</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 49,882</u>	<u>\$ 25,433</u>	<u>\$ (9,567)</u>	<u>\$ 59,449</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (6,420,717)	\$ (230,000)	\$ (6,446,806)	\$ 26,089
Total Other Financing Sources (Uses)	<u>\$ (6,420,717)</u>	<u>\$ (230,000)</u>	<u>\$ (6,446,806)</u>	<u>\$ 26,089</u>
Net Change in Fund Balance	\$ (6,370,835)	\$ (204,567)	\$ (6,456,373)	\$ 85,538
Fund Balance, July 1, 2009	<u>6,370,835</u>	<u>6,328,755</u>	<u>6,456,373</u>	<u>(85,538)</u>
Fund Balance, June 30, 2010	<u>\$ 0</u>	<u>\$ 6,124,188</u>	<u>\$ 0</u>	<u>\$ 0</u>

Exhibit G-7

Bedford County, Tennessee  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Actual (Budgetary Basis) and Budget  
 Highway/Public Works Fund  
 For the Year Ended June 30, 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	
<u>Revenues</u>							
Local Taxes	\$ 401,969	\$ 0	\$ 0	\$ 401,969	\$ 457,100	\$ 457,100	\$ (55,131)
Charges for Current Services	0	0	0	0	1,250	1,250	(1,250)
Other Local Revenues	18,677	0	0	18,677	29,000	29,000	(10,323)
State of Tennessee	1,968,457	0	0	1,968,457	2,098,000	2,098,000	(129,543)
Other Governments and Citizens Groups	7,769	0	0	7,769	129,200	129,200	(121,431)
Total Revenues	\$ 2,396,872	\$ 0	\$ 0	\$ 2,396,872	\$ 2,714,550	\$ 2,714,550	\$ (317,678)
<u>Expenditures</u>							
Other Operations	\$ 7,000	\$ 0	\$ 0	\$ 7,000	\$ 7,000	\$ 7,000	\$ 0
Contributions to Other Agencies							
<u>Highways</u>							
Administration	190,335	(150)	1,300	191,485	194,736	194,736	3,251
Highway and Bridge Maintenance	1,014,606	(1,500)	2,120	1,015,226	1,387,078	1,254,078	238,852
Operation and Maintenance of Equipment	342,776	(15,421)	5,855	333,210	478,820	481,820	148,610
Litter and Trash Collection	50,928	(875)	800	50,853	57,305	57,305	6,452
Other Charges	100,389	(300)	254	100,343	111,588	114,088	13,745
Employee Benefits	180,068	0	0	180,068	301,153	331,153	151,085
Capital Outlay	309,415	(2,500)	4,000	310,915	512,000	613,000	302,085
Total Expenditures	\$ 2,195,517	\$ (20,746)	\$ 14,329	\$ 2,189,100	\$ 3,049,680	\$ 3,053,180	\$ 864,080
Excess (Deficiency) of Revenues Over Expenditures	\$ 201,355	\$ 20,746	\$ (14,329)	\$ 207,772	\$ (335,130)	\$ (338,630)	\$ 546,402

(Continued)

Exhibit G-7

Bedford County, Tennessee  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Actual (Budgetary Basis) and Budget  
 Highway/Public Works 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>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	3,500 \$	(3,500)
Transfers Out	(19,384)	0	0	(19,384)	(19,384)	(19,384)	0
Total Other Financing Sources (Uses)	\$ (19,384) \$	0 \$	0 \$	(19,384) \$	(19,384) \$	(15,884) \$	(3,500)
Net Change in Fund Balance	\$ 181,971 \$	20,746 \$	(14,329) \$	188,388 \$	(354,514) \$	(354,514) \$	542,902
Fund Balance, July 1, 2009	684,837	(20,746)	0	664,091	675,333	684,837	(20,746)
Fund Balance, June 30, 2010	\$ 866,808 \$	0 \$	(14,329) \$	852,479 \$	320,819 \$	330,323 \$	522,156

# **Major Governmental Fund**

## **General Debt Service Fund**

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

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Exhibit H

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 5,642,739	\$ 5,201,824	\$ 5,201,824	\$ 440,915
Other Local Revenues	246,253	750,000	750,000	(503,747)
State of Tennessee	31,532	3,500	3,500	28,032
Other Governments and Citizens Groups	2,129,770	0	2,129,770	0
Total Revenues	<u>\$ 8,050,294</u>	<u>\$ 5,955,324</u>	<u>\$ 8,085,094</u>	<u>\$ (34,800)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 553,158	\$ 0	\$ 554,680	\$ 1,522
Highways and Streets	399,331	523,639	399,331	0
Education	4,289,753	3,349,616	4,289,766	13
<u>Interest on Debt</u>				
General Government	268,495	149,574	268,497	2
Highways and Streets	52,478	58,068	52,478	0
Education	2,974,385	2,907,478	3,087,960	113,575
<u>Other Debt Service</u>				
General Government	66,990	195,206	75,000	8,010
Education	27,625	20,000	27,625	0
Total Expenditures	<u>\$ 8,632,215</u>	<u>\$ 7,203,581</u>	<u>\$ 8,755,337</u>	<u>\$ 123,122</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (581,921)</u>	<u>\$ (1,248,257)</u>	<u>\$ (670,243)</u>	<u>\$ 88,322</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 135,398	\$ 0	\$ 0	\$ 135,398
Transfers In	267,159	218,923	474,866	(207,707)
Transfers Out	(39,000)	0	(39,000)	0
Total Other Financing Sources (Uses)	<u>\$ 363,557</u>	<u>\$ 218,923</u>	<u>\$ 435,866</u>	<u>\$ (72,309)</u>
Net Change in Fund Balance	\$ (218,364)	\$ (1,029,334)	\$ (234,377)	\$ 16,013
Fund Balance, July 1, 2009	<u>4,963,594</u>	<u>4,312,745</u>	<u>4,778,235</u>	<u>185,359</u>
Fund Balance, June 30, 2010	<u>\$ 4,745,230</u>	<u>\$ 3,283,411</u>	<u>\$ 4,543,858</u>	<u>\$ 201,372</u>

# Fiduciary Funds

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

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

Constitutional Officers - Agency Fund – The Constitutional Officers - Agency Fund is used to account for amounts collected in an agency capacity by the county clerk, circuit 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

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

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<b><u>ASSETS</u></b>			
Cash	\$ 0	\$ 1,371,773	\$ 1,371,773
Accounts Receivable	0	1,894	1,894
Due from Other Governments	521,535	0	521,535
Total Assets	<u>\$ 521,535</u>	<u>\$ 1,373,667</u>	<u>\$ 1,895,202</u>
<b><u>LIABILITIES</u></b>			
Due to Other Taxing Units	\$ 521,535	\$ 0	\$ 521,535
Due to Litigants, Heirs, and Others	0	1,373,667	1,373,667
Total Liabilities	<u>\$ 521,535</u>	<u>\$ 1,373,667</u>	<u>\$ 1,895,202</u>

Exhibit I-2

Bedford 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	\$ 3,165,601	\$ 3,165,601	\$ 0
Due from Other Governments	524,165	521,535	524,165	521,535
<b>Total Assets</b>	<b>\$ 524,165</b>	<b>\$ 3,687,136</b>	<b>\$ 3,689,766</b>	<b>\$ 521,535</b>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 524,165	\$ 3,687,136	\$ 3,689,766	\$ 521,535
<b>Total Liabilities</b>	<b>\$ 524,165</b>	<b>\$ 3,687,136</b>	<b>\$ 3,689,766</b>	<b>\$ 521,535</b>
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 2,553,521	\$ 8,611,450	\$ 9,793,198	\$ 1,371,773
Accounts Receivable	4,048	1,894	4,048	1,894
<b>Total Assets</b>	<b>\$ 2,557,569</b>	<b>\$ 8,613,344</b>	<b>\$ 9,797,246</b>	<b>\$ 1,373,667</b>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 2,557,569	\$ 8,613,344	\$ 9,797,246	\$ 1,373,667
<b>Total Liabilities</b>	<b>\$ 2,557,569</b>	<b>\$ 8,613,344</b>	<b>\$ 9,797,246</b>	<b>\$ 1,373,667</b>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 2,553,521	\$ 8,611,450	\$ 9,793,198	\$ 1,371,773
Equity in Pooled Cash and Investments	0	3,165,601	3,165,601	0
Accounts Receivable	4,048	1,894	4,048	1,894
Due from Other Governments	524,165	521,535	524,165	521,535
<b>Total Assets</b>	<b>\$ 3,081,734</b>	<b>\$ 12,300,480</b>	<b>\$ 13,487,012</b>	<b>\$ 1,895,202</b>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 524,165	\$ 3,687,136	\$ 3,689,766	\$ 521,535
Due to Litigants, Heirs, and Others	2,557,569	8,613,344	9,797,246	1,373,667
<b>Total Liabilities</b>	<b>\$ 3,081,734</b>	<b>\$ 12,300,480</b>	<b>\$ 13,487,012</b>	<b>\$ 1,895,202</b>

# Bedford County School Department

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

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

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

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

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

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

Exhibit J-1

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 36,475,814	\$ 304,549	\$ 3,446,490	\$ 878,985	\$ (31,845,790)
Support Services	17,839,190	130,151	0	0	(17,709,039)
Operation of Non-Instructional Services	4,080,793	1,201,302	3,064,885	11,392	196,786
Total Governmental Activities	\$ 58,395,797	\$ 1,636,002	\$ 6,511,375	\$ 890,377	\$ (49,358,043)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes				\$ 7,988,153	
Local Option Sales Taxes				1,771,641	
Other Local Taxes				3,134	
Grants and Contributions Not Restricted to Specific Programs				36,891,817	
Unrestricted Investment Earnings				3,440	
Miscellaneous				120,554	
Total General Revenues				\$ 46,778,739	
Change in Net Assets				\$ (2,579,304)	
Net Assets, July 1, 2009				116,718,468	
Prior-period Adjustment				132,525	
Net Assets, June 30, 2010				\$ 114,271,689	

Exhibit J-2

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

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	<u>Total</u>
	General	Other	Govern-
	Purpose	Govern-	mental
	School	Funds	Funds
<u>ASSETS</u>			
Cash	\$ 300	\$ 6,456	\$ 6,756
Equity in Pooled Cash and Investments	10,237,340	1,771,203	12,008,543
Inventories	0	176,789	176,789
Accounts Receivable	58,136	22,495	80,631
Due from Other Governments	1,819,365	58,784	1,878,149
Due from Other Funds	0	4,562	4,562
Property Taxes Receivable	8,380,757	0	8,380,757
Allowance for Uncollectible Property Taxes	(431,164)	0	(431,164)
Total Assets	<u>\$ 20,064,734</u>	<u>\$ 2,040,289</u>	<u>\$ 22,105,023</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 794,558	\$ 178,313	\$ 972,871
Accrued Payroll	0	44	44
Payroll Deductions Payable	611,350	96,020	707,370
Due to Other Funds	4,562	0	4,562
Deferred Revenue - Current Property Taxes	7,645,019	0	7,645,019
Deferred Revenue - Delinquent Property Taxes	290,386	0	290,386
Other Deferred Revenues	144,390	0	144,390
Total Liabilities	<u>\$ 9,490,265</u>	<u>\$ 274,377</u>	<u>\$ 9,764,642</u>
<u>Fund Balances</u>			
Reserved for Encumbrances	\$ 391,001	\$ 95,853	\$ 486,854
Reserved for Innovative Education Program Strategies	0	23	23
Reserved for Special Education - Grants to States	0	28,959	28,959
Other Federal Reserves	0	4,965	4,965
Unreserved, Reported In:			
General Fund	10,183,468	0	10,183,468
Special Revenue Funds	0	1,636,112	1,636,112
Total Fund Balances	<u>\$ 10,574,469</u>	<u>\$ 1,765,912</u>	<u>\$ 12,340,381</u>
Total Liabilities and Fund Balances	<u>\$ 20,064,734</u>	<u>\$ 2,040,289</u>	<u>\$ 22,105,023</u>

Exhibit J-3

Bedford County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds to  
the Statement of Net Asset  
Discretely Presented Bedford County School Department  
June 30, 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)		\$	12,340,381
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	2,785,691	
Add: buildings and improvements net of accumulated depreciation		95,133,086	
Add: other capital assets net of accumulated depreciation		<u>3,896,516</u>	101,815,293
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: other postemployment benefits liability			(318,761)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			
			<u>434,776</u>
Net assets of governmental activities (Exhibit A)		\$	<u><u>114,271,689</u></u>

Exhibit J-4

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

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General	Other	Total
	Purpose	Govern-	Governmental
	School	mental	Funds
		Funds	
<u>Revenues</u>			
Local Taxes	\$ 9,955,712	\$ 0	\$ 9,955,712
Licenses and Permits	5,994	0	5,994
Charges for Current Services	131,264	1,517,595	1,648,859
Other Local Revenues	121,192	13,601	134,793
State of Tennessee	35,170,368	0	35,170,368
Federal Government	1,328,034	7,434,077	8,762,111
Total Revenues	<u>\$ 46,712,564</u>	<u>\$ 8,965,273</u>	<u>\$ 55,677,837</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 30,369,361	\$ 4,003,859	\$ 34,373,220
Support Services	15,369,365	1,549,815	16,919,180
Operation of Non-Instructional Services	157,167	3,660,342	3,817,509
Capital Outlay	889,597	0	889,597
Capital Projects	0	2,074,584	2,074,584
Total Expenditures	<u>\$ 46,785,490</u>	<u>\$ 11,288,600</u>	<u>\$ 58,074,090</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (72,926)</u>	<u>\$ (2,323,327)</u>	<u>\$ (2,396,253)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 18,300	\$ 100,000	\$ 118,300
Transfers Out	(100,000)	(18,300)	(118,300)
Total Other Financing Sources (Uses)	<u>\$ (81,700)</u>	<u>\$ 81,700</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ (154,626)	\$ (2,241,627)	\$ (2,396,253)
Fund Balance, July 1, 2009	10,729,095	4,007,539	14,736,634
Fund Balance, June 30, 2010	<u>\$ 10,574,469</u>	<u>\$ 1,765,912</u>	<u>\$ 12,340,381</u>

Exhibit J-5

Bedford County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds to the  
Statement of Activities  
Discretely Presented Bedford County School Department  
For the Year Ended June 30, 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)		\$	(2,396,253)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:			
Add: capital assets purchased in the current period	\$	2,098,185	
Less: current year depreciation expense		<u>(2,101,914)</u>	(3,729)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.			(16,747)
(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	\$	434,776	
Less: deferred delinquent property taxes and other deferred June 30, 2009		<u>(503,284)</u>	(68,508)
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in other postemployment benefits liability			<u>(94,067)</u>
Change in net assets of governmental activities (Exhibit B)		\$	<u>(2,579,304)</u>

Exhibit J-6

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

	Special Revenue Funds			Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Extended School Program	
<u>ASSETS</u>				
Cash	\$ 0	\$ 5,856	\$ 600	\$ 6,456
Equity in Pooled Cash and Investments	291,511	1,370,046	109,646	1,771,203
Inventories	0	176,789	0	176,789
Accounts Receivable	0	9,704	12,791	22,495
Due from Other Governments	58,784	0	0	58,784
Due from Other Funds	4,562	0	0	4,562
<b>Total Assets</b>	<b>\$ 354,857</b>	<b>\$ 1,562,395</b>	<b>\$ 123,037</b>	<b>\$ 2,040,289</b>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 170,492	\$ 6,376	\$ 1,445	\$ 178,313
Accrued Payroll	0	44	0	44
Payroll Deductions Payable	94,985	915	120	96,020
<b>Total Liabilities</b>	<b>\$ 265,477</b>	<b>\$ 7,335</b>	<b>\$ 1,565</b>	<b>\$ 274,377</b>
<u>Fund Balances</u>				
Reserved for Encumbrances	\$ 55,433	\$ 39,451	\$ 969	\$ 95,853
Reserved for Innovative Education Program Strategies	23	0	0	23
Reserved for Special Education - Grants to States	28,959	0	0	28,959
Other Federal Reserves	4,965	0	0	4,965
Unreserved	0	1,515,609	120,503	1,636,112
<b>Total Fund Balances</b>	<b>\$ 89,380</b>	<b>\$ 1,555,060</b>	<b>\$ 121,472</b>	<b>\$ 1,765,912</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 354,857</b>	<b>\$ 1,562,395</b>	<b>\$ 123,037</b>	<b>\$ 2,040,289</b>

Exhibit J-7

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

	Special Revenue Funds				Capital		Total
	School Federal Projects	Central Cafeteria	Extended School Program	Total	Education Capital Projects	Nonmajor Governmental Funds	
<u>Revenues</u>							
Charges for Current Services	\$ 0	\$ 1,199,496	\$ 318,099	\$ 1,517,595	\$ 0	\$ 0	\$ 1,517,595
Other Local Revenues	0	13,086	10	13,096	505		13,601
Federal Government	4,993,842	2,440,235	0	7,434,077	0		7,434,077
Total Revenues	\$ 4,993,842	\$ 3,652,817	\$ 318,109	\$ 8,964,768	\$ 505	\$ 0	\$ 8,965,273
<u>Expenditures</u>							
Current:							
Instruction	\$ 4,003,859	\$ 0	\$ 0	\$ 4,003,859	\$ 0	\$ 0	\$ 4,003,859
Support Services	1,522,015	25,000	2,800	1,549,815	0	0	1,549,815
Operation of Non-Instructional Services	0	3,317,577	342,765	3,660,342	0	0	3,660,342
Capital Projects	0	0	0	0	2,074,584		2,074,584
Total Expenditures	\$ 5,525,874	\$ 3,342,577	\$ 345,565	\$ 9,214,016	\$ 2,074,584	\$ 0	\$ 11,288,600
Excess (Deficiency) of Revenues Over Expenditures	\$ (532,032)	\$ 310,240	\$ (27,456)	\$ (249,248)	\$ (2,074,079)	\$ 0	\$ (2,323,327)
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 100,000	\$ 0	\$ 0	\$ 100,000	\$ 0	\$ 0	\$ 100,000
Transfers Out	(18,300)	0	0	(18,300)	0	0	(18,300)
Total Other Financing Sources (Uses)	\$ 81,700	\$ 0	\$ 0	\$ 81,700	\$ 0	\$ 0	\$ 81,700
Net Change in Fund Balances Fund Balance, July 1, 2009	\$ (450,332)	\$ 310,240	\$ (27,456)	\$ (167,548)	\$ (2,074,079)	\$ 0	\$ (2,241,627)
Fund Balance, June 30, 2010	\$ 539,712	\$ 1,244,820	\$ 148,928	\$ 1,933,460	\$ 2,074,079	\$ 0	\$ 4,007,539
Fund Balance, June 30, 2010	\$ 89,380	\$ 1,555,060	\$ 121,472	\$ 1,765,912	\$ 0	\$ 0	\$ 1,765,912

Exhibit J-8

Bedford County, Tennessee  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Actual (Budgetary Basis) and Budget  
 Discretely Presented Bedford County School Department  
 General Purpose School Fund  
 For the Year Ended June 30, 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	
<u>Revenues</u>							
Local Taxes	\$ 9,955,712	\$ 0	\$ 0	\$ 9,955,712	\$ 9,303,001	\$ 9,363,191	\$ 592,521
Licenses and Permits	5,994	0	0	5,994	3,000	3,000	2,994
Charges for Current Services	131,264	0	0	131,264	91,260	133,903	(2,639)
Other Local Revenues	121,192	0	0	121,192	26,687	88,028	33,164
State of Tennessee	35,170,368	0	0	35,170,368	35,533,011	36,255,732	(1,085,364)
Federal Government	1,328,034	0	0	1,328,034	305,000	1,207,599	120,435
Total Revenues	\$ 46,712,564	\$ 0	\$ 0	\$ 46,712,564	\$ 45,261,959	\$ 47,051,453	\$ (338,889)

<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 25,895,198	\$ (120,124)	\$ 96,512	\$ 25,871,586	\$ 27,018,896	\$ 28,203,239	\$ 2,331,653
Alternative Instruction Program	540,433	(64,777)	0	475,656	582,818	582,818	107,162
Special Education Program	2,772,743	(15,136)	6,940	2,764,547	2,798,853	2,821,553	57,006
Vocational Education Program	1,026,642	(3,050)	0	1,023,592	1,069,290	1,069,344	45,752
Adult Education Program	134,345	(2,565)	0	131,780	124,855	180,971	49,191
<u>Support Services</u>							
Attendance	86,875	0	43	86,918	86,977	87,062	144
Health Services	309,173	0	1,844	311,017	385,759	482,759	171,742
Other Student Support	1,096,841	(5,217)	1,437	1,093,061	1,110,109	1,134,109	41,048
Regular Instruction Program	1,314,940	(746)	3,283	1,317,477	1,368,757	1,593,757	276,280
Alternative Instruction Program	74,948	0	0	74,948	74,972	74,972	24

(Continued)

Exhibit J-8

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

	Actual (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>Support Services (Cont.)</u>							
Special Education Program	\$ 264,593	\$ (3,700)	\$ 5,609	\$ 266,502	\$ 321,388	\$ 359,788	\$ 93,286
Vocational Education Program	24,695	0	0	24,695	26,654	26,654	1,959
Adult Programs	99,762	0	0	99,762	114,242	101,979	2,217
Other Programs	113,470	0	0	113,470	0	113,470	0
Board of Education	513,891	(420)	125	513,596	613,757	616,139	102,543
Director of Schools	1,267,941	0	0	1,267,941	1,343,496	1,397,513	129,572
Office of the Principal	2,404,819	(80)	773	2,405,512	2,544,135	2,544,887	139,375
Human Services/Personnel	97,945	0	80	98,025	101,498	101,498	3,473
Operation of Plant	4,327,667	(60,934)	6,790	4,273,523	5,425,723	5,435,673	1,162,150
Maintenance of Plant	1,250,853	(84,103)	98,401	1,265,151	1,387,203	1,412,690	147,539
Transportation	1,937,282	(7,270)	3,230	1,933,242	2,464,719	2,479,798	546,556
Central and Other	183,670	0	0	183,670	263,691	263,691	80,021
<u>Operation of Non-Instructional Services</u>							
Food Service	44,356	0	0	44,356	44,359	44,359	3
Community Services	112,811	0	0	112,811	89,394	172,930	60,119
<u>Capital Outlay</u>							
Regular Capital Outlay	889,597	(751,448)	165,934	304,083	318,000	415,553	111,470
Total Expenditures	\$ 46,785,490	\$ (1,119,570)	\$ 391,001	\$ 46,056,921	\$ 49,679,545	\$ 51,717,206	\$ 5,660,285
<u>Excess (Deficiency) of Revenues Over Expenditures</u>							
	\$ (72,926)	\$ 1,119,570	\$ (391,001)	\$ 655,643	\$ (4,417,586)	\$ (4,665,753)	\$ 5,321,396

(Continued)

Exhibit J-8

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

	Actual (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>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	10,296 \$	(10,296)
Transfers In	18,300	0	0	18,300	8,000	26,300	(8,000)
Transfers Out	(100,000)	0	0	(100,000)	(30,229)	(130,229)	30,229
Total Other Financing Sources (Uses)	\$ (81,700) \$	0 \$	0 \$	(81,700) \$	(22,229) \$	(93,633) \$	11,933
Net Change in Fund Balance Fund Balance, July 1, 2009	\$ (154,626) \$	1,119,570 \$	(391,001) \$	573,943 \$	(4,439,815) \$	(4,759,386) \$	5,333,329
Fund Balance, June 30, 2010	10,729,095	(1,119,570)	0	9,609,525	5,996,988	6,951,048	2,658,477
	\$ 10,574,469 \$	0 \$	(391,001) \$	10,183,468 \$	1,557,173 \$	2,191,662 \$	7,991,806

Exhibit J-9

Bedford County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Bedford County School Department  
School Federal Projects Fund  
For the Year Ended June 30, 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	
<u>Revenues</u>							
Federal Government	\$ 4,993,842	\$ 0	\$ 0	\$ 4,993,842	\$ 8,339,712	\$ 8,654,578	\$ (3,660,736)
Total Revenues	\$ 4,993,842	\$ 0	\$ 0	\$ 4,993,842	\$ 8,339,712	\$ 8,654,578	\$ (3,660,736)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 2,919,934	\$ (33,841)	\$ 19,917	\$ 2,906,010	\$ 3,604,265	\$ 3,707,083	\$ 801,073
Special Education Program	950,006	0	11,087	961,093	2,620,531	2,498,447	1,537,354
Vocational Education Program	133,919	(21,538)	2,899	115,280	115,907	115,372	92
<u>Support Services</u>							
Health Services	178,206	0	0	178,206	236,749	230,238	52,032
Other Student Support	92,051	(4,156)	1,623	89,518	359,488	366,304	276,786
Regular Instruction Program	520,697	(39,505)	19,498	500,690	714,381	772,958	272,268
Special Education Program	282,553	(183)	409	282,779	706,051	759,187	476,408
Vocational Education Program	876	(304)	0	572	1,400	572	0
Transportation	447,632	0	0	447,632	471,413	542,014	94,382
Total Expenditures	\$ 5,525,874	\$ (99,527)	\$ 55,433	\$ 5,481,780	\$ 8,830,185	\$ 8,992,175	\$ 3,510,395
Excess (Deficiency) of Revenues Over Expenditures	\$ (532,032)	\$ 99,527	\$ (55,433)	\$ (487,938)	\$ (490,473)	\$ (337,597)	\$ (150,341)
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 100,000	\$ 0	\$ 0	\$ 100,000	\$ 204,701	\$ 204,701	\$ (104,701)
Transfers Out	(18,300)	0	0	(18,300)	(60,909)	(290,083)	271,783
Total Other Financing Sources (Uses)	\$ 81,700	\$ 0	\$ 0	\$ 81,700	\$ 143,792	\$ (85,382)	\$ 167,082
Net Change in Fund Balance	\$ (450,332)	\$ 99,527	\$ (55,433)	\$ (406,238)	\$ (346,681)	\$ (422,979)	\$ 16,741
Fund Balance, July 1, 2009	539,712	(99,527)	0	440,185	358,681	422,979	17,206
Fund Balance, June 30, 2010	\$ 89,380	\$ 0	\$ (55,433)	\$ 33,947	\$ 12,000	\$ 0	\$ 33,947

Exhibit J-10

Bedford County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Bedford County School Department  
Central Cafeteria Fund  
For the Year Ended June 30, 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	
<u>Revenues</u>							
Charges for Current Services	\$ 1,199,496	\$ 0	\$ 0	\$ 1,199,496	\$ 1,633,000	\$ 1,637,567	\$ (438,071)
Other Local Revenues	13,086	0	0	13,086	24,000	24,000	(10,914)
Federal Government	2,440,235	0	0	2,440,235	2,060,000	2,185,215	255,020
Total Revenues	\$ 3,652,817	\$ 0	\$ 0	\$ 3,652,817	\$ 3,717,000	\$ 3,846,782	\$ (193,965)
<u>Expenditures</u>							
Support Services	\$ 25,000	\$ 0	\$ 0	\$ 25,000	\$ 25,000	\$ 25,000	\$ 0
Board of Education							
Operation of Non-Instructional Services							
Food Service	3,317,577	(42,920)	39,451	3,314,108	4,054,846	4,217,016	902,908
Total Expenditures	\$ 3,342,577	\$ (42,920)	\$ 39,451	\$ 3,339,108	\$ 4,079,846	\$ 4,242,016	\$ 902,908
Excess (Deficiency) of Revenues Over Expenditures	\$ 310,240	\$ 42,920	\$ (39,451)	\$ 313,709	\$ (362,846)	\$ (395,234)	\$ 708,943
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ 0	\$ 0	\$ 0	\$ 0	\$ (17,388)	\$ 0	\$ 0
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (17,388)	\$ 0	\$ 0
Net Change in Fund Balance Fund Balance, July 1, 2009	\$ 310,240	\$ 42,920	\$ (39,451)	\$ 313,709	\$ (380,234)	\$ (395,234)	\$ 708,943
Fund Balance, July 1, 2009	1,244,820	(42,920)	0	1,201,900	940,511	1,186,900	15,000
Fund Balance, June 30, 2010	\$ 1,555,060	\$ 0	\$ (39,451)	\$ 1,515,609	\$ 560,277	\$ 791,666	\$ 723,943

Exhibit J-11

Bedford County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Bedford County School Department  
Extended School Program Fund  
For the Year Ended June 30, 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	
<u>Revenues</u>							
Charges for Current Services	\$ 318,099	\$ 0	\$ 0	\$ 318,099	\$ 449,060	\$ 449,060	\$ (130,961)
Other Local Revenues	10	0	0	10	150	150	(140)
<b>Total Revenues</b>	<b>\$ 318,109</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 318,109</b>	<b>\$ 449,210</b>	<b>\$ 449,210</b>	<b>\$ (131,101)</b>
<u>Expenditures</u>							
<u>Support Services</u>							
Board of Education	\$ 2,800	\$ 0	\$ 0	\$ 2,800	\$ 2,800	\$ 2,800	\$ 0
Operation of Non-Instructional Services	342,765	(1,350)	969	342,384	488,323	488,456	146,072
Community Services	345,565	(1,350)	969	345,184	491,123	491,256	146,072
<b>Total Expenditures</b>	<b>\$ (27,456)</b>	<b>\$ 1,350</b>	<b>\$ (969)</b>	<b>\$ (27,075)</b>	<b>\$ (41,913)</b>	<b>\$ (42,046)</b>	<b>\$ 14,971</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ (27,456)	\$ 1,350	\$ (969)	\$ (27,075)	\$ (41,913)	\$ (42,046)	\$ 14,971
Net Change in Fund Balance Fund Balance, July 1, 2009	148,928	(1,350)	0	147,578	107,961	147,445	133
Fund Balance, June 30, 2010	\$ 121,472	\$ 0	\$ (969)	\$ 120,503	\$ 66,048	\$ 105,399	\$ 15,104

# Bedford County Solid Waste Authority

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

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

Exhibit K-1

Bedford County, Tennessee  
Balance Sheet - Governmental Fund  
Discretely Presented Bedford County Solid Waste Authority  
June 30, 2010

	<u>Solid Waste/ Sanitation Fund</u>
<u>ASSETS</u>	
Cash	\$ 76,622
Accounts Receivable	<u>6,462</u>
Total Assets	<u><u>\$ 83,084</u></u>
<u>LIABILITIES</u>	
Payroll Deductions Payable	\$ 653
Other Liabilities	<u>15</u>
Total Liabilities	<u><u>\$ 668</u></u>
<u>FUND BALANCE</u>	
Fund Balance:	
Unreserved	\$ 82,416
Total Fund Balance	<u><u>\$ 82,416</u></u>
Total Liabilities and Fund Balance	<u><u>\$ 83,084</u></u>

Exhibit K-2

Bedford County, Tennessee  
Reconciliation of the Balance Sheet of the Governmental Fund to  
the Statement of Net Assets  
Discretely Presented Bedford County Solid Waste Authority  
June 30, 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 K-1)		\$	82,416
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	10,200	
Add: buildings and improvements net of accumulated depreciation		182,044	
Add: other capital assets net of accumulated depreciation		<u>455,102</u>	647,346
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: compensated absences payable	\$	(13,426)	
Less: other postemployment benefits liability		<u>(1,687)</u>	<u>(15,113)</u>
Net assets of governmental activities (Exhibit A)			<u>\$ 714,649</u>

Exhibit K-3

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

	Actual
<hr/>	
<u>Revenues</u>	
Other Local Revenues	\$ 63,818
State of Tennessee	28,400
Other Governments and Citizens Groups	855,000
Total Revenues	<u>\$ 947,218</u>
 <u>Expenditures</u>	
<u>Public Health and Welfare</u>	
Convenience Centers	\$ 1,020,719
Total Expenditures	<u>\$ 1,020,719</u>
 Excess (Deficiency) of Revenues Over Expenditures	 <u>\$ (73,501)</u>
 Fund Balance, July 1, 2009	 <u>\$ 155,917</u>
 Fund Balance, June 30, 2010	 <u><u>\$ 82,416</u></u>

Exhibit K-4

Bedford County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balance of the Governmental Fund to the  
Statement of Activities  
Discretely Presented Bedford County Solid Waste Authority  
For the Year Ended June 30, 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 K-3)		\$ (73,501)
<p>(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:</p>		
Add: capital assets purchased in the current period	\$ 111,084	
Less: current year depreciation expense	<u>(44,782)</u>	66,302
<p>(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.</p>		
		(6,200)
<p>(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.</p>		
Change in compensated absences payable	\$ (3,993)	
Change in other postemployment benefits liability	<u>(880)</u>	<u>(4,873)</u>
Change in net assets of governmental activities (Exhibit B)		<u><u>\$ (18,272)</u></u>

Exhibit K-5

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 63,818	\$ 75,500	\$ 84,650	\$ (20,832)
State of Tennessee	28,400	30,000	30,000	(1,600)
Other Governments and Citizens Groups	855,000	855,000	855,000	0
Total Revenues	<u>\$ 947,218</u>	<u>\$ 960,500</u>	<u>\$ 969,650</u>	<u>\$ (22,432)</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Convenience Centers	\$ 1,020,719	\$ 1,062,954	\$ 1,072,104	\$ 51,385
Total Expenditures	<u>\$ 1,020,719</u>	<u>\$ 1,062,954</u>	<u>\$ 1,072,104</u>	<u>\$ 51,385</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (73,501)</u>	<u>\$ (102,454)</u>	<u>\$ (102,454)</u>	<u>\$ 28,953</u>
Net Change in Fund Balance	\$ (73,501)	\$ (102,454)	\$ (102,454)	\$ 28,953
Fund Balance, July 1, 2009	<u>155,917</u>	<u>112,300</u>	<u>112,300</u>	<u>43,617</u>
Fund Balance, June 30, 2010	<u>\$ 82,416</u>	<u>\$ 9,846</u>	<u>\$ 9,846</u>	<u>\$ 72,570</u>

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## MISCELLANEOUS SCHEDULES

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Exhibit L-1

Bedford County, Tennessee  
Schedule of Changes in Long-term Notes, Other Loans, and Bonds  
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
<b><u>NOTES PAYABLE</u></b>								
<u>Payable through General Debt Service Fund</u>								
Workhouse and Agriculture Center	\$ 870,000	2.75%	8-1-03	8-1-10	\$ 248,692	\$ 0	\$ 124,286	\$ 124,406
School Portable Buildings	720,000	4	5-19-06	5-19-11	304,275	0	149,753	154,522
Highway Paving	2,000,000	4.14	6-15-07	6-15-12	1,249,166	0	399,331	849,835
EMA Project	193,000	3.94	8-21-08	8-21-13	193,000	0	38,600	154,400
School Project	4,700,000	3.23	9-8-08	6-30-13	3,760,000	0	940,000	2,820,000
Fire Trucks and Equipment	276,100	3.15	5-13-03	5-6-10	43,272	0	43,272	0
Tennessee Vocational Rehabilitation Center	1,100,000	3.75	2-3-05	1-1-15	707,000	0	107,000	600,000
County Projects	450,000	2.84	6-30-10	6-30-13	0	450,000	0	450,000
Total Notes Payable					\$ 6,505,405	\$ 450,000	\$ 1,802,242	\$ 5,153,163
<b><u>OTHER LOANS PAYABLE</u></b>								
<u>Payable through General Debt Service Fund</u>								
School	8,000,000	variable	5-23-1997	5-25-17	\$ 4,194,000	\$ 0	\$ 435,000	\$ 3,759,000
Total Other Loans Payable					\$ 4,194,000	\$ 0	\$ 435,000	\$ 3,759,000
<b><u>BONDS PAYABLE</u></b>								
<u>Payable through General Debt Service Fund</u>								
General Obligation School Refunding					\$ 4,455,000	\$ 0	\$ 555,000	\$ 3,900,000
School	5,130,000	2 to 4.55	1-15-02	4-1-16	11,040,000	0	630,000	10,410,000
School	14,000,000	2 to 4	6-12-03	6-30-23	3,780,000	0	180,000	3,600,000
General Obligation	4,290,000	3.25 to 4.3	4-15-05	4-25-25	6,040,000	0	240,000	5,800,000
School	6,500,000	3.75	12-14-06	6-30-27	43,170,000	0	860,000	42,310,000
General Obligation School Refunding	44,000,000	4 to 5	6-14-07	4-1-37	2,905,000	0	540,000	2,365,000
General Obligation School Refunding	3,435,000	3 to 4.5	5-7-08	4-1-14	\$ 71,390,000	\$ 0	\$ 3,005,000	\$ 68,385,000
Total Bonds Payable					\$ 71,390,000	\$ 0	\$ 3,005,000	\$ 68,385,000

Exhibit L-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2011	\$ 1,933,011	\$ 178,077	\$ 2,111,088
2012	1,678,611	110,341	1,788,952
2013	1,250,185	51,736	1,301,921
2014	162,356	10,999	173,355
2015	129,000	4,837	133,837
Total	<u>\$ 5,153,163</u>	<u>\$ 355,990</u>	<u>\$ 5,509,153</u>

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2011	\$ 458,000	\$ 22,987	\$ 13,425	\$ 494,412
2012	482,000	20,186	11,913	514,099
2013	508,000	17,238	10,323	535,561
2014	534,000	14,132	8,646	556,778
2015	562,000	10,867	6,884	579,751
2016	592,000	7,430	5,030	604,460
2017	623,000	3,810	2,991	629,801
Total	<u>\$ 3,759,000</u>	<u>\$ 96,650</u>	<u>\$ 59,212</u>	<u>\$ 3,914,862</u>

Year Ending June 30	Bonds		
	Principal	Interest	Total
2011	\$ 3,120,000	\$ 2,904,089	\$ 6,024,089
2012	3,230,000	2,788,836	6,018,836
2013	3,350,000	2,661,312	6,011,312
2014	3,470,000	2,526,851	5,996,851
2015	2,950,000	2,386,597	5,336,597
2016	3,070,000	2,269,884	5,339,884
2017	2,435,000	2,138,804	4,573,804
2018	2,520,000	2,035,705	4,555,705
2019	2,630,000	1,939,349	4,569,349
2020	2,725,000	1,837,600	4,562,600
2021	2,840,000	1,729,482	4,569,482
2022	2,960,000	1,613,531	4,573,531
2023	3,080,000	1,489,019	4,569,019
2024	2,175,000	1,359,173	3,534,173
2025	2,265,000	1,265,073	3,530,073
2026	2,045,000	1,168,837	3,213,837
2027	2,130,000	1,072,087	3,202,087
2028	1,745,000	971,275	2,716,275
2029	1,825,000	884,025	2,709,025
2030	1,905,000	801,900	2,706,900
2031	1,990,000	716,175	2,706,175
2032	2,075,000	626,625	2,701,625
2033	2,170,000	533,250	2,703,250
2034	2,265,000	435,600	2,700,600
2035	2,365,000	333,675	2,698,675
2036	2,470,000	227,250	2,697,250
2037	2,580,000	116,099	2,696,099
Total	<u>\$ 68,385,000</u>	<u>\$ 38,832,103</u>	<u>\$ 107,217,103</u>

Exhibit L-3

Bedford County, Tennessee  
Schedule of Transfers  
Primary Government and Discretely Presented Bedford 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>			
Highway/Public Works	General	Bookkeeper salary	\$ 19,384
Special Purpose	General	Close fund	613,152
Special Purpose	General Debt Service	Debt payments	44,645
Other Capital Projects	General Debt Service	Debt payments	133,523
Other Capital Projects	General Debt Service	Close fund	88,991
General Debt Service	Other Capital Projects	Operations	39,000
Other Special Revenue	General	Close fund	6,190,717
Other Special Revenue	Special Purpose	Operations	<u>230,000</u>
Total Transfers Primary Government			<u>\$ 7,359,412</u>
<u>DISCRETELY PRESENTED BEDFORD COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	School Federal Projects	Operations	\$ 100,000
School Federal Projects	General Purpose School	Indirect costs	<u>18,300</u>
Total Transfers Discretely Presented Bedford County School Department			<u>\$ 118,300</u>

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

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <u>TCA</u>	\$ 81,254	\$ 50,000	RLI Insurance Company
Highway Superintendent	Section 8-24-102, <u>TCA</u> , and County Commission	91,784 (1)	100,000	Ohio Casualty Insurance Company
Superintendent of Schools	State Board of Education and County Commission	95,000	100,000	RLI Insurance Company
Trustee	Section 8-24-102, <u>TCA</u>	64,954 (5)	1,400,000	Ohio Casualty Insurance Company
Assessor of Property	Section 8-24-102, <u>TCA</u>	65,704 (6)	10,000	RLI Insurance Company
County Clerk	Section 8-24-102, <u>TCA</u>	63,954	50,000	"
Circuit Court Clerk	Section 8-24-102, <u>TCA</u> , and County Commission	84,945 (2)	50,000	"
Clerk and Master	Section 8-24-102, <u>TCA</u> , and Chancery Court Judge	70,349 (3)	50,000	"
Register	Section 8-24-102, <u>TCA</u>	64,954 (5)	25,000	"
Sheriff	Section 8-24-102, <u>TCA</u>	65,776 (4)	25,000	"
Finance Director	County Commission	85,000	50,000	"
<u>Other Bonds</u>				
Employee Fidelity - General Government and Discretely Presented Solid Waste Authority			150,000	Tennessee Risk Management Trust
Employee Blanket Bond - Discretely Presented School Department			150,000	"

- (1) Includes salary of \$14,400 paid by the Bedford County Solid Waste Authority, a discretely presented component unit.
- (2) Includes additional ten percent of clerk's salary for overseeing more than one court, \$13,596 received as administrator of the county's driving school, and level three training incentive pay of \$1,000.
- (3) Includes additional ten percent of clerk's salary for overseeing more than one court.
- (4) Includes a salary reduction of \$11,608 because the sheriff does not have the appropriate Certified Law Enforcement Officer Training, per TCA, 8-8-102.
- (5) Includes level three training incentive pay of \$1,000.
- (6) Includes level three training incentive pay of \$1,000 and Tennessee Certified Assessor's pay of \$750.

Exhibit L-5

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

	Special Revenue Funds					Other Special Revenue
	General	Special Purpose	Drug Control	Agriculture Center		
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 8,106,104	\$ 0	\$ 0	\$ 0	\$ 0	0
Trustee's Collections - Prior Year	360,652	0	0	0	0	0
Circuit/Clerk & Master Collections - Prior Years	238,968	0	0	0	0	0
Interest and Penalty	60,945	0	0	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	2,702	0	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	56,200	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	76,339	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	14,007	177,232	0	0	0	0
Litigation Tax - General	171,415	0	0	0	0	0
Litigation Tax - Special Purpose	451	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	142,008	0	0	0	0	0
Litigation Tax - Courtroom Security	102,192	0	0	0	0	0
Business Tax	313,324	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
Adequate Facilities/Development Tax	0	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	35,160	0	0	0	0	0
Wholesale Beer Tax	193,502	0	0	0	0	0
Interstate Telecommunications Tax	2,011	0	0	0	0	0
Total Local Taxes	\$ 9,875,980	\$ 177,232	\$ 0	\$ 0	\$ 0	0
<u>Licenses and Permits</u>						
<u>Permits</u>						
Beer Permits	\$ 3,630	\$ 0	\$ 0	\$ 0	\$ 0	0
Building Permits	82,526	0	0	0	0	0
Other Permits	22,755	0	0	0	0	0
Total Licenses and Permits	\$ 108,911	\$ 0	\$ 0	\$ 0	\$ 0	0

(Continued)

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

	Special Revenue Funds				
	General	Special Purpose	Drug Control	Agriculture Center	Other Special Revenue
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 8,858	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	6,949	0	0	0	0
Jail Fees	743	0	0	0	0
Data Entry Fee - Circuit Court	129	0	0	0	0
<u>Criminal Court</u>					
Interpreter Fees	11,144	0	0	0	0
<u>General Sessions Court</u>					
Fines	74,182	0	0	0	0
Officers Costs	72,191	0	0	0	0
Game and Fish Fines	576	0	0	0	0
Drug Control Fines	0	0	15,562	0	0
Drug Court Fees	399	0	0	0	0
Jail Fees	19,990	0	0	0	0
Data Entry Fee - General Sessions Court	6,630	0	0	0	0
<u>Juvenile Court</u>					
Fines	26,201	0	0	0	0
Jail Fees	72,291	0	0	0	0
<u>Chancery Court</u>					
Officers Costs	1,818	0	0	0	0
Data Entry Fee - Chancery Court	3,256	0	0	0	0
<u>Other Courts - In-county</u>					
Fines	12,186	2,557	0	0	0
<u>Judicial District Drug Program</u>					
Courtroom Security Fee	172	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>					
Other Fines, Forfeitures, and Penalties	13,380	0	26,966	0	0
Total Fines, Forfeitures, and Penalties	\$ 331,095	\$ 2,557	\$ 42,528	\$ 0	\$ 0

(Continued)

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

	Special Revenue Funds				
	General	Special Purpose	Drug Control	Agriculture Center	Other Special Revenue
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Patient Charges	\$ 1,616,214	\$ 0	\$ 0	\$ 0	\$ 0
Work Release Charges for Board	77,644	0	0	0	0
Other General Service Charges	38,285	0	0	0	0
Service Charges	350	0	0	0	0
<u>Fees</u>					
Copy Fees	707	0	0	0	0
Telephone Commissions	18,811	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0
Data Processing Fee - Register	14,834	0	0	0	0
Probation Fees	406,183	0	0	0	0
Data Processing Fee - Sheriff	1,604	0	0	0	0
Sexual Offender Registration Fees - Sheriff	2,348	0	0	0	0
Data Processing Fee - County Clerk	3,884	0	0	0	0
Other Charges for Services	0	12,700	0	0	0
<u>Total Charges for Current Services</u>	<u>\$ 2,180,864</u>	<u>\$ 12,700</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 158,288
Lease/Rentals	0	1	0	8,550	146,608
Sale of Materials and Supplies	0	0	0	0	0
Commissary Sales	7,594	0	0	0	0
Sale of Gasoline	0	0	0	0	0
Sale of Maps	24,625	0	0	0	0
Sale of Recycled Materials	0	0	0	0	0
Sale of Animals/Livestock	0	9,766	0	0	0
Miscellaneous Refunds	238,918	21,834	2,600	0	0
<u>Nonrecurring Items</u>					
Sale of Equipment	3,427	1,422	13,916	2,573	0

(Continued)

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

	Special Revenue Funds				
	General	Special Purpose	Drug Control	Agriculture Center	Other Special Revenue
<u>Other Local Revenues (Cont.)</u>					
<u>Nonrecurring Items (Cont.)</u>					
Sale of Property	\$ 37,000	\$ 0	\$ 0	\$ 0	\$ 0
Contributions and Gifts	250	9,500	0	0	0
<u>Other Local Revenues</u>	11,533	0	0	0	0
<b>Total Other Local Revenues</b>	<b>\$ 323,347</b>	<b>\$ 42,523</b>	<b>\$ 16,516</b>	<b>\$ 11,123</b>	<b>\$ 304,896</b>
<u>Fees Received from County Officials</u>					
<u>Fees in-Lieu-of-Salary</u>					
County Clerk	\$ 372,147	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	98,386	0	0	0	0
General Sessions Court Clerk	351,599	0	0	0	0
Clerk and Master	219,021	0	0	0	0
Register	175,398	0	0	0	0
Sheriff	34,851	0	0	0	0
Trustee	572,642	0	0	0	0
<b>Total Fees Received from County Officials</b>	<b>\$ 1,824,044</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0
State Reappraisal Grant	10,546	0	0	0	0
Health and Welfare Grants	349,563	0	0	0	0
Public Works Grants	0	0	0	0	0
State Aid Program	0	0	0	0	0
Litter Program	0	0	0	0	0
<u>Other State Revenues</u>					
Income Tax	136,510	0	0	0	0
Beer Tax	17,778	0	0	0	0
Alcoholic Beverage Tax	59,405	0	0	0	0

(Continued)

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

	Special Revenue Funds				
	General	Special Purpose	Drug Control	Agriculture Center	Other Special Revenue
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues (Cont.)</u>					
Mixed Drink Tax	\$ 6,513	\$ 0	\$ 0	\$ 0	\$ 0
State Revenue Sharing - T.V.A.	350,001	0	0	0	0
Emergency Hospital - Prisoners	60,294	0	0	0	0
Contracted Prisoner Boarding	914,006	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0
Registrar's Salary Supplement	16,380	0	0	0	0
State Shared Sales Tax - Cities	4,944	0	0	0	0
Other State Revenues	50,622	0	0	0	0
Total State of Tennessee	\$ 1,985,562	\$ 0	\$ 0	\$ 0	\$ 0
<u>Federal Government</u>					
<u>Federal Through State</u>					
Civil Defense Reimbursement	\$ 67,286	\$ 0	\$ 0	\$ 0	\$ 0
Homeland Security Grants	123,363	0	0	0	0
ARRA Grant No. 2	69,092	0	0	0	0
Other Federal through State	19,256	0	0	0	0
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	0	0	0	0	40,000
Total Federal Government	\$ 278,997	\$ 0	\$ 0	\$ 0	\$ 40,000
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Paving and Maintenance Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
17,388	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 17,388	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 16,926,188	\$ 235,012	\$ 59,044	\$ 11,123	\$ 344,896

(Continued)

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

	Special Revenue Funds		Debt Service Fund		Capital Projects Funds			Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Nursing Home Projects	Other Capital Projects			
<u>Local Taxes</u>								
<u>County Property Taxes</u>								
Current Property Tax	0 \$	293,010 \$	732,532 \$	0 \$	0 \$	0 \$	9,131,646	
Trustee's Collections - Prior Year	0	12,061	30,151	0	0	0	402,864	
Circuit/Clerk & Master Collections - Prior Years	0	8,611	21,529	0	0	0	269,108	
Interest and Penalty	0	2,196	5,488	0	0	0	68,629	
Payments in-Lieu-of Taxes - T.V.A.	0	97	243	0	0	0	3,042	
Payments in-Lieu-of Taxes - Local Utilities	0	2,025	5,063	0	0	0	63,288	
Payments in-Lieu-of Taxes - Other	0	2,751	6,877	0	0	0	85,967	
<u>County Local Option Taxes</u>								
Local Option Sales Tax	0	0	4,624,692	0	0	0	4,815,931	
Litigation Tax - General	0	0	0	0	0	0	171,415	
Litigation Tax - Special Purpose	0	0	0	0	0	0	451	
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0	142,008	
Litigation Tax - Courtroom Security	0	0	0	0	0	0	102,192	
Business Tax	0	0	0	0	0	0	313,324	
Mineral Severance Tax	0	81,218	0	0	0	0	81,218	
Adequate Facilities/Development Tax	0	0	216,164	0	0	0	216,164	
<u>Statutory Local Taxes</u>								
Bank Excise Tax	0	0	0	0	0	0	35,160	
Wholesale Beer Tax	0	0	0	0	0	0	193,502	
Interstate Telecommunications Tax	0	0	0	0	0	0	2,011	
Total Local Taxes	0 \$	401,969 \$	5,642,739 \$	0 \$	0 \$	0 \$	16,097,920	
<u>Licenses and Permits</u>								
<u>Permits</u>								
Beer Permits	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	3,630	
Building Permits	0	0	0	0	0	0	82,526	
Other Permits	0	0	0	0	0	0	22,755	
Total Licenses and Permits	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	108,911	

(Continued)

Exhibit L-5

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

	Special Revenue Funds			Debt Service Fund		Capital Projects Funds			Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Nursing Home Projects	Other Capital Projects				
<u>Fines, Forfeitures, and Penalties</u>									
<u>Circuit Court</u>									
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,858	
Officers Costs	0	0	0	0	0	0	0	6,949	
Jail Fees	0	0	0	0	0	0	0	743	
Data Entry Fee - Circuit Court	0	0	0	0	0	0	0	129	
<u>Criminal Court</u>									
Interpreter Fees	0	0	0	0	0	0	0	11,144	
<u>General Sessions Court</u>									
Fines	0	0	0	0	0	0	0	74,182	
Officers Costs	0	0	0	0	0	0	0	72,191	
Game and Fish Fines	0	0	0	0	0	0	0	576	
Drug Control Fines	0	0	0	0	0	0	0	15,562	
Drug Court Fees	0	0	0	0	0	0	0	399	
Jail Fees	0	0	0	0	0	0	0	19,990	
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	0	6,630	
<u>Juvenile Court</u>									
Fines	0	0	0	0	0	0	0	26,201	
Jail Fees	0	0	0	0	0	0	0	72,291	
<u>Chancery Court</u>									
Officers Costs	0	0	0	0	0	0	0	1,818	
Data Entry Fee - Chancery Court	0	0	0	0	0	0	0	3,256	
<u>Other Courts - In-county</u>									
Fines	0	0	0	0	0	0	0	14,743	
<u>Judicial District Drug Program</u>									
Courtroom Security Fee	0	0	0	0	0	0	0	172	
<u>Other Fines, Forfeitures, and Penalties</u>									
Other Fines, Forfeitures, and Penalties	0	0	0	0	0	0	0	40,346	
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 376,180	

(Continued)

Exhibit L-5

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

	Special Revenue Funds			Debt Service Fund			Capital Projects Funds			Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Nursing Home Projects	Other Capital Projects					
<u>Charges for Current Services</u>										
<u>General Service Charges</u>										
Patient Charges	0	0	0	0	0	0	0	0	1,616,214	
Work Release Charges for Board	0	0	0	0	0	0	0	0	77,644	
Other General Service Charges	0	0	0	0	0	0	0	0	38,285	
Service Charges	0	0	0	0	0	0	0	0	350	
<u>Fees</u>										
Copy Fees	0	0	0	0	0	0	0	0	707	
Telephone Commissions	0	0	0	0	0	0	0	0	18,811	
Constitutional Officers' Fees and Commissions	1,063	0	0	0	0	0	0	0	1,063	
Data Processing Fee - Register	0	0	0	0	0	0	0	0	14,834	
Probation Fees	0	0	0	0	0	0	0	0	406,183	
Data Processing Fee - Sheriff	0	0	0	0	0	0	0	0	1,604	
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	0	0	0	2,348	
Data Processing Fee - County Clerk	0	0	0	0	0	0	0	0	3,884	
Other Charges for Services	0	0	0	0	0	0	0	0	12,700	
Total Charges for Current Services	\$ 1,063	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,194,627	
<u>Other Local Revenues</u>										
<u>Recurring Items</u>										
Investment Income	0	0	216,938	236	0	0	0	0	375,462	
Lease/Rentals	0	0	0	110,000	133,734	0	0	0	398,893	
Sale of Materials and Supplies	0	363	0	45,163	0	0	0	0	45,526	
Commissary Sales	0	0	0	0	0	0	0	0	7,594	
Sale of Gasoline	0	3,557	0	0	0	0	0	0	3,557	
Sale of Maps	0	0	0	0	0	0	0	0	24,625	
Sale of Recycled Materials	0	483	0	0	0	0	0	0	483	
Sale of Animals/Livestock	0	0	0	0	0	0	0	0	9,766	
Miscellaneous Refunds	0	4,788	29,315	0	0	0	0	0	297,455	
<u>Nonrecurring Items</u>										
Sale of Equipment	0	9,486	0	0	0	0	0	0	30,824	

(Continued)

Exhibit L-5

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

	Special Revenue Funds		Debt Service Fund		Capital Projects Funds			Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Nursing Home Projects	Other Capital Projects			
<u>Other Local Revenues (Cont.)</u>								
<u>Nonrecurring Items (Cont.)</u>								
Sale of Property	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	37,000
Contributions and Gifts	0	0	0	0	0	0	0	9,750
<u>Other Local Revenues</u>	0	0	0	0	0	0	0	11,533
Other Local Revenues	0 \$	18,677 \$	246,253 \$	155,399 \$	133,734 \$	0 \$	0 \$	1,252,468
Total Other Local Revenues								
<u>Fees Received from County Officials</u>								
<u>Fees in-Lieu-of-Salary</u>								
County Clerk	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	372,147
Circuit Court Clerk	0	0	0	0	0	0	0	98,386
General Sessions Court Clerk	0	0	0	0	0	0	0	351,599
Clerk and Master	0	0	0	0	0	0	0	219,021
Register	0	0	0	0	0	0	0	175,398
Sheriff	0	0	0	0	0	0	0	34,851
Trustee	0	0	0	0	0	0	0	572,642
Total Fees Received from County Officials	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	1,821,044
<u>State of Tennessee</u>								
<u>General Government Grants</u>								
Juvenile Services Program	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	9,000
State Reappraisal Grant	0	0	0	0	0	0	0	10,546
<u>Health and Welfare Grants</u>								
Health Department Programs	0	0	0	0	0	0	0	349,563
<u>Public Works Grants</u>								
State Aid Program	0	117,221	0	0	0	0	0	117,221
Litter Program	0	34,221	0	0	0	0	0	34,221
<u>Other State Revenues</u>								
Income Tax	0	0	0	0	0	0	0	136,510
Beer Tax	0	0	0	0	0	0	0	17,778
Alcoholic Beverage Tax	0	0	0	0	0	0	0	59,405

(Continued)

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

	Special Revenue Funds			Debt Service Fund		Capital Projects Funds			Total
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Nursing Home Projects	Other Capital Projects				
<u>State of Tennessee (Cont.)</u>									
<u>Other State Revenues (Cont.)</u>									
Mixed Drink Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,513	
State Revenue Sharing - T.V.A.	0	12,613	31,532	0	0	0	0	394,146	
Emergency Hospital - Prisoners	0	0	0	0	0	0	0	60,294	
Contracted Prisoner Boarding	0	0	0	0	0	0	0	914,006	
Gasoline and Motor Fuel Tax	0	1,774,216	0	0	0	0	0	1,774,216	
Petroleum Special Tax	0	30,186	0	0	0	0	0	30,186	
Registrar's Salary Supplement	0	0	0	0	0	0	0	16,380	
State Shared Sales Tax - Cities	0	0	0	0	0	0	0	4,944	
Other State Revenues	0	0	0	0	0	0	0	50,622	
Total State of Tennessee	\$ 0	\$ 1,968,457	\$ 31,532	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,983,551	
<u>Federal Government</u>									
<u>Federal Through State</u>									
Civil Defense Reimbursement	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 67,286	
Homeland Security Grants	0	0	0	0	0	0	0	123,363	
ARRA Grant No. 2	0	0	0	0	0	0	0	69,092	
Other Federal through State	0	0	0	0	0	0	0	19,256	
Direct Federal Revenue	0	0	0	0	0	0	0	40,000	
Other Direct Federal Revenue	0	0	0	0	0	0	0	318,997	
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 318,997	
<u>Other Governments and Citizens Groups</u>									
<u>Other Governments</u>									
Paving and Maintenance Contributions	\$ 0	\$ 7,769	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,769	
Total Other Governments and Citizens Groups	\$ 0	\$ 7,769	\$ 2,129,770	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,147,158	
Total	\$ 1,063	\$ 2,396,872	\$ 8,050,294	\$ 155,399	\$ 183,734	\$ 28,313,625			

Exhibit L-6

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

	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Education Capital Projects	Total
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 7,471,791	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,471,791
Trustee's Collections - Prior Year	307,553	0	0	0	0	307,553
Circuit/Clerk & Master Collections - Prior Years	219,592	0	0	0	0	219,592
Interest and Penalty	55,985	0	0	0	0	55,985
Payments in-Lieu-of Taxes - T.V.A.	2,483	0	0	0	0	2,483
Payments in-Lieu-of Taxes - Local Utilities	51,643	0	0	0	0	51,643
Payments in-Lieu-of Taxes - Other	70,150	0	0	0	0	70,150
<u>County Local Option Taxes</u>						
Local Option Sales Tax	1,773,381	0	0	0	0	1,773,381
<u>Statutory Local Taxes</u>						
Interstate Telecommunications Tax	3,134	0	0	0	0	3,134
Total Local Taxes	\$ 9,955,712	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,955,712
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	5,994	0	0	0	0	5,994
Total Licenses and Permits	\$ 5,994	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,994
<u>Charges for Current Services</u>						
<u>Fees</u>						
Copy Fees	212	0	0	0	0	212
<u>Education Charges</u>						
Tuition - Other	0	0	0	318,099	0	318,099
Lunch Payments - Children	0	0	680,241	0	0	680,241
Lunch Payments - Adults	0	0	150,639	0	0	150,639
Income from Breakfast	0	0	212,231	0	0	212,231
A la carte Sales	0	0	154,301	0	0	154,301
Receipts from Individual Schools	128,067	0	2,084	0	0	130,151
<u>Other Charges for Services</u>						
Other Charges for Services	2,985	0	0	0	0	2,985
Total Charges for Current Services	\$ 131,264	\$ 0	\$ 1,199,496	\$ 318,099	\$ 0	\$ 1,648,859

(Continued)

Exhibit L-6

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

	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Education Capital Projects	Total
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	0 \$	0 \$	3,440 \$	0 \$	0 \$	3,440
Lease/Rentals	3,890	0	0	0	0	3,890
Miscellaneous Refunds	100,155	0	5,079	0	505	105,739
<u>Nonrecurring Items</u>						
Sale of Equipment	9,722	0	4,567	0	0	14,289
Sale of Property	200	0	0	0	0	200
Damages Recovered from Individuals	326	0	0	0	0	326
Contributions and Gifts	6,899	0	0	10	0	6,909
<b>Total Other Local Revenues</b>	<b>\$ 121,192 \$</b>	<b>0 \$</b>	<b>13,086 \$</b>	<b>10 \$</b>	<b>505 \$</b>	<b>134,793</b>
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
On-Behalf Contributions for OPEB	\$ 113,470 \$	0 \$	0 \$	0 \$	0 \$	113,470
<u>State Education Funds</u>						
Basic Education Program	32,495,724	0	0	0	0	32,495,724
Basic Education Program - ARRA	1,394,600	0	0	0	0	1,394,600
Early Childhood Education	194,818	0	0	0	0	194,818
School Food Service	40,099	0	0	0	0	40,099
Driver Education	20,357	0	0	0	0	20,357
Other State Education Funds	1,565	0	0	0	0	1,565
Coordinated School Health - ARRA	69,214	0	0	0	0	69,214
Internet Connectivity - ARRA	22,279	0	0	0	0	22,279
Career Ladder Program	354,302	0	0	0	0	354,302
Career Ladder - Extended Contract - ARRA	1,141	0	0	0	0	1,141
<u>Other State Revenues</u>						
Mixed Drink Tax	5,440	0	0	0	0	5,440
State Revenue Sharing - T.V.A.	321,622	0	0	0	0	321,622
Other State Grants	112,337	0	0	0	0	112,337
Safe Schools - ARRA	23,400	0	0	0	0	23,400
<b>Total State of Tennessee</b>	<b>\$ 35,170,368 \$</b>	<b>0 \$</b>	<b>0 \$</b>	<b>0 \$</b>	<b>0 \$</b>	<b>35,170,368</b>

(Continued)

Exhibit L-6

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

	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Education Capital Projects	Total
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,818,013	\$ 0	\$ 0	\$ 1,818,013
Breakfast	0	0	538,489	0	0	538,489
USDA - Other	0	0	72,341	0	0	72,341
USDA Food Service Equipment Grant - ARRA	0	0	11,392	0	0	11,392
Adult Education State Grant Program	124,592	0	0	0	0	124,592
Vocational Education - Basic Grants to States	0	140,309	0	0	0	140,309
Other Vocational	0	90,493	0	0	0	90,493
Title I Grants to Local Education Agencies	0	2,411,576	0	0	0	2,411,576
Special Education - Grants to States	282,613	1,677,990	0	0	0	1,960,603
Special Education Preschool Grants	0	36,732	0	0	0	36,732
English Language Acquisition Grants	0	99,247	0	0	0	99,247
Safe and Drug-free Schools - State Grants	0	13,334	0	0	0	13,334
Rural Education	0	106,679	0	0	0	106,679
Eisenhower Professional Development State Grants	0	372,032	0	0	0	372,032
Other Federal through State	65,244	45,450	0	0	0	110,694
<u>Direct Federal Revenue</u>	855,585	0	0	0	0	855,585
<u>Other Direct Federal Revenue</u>	1,328,034	4,993,842	2,440,235	0	0	8,762,111
<u>Total Federal Government</u>	\$ 46,712,564	\$ 4,993,842	\$ 3,652,817	\$ 318,109	\$ 505	\$ 55,677,837

Exhibit L-7

Bedford County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
Discretely Presented Bedford County Solid Waste Authority  
For the Year Ended June 30, 2010

	Solid Waste / Sanitation
<hr/>	
<u>Other Local Revenues</u>	
<u>Recurring Items</u>	
Sale of Recycled Materials	\$ 40,954
Miscellaneous Refunds	17,999
<u>Nonrecurring Items</u>	
Sale of Equipment	4,865
Total Other Local Revenues	<u>\$ 63,818</u>
<u>State of Tennessee</u>	
<u>General Government Grants</u>	
Solid Waste Grants	<u>\$ 28,400</u>
Total State of Tennessee	<u>\$ 28,400</u>
<u>Other Governments and Citizens Groups</u>	
<u>Other Governments</u>	
Contributions	<u>\$ 855,000</u>
Total Other Governments and Citizens Groups	<u>\$ 855,000</u>
Total	<u><u>\$ 947,218</u></u>

Exhibit L-8

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

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	87,348	
Social Security		5,415	
State Retirement		3,171	
Employer Medicare		1,267	
Advertising		4,902	
Total County Commission			\$ 102,103

Board of Equalization

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

Beer Board

Board and Committee Members Fees	\$	600	
Total Beer Board			600

Budget and Finance Committee

Board and Committee Members Fees	\$	2,100	
Social Security		130	
State Retirement		44	
Employer Medicare		30	
Total Budget and Finance Committee			2,304

County Mayor/Executive

County Official/Administrative Officer	\$	81,254	
Data Processing Personnel		27,419	
Secretary(ies)		26,400	
Clerical Personnel		16,225	
Part-time Personnel		270	
Social Security		7,524	
State Retirement		7,485	
Life Insurance		233	
Medical Insurance		14,055	
Employer Medicare		1,760	
Communication		3,238	
Maintenance Agreements		1,119	
Maintenance and Repair Services - Buildings		175	
Postal Charges		751	
Travel		1,172	
Other Contracted Services		9,554	
Office Supplies		1,651	

(Continued)

Exhibit L-8

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

General Fund (Cont.)

General Government (Cont.)

County Mayor/Executive (Cont.)

Other Charges	\$ 408	
Total County Mayor/Executive		\$ 200,693

County Attorney

County Official/Administrative Officer	\$ 35,208	
Total County Attorney		35,208

Election Commission

County Official/Administrative Officer	\$ 57,559	
Assistant(s)	27,690	
Custodial Personnel	14,502	
Part-time Personnel	2,190	
Overtime Pay	335	
Election Commission	4,875	
Election Workers	22,786	
Social Security	6,458	
State Retirement	4,544	
Life Insurance	175	
Medical Insurance	5,437	
Employer Medicare	1,510	
Communication	2,143	
Data Processing Services	2,900	
Dues and Memberships	175	
Maintenance Agreements	6,655	
Maintenance and Repair Services - Equipment	308	
Postal Charges	6,507	
Printing, Stationery, and Forms	11,858	
Travel	2,508	
Office Supplies	1,362	
Other Supplies and Materials	1,219	
Office Equipment	1,368	
Total Election Commission		185,064

Register of Deeds

County Official/Administrative Officer	\$ 63,954
Assistant(s)	140,333
Educational Incentive - Official/Admin Officer	1,000
Longevity Pay	3,500
Social Security	12,030
State Retirement	11,034

(Continued)

Exhibit L-8

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

Life Insurance	\$	524	
Medical Insurance		16,323	
Employer Medicare		2,751	
Communication		3,672	
Dues and Memberships		784	
Maintenance Agreements		1,101	
Postal Charges		1,592	
Travel		338	
Other Contracted Services		8,000	
Office Supplies		5,486	
Other Charges		3,069	
Data Processing Equipment		19,666	
Total Register of Deeds			\$ 295,157

Planning

Other Salaries and Wages	\$	37,721	
Board and Committee Members Fees		4,800	
Social Security		2,339	
State Retirement		2,003	
Life Insurance		87	
Employer Medicare		547	
Communication		869	
Contracts with Government Agencies		13,020	
Legal Notices, Recording, and Court Costs		615	
Postal Charges		288	
Travel		314	
Office Supplies		646	
Other Charges		116	
Total Planning			63,365

Codes Compliance

Other Salaries and Wages	\$	34,879
Board and Committee Members Fees		75
In-Service Training		280
Social Security		2,096
State Retirement		1,852
Life Insurance		87
Medical Insurance		5,437
Employer Medicare		490
Communication		444

(Continued)

Exhibit L-8

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

General Fund (Cont.)

General Government (Cont.)

Codes Compliance (Cont.)

Legal Notices, Recording, and Court Costs	\$	313	
Postal Charges		6	
Travel		2,013	
Office Supplies		1,044	
Office Equipment		640	
Total Codes Compliance			\$ 49,656

County Buildings

Custodial Personnel	\$	24,428	
Social Security		1,410	
State Retirement		1,297	
Life Insurance		87	
Medical Insurance		5,437	
Employer Medicare		330	
Communication		9,071	
Maintenance Agreements		267	
Maintenance and Repair Services - Buildings		11,958	
Maintenance and Repair Services - Equipment		2,545	
Pest Control		50	
Travel		200	
Custodial Supplies		6,088	
Utilities		30,060	
Other Supplies and Materials		2,141	
Building Improvements		53,793	
Other Equipment		597	
Total County Buildings			149,759

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	85,000	
Accountants/Bookkeepers		236,002	
Clerical Personnel		32,084	
Longevity Pay		8,400	
In-Service Training		2,150	
Social Security		21,606	
State Retirement		19,195	
Life Insurance		666	
Medical Insurance		21,767	
Employer Medicare		4,903	
Communication		8,848	

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Data Processing Services	\$	12,241	
Dues and Memberships		1,650	
Maintenance and Repair Services - Equipment		1,729	
Travel		207	
Other Contracted Services		1,575	
Data Processing Supplies		4,804	
Office Supplies		10,555	
Other Charges		8,162	
Data Processing Equipment		1,391	
Office Equipment		2,757	
Total Accounting and Budgeting			\$ 485,692

Property Assessor's Office

County Official/Administrative Officer	\$	63,954
Assistant(s)		29,072
Data Processing Personnel		27,412
Secretary(ies)		28,800
Clerical Personnel		48,364
Educational Incentive - Official/Admin Officer		1,000
Longevity Pay		8,800
Other Salaries and Wages		750
In-Service Training		500
Social Security		11,893
State Retirement		11,000
Life Insurance		524
Medical Insurance		32,607
Employer Medicare		2,624
Communication		2,739
Data Processing Services		11,514
Dues and Memberships		1,600
Maintenance Agreements		780
Maintenance and Repair Services - Equipment		5,141
Postal Charges		1,812
Rentals		13,415
Travel		1,388
Other Contracted Services		17,639
Office Supplies		826
Other Charges		2,530
Data Processing Equipment		2,000
Furniture and Fixtures		34

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Motor Vehicles	\$ 18	
Total Property Assessor's Office		\$ 328,736

Reappraisal Program

Clerical Personnel	\$ 12,475	
Other Salaries and Wages	38,998	
Social Security	3,079	
State Retirement	2,071	
Life Insurance	87	
Medical Insurance	5,445	
Employer Medicare	720	
Communication	570	
Data Processing Services	4,105	
Postal Charges	14	
Printing, Stationery, and Forms	420	
Travel	1,517	
Office Supplies	403	
Other Charges	3,607	
Office Equipment	388	
Total Reappraisal Program		73,899

County Trustee's Office

County Official/Administrative Officer	\$ 63,954
Deputy(ies)	122,992
Part-time Personnel	10,727
Educational Incentive - Official/Admin Officer	1,000
Longevity Pay	6,350
Overtime Pay	267
In-Service Training	50
Social Security	12,389
State Retirement	10,277
Life Insurance	393
Medical Insurance	27,224
Employer Medicare	2,784
Communication	1,716
Data Processing Services	1,360
Dues and Memberships	609
Legal Notices, Recording, and Court Costs	122
Maintenance Agreements	8,222
Postal Charges	5,561

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Travel	\$	1,822	
Office Supplies		3,766	
Office Equipment		751	
Total County Trustee's Office			\$ 282,336

County Clerk's Office

County Official/Administrative Officer	\$	63,954	
Deputy(ies)		198,310	
Longevity Pay		10,450	
Social Security		16,126	
State Retirement		14,481	
Life Insurance		673	
Medical Insurance		27,228	
Employer Medicare		3,584	
Communication		2,398	
Dues and Memberships		634	
Maintenance Agreements		11,504	
Postal Charges		13,574	
Travel		1,040	
Office Supplies		6,380	
Other Charges		69	
Furniture and Fixtures		100	
Office Equipment		200	
Total County Clerk's Office			370,705

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	70,349	
Deputy(ies)		207,043	
Part-time Personnel		5,500	
Educational Incentive - Official/Admin Officer		1,000	
Longevity Pay		14,250	
Other Salaries and Wages		34,802	
Jury and Witness Fees		15,922	
Social Security		20,296	
State Retirement		17,597	
Life Insurance		808	
Medical Insurance		39,429	
Employer Medicare		4,492	
Communication		4,183	

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Dues and Memberships	\$	574	
Maintenance Agreements		16,233	
Postal Charges		4,105	
Travel		635	
Office Supplies		12,576	
Office Equipment		789	
Total Circuit Court			\$ 470,583

General Sessions Court

Judge(s)	\$	124,306	
Secretary(ies)		32,330	
Longevity Pay		1,500	
Social Security		8,789	
State Retirement		8,397	
Life Insurance		175	
Medical Insurance		10,881	
Employer Medicare		2,239	
Communication		588	
Dues and Memberships		40	
Rentals		8,000	
Total General Sessions Court			197,245

Chancery Court

County Official/Administrative Officer	\$	70,349	
Assistant(s)		99,725	
Part-time Personnel		14,256	
Longevity Pay		1,350	
Social Security		11,282	
State Retirement		8,188	
Life Insurance		204	
Medical Insurance		2,045	
Employer Medicare		2,614	
Communication		1,142	
Dues and Memberships		724	
Maintenance Agreements		922	
Postal Charges		1,480	
Office Supplies		7,141	
Premiums on Corporate Surety Bonds		706	
In Service/Staff Development		794	
Office Equipment		11,327	
Total Chancery Court			234,249

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court

Youth Service Officer(s)	\$	44,050	
Social Workers		67,960	
Salary Supplements		9,000	
Longevity Pay		2,000	
Social Security		7,528	
State Retirement		6,532	
Life Insurance		262	
Medical Insurance		5,437	
Employer Medicare		1,725	
Communication		771	
Contracts with Government Agencies		7,375	
Contributions		29,256	
Rentals		8,000	
Office Supplies		330	
Total Juvenile Court			\$ 190,226

Judicial Commissioners

Deputy(ies)	\$	119,272	
Part-time Personnel		6,490	
Longevity Pay		1,000	
Social Security		7,596	
State Retirement		6,386	
Life Insurance		349	
Medical Insurance		16,311	
Employer Medicare		1,759	
Maintenance Agreements		1,076	
Total Judicial Commissioners			160,239

Other Administration of Justice

Probation Officer(s)	\$	30,270	
Guidance Personnel		40,570	
Longevity Pay		800	
Social Security		4,264	
State Retirement		3,804	
Life Insurance		175	
Medical Insurance		10,874	
Employer Medicare		983	
Communication		697	
Contracts with Government Agencies		10,625	
Rentals		4,000	

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Other Administration of Justice (Cont.)

Travel	\$	436	
Office Supplies		234	
Total Other Administration of Justice			\$ 107,732

Probation Services

County Official/Administrative Officer	\$	46,294	
Clerical Personnel		133,113	
Longevity Pay		2,300	
Social Security		10,462	
State Retirement		9,649	
Life Insurance		455	
Medical Insurance		15,347	
Employer Medicare		2,447	
Communication		4,177	
Maintenance Agreements		10,019	
Maintenance and Repair Services - Vehicles		28	
Postal Charges		176	
Printing, Stationery, and Forms		1,798	
Rentals		16,800	
Gasoline		254	
Office Supplies		5,492	
Other Charges		718	
Furniture and Fixtures		362	
Office Equipment		125	
Total Probation Services			260,016

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	65,776
Assistant(s)		88,574
Deputy(ies)		542,517
Detective(s)		108,922
Captain(s)		126,724
Sergeant(s)		85,822
Data Processing Personnel		21,560
Salary Supplements		20,400
Dispatchers/Radio Operators		128,124
Secretary(ies)		58,307
School Resource Officer		212,144
Overtime Pay		41,553

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Other Salaries and Wages	\$	47,248	
In-Service Training		5,370	
Social Security		93,577	
State Retirement		79,455	
Life Insurance		3,636	
Medical Insurance		156,885	
Employer Medicare		21,885	
Communication		23,880	
Contributions		45,743	
Dues and Memberships		2,259	
Evaluation and Testing		70	
Maintenance Agreements		2,852	
Maintenance and Repair Services - Buildings		1,785	
Maintenance and Repair Services - Equipment		1,761	
Maintenance and Repair Services - Vehicles		37,775	
Medical and Dental Services		365	
Postal Charges		1,402	
Travel		5,283	
Other Contracted Services		3,045	
Custodial Supplies		1,312	
Gasoline		111,133	
Office Supplies		7,660	
Tires and Tubes		10,743	
Uniforms		8,950	
Utilities		16,366	
Other Supplies and Materials		7,181	
Other Charges		5,177	
Communication Equipment		50	
Law Enforcement Equipment		42,066	
Motor Vehicles		147,580	
Office Equipment		3,848	
Total Sheriff's Department			\$ 2,396,765

Traffic Control

Other Salaries and Wages	\$	25,956	
Social Security		1,609	
State Retirement		1,378	
Employer Medicare		376	
Total Traffic Control			29,319

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail

Captain(s)	\$	42,900	
Lieutenant(s)		73,008	
Sergeant(s)		109,106	
Data Processing Personnel		63,527	
Medical Personnel		12,706	
Guards		467,176	
Maintenance Personnel		31,934	
Overtime Pay		29,997	
In-Service Training		6,129	
Social Security		49,611	
State Retirement		40,162	
Life Insurance		2,184	
Medical Insurance		131,514	
Employer Medicare		11,602	
Communication		11,357	
Maintenance Agreements		13,826	
Maintenance and Repair Services - Buildings		9,632	
Maintenance and Repair Services - Equipment		5,338	
Maintenance and Repair Services - Vehicles		1,148	
Medical and Dental Services		601,358	
Postal Charges		1,980	
Travel		868	
Other Contracted Services		2,059	
Custodial Supplies		20,089	
Food Supplies		130,127	
Office Supplies		7,579	
Prisoners Clothing		5,149	
Uniforms		5,405	
Utilities		72,305	
Other Supplies and Materials		4,398	
Office Equipment		4,909	
Other Equipment		8,998	
Total Jail			\$ 1,978,081

Workhouse

Captain(s)	\$	36,860
Sergeant(s)		141,296
Data Processing Personnel		31,982
Guards		280,755
Maintenance Personnel		34,617

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Public Safety (Cont.)

Workhouse (Cont.)

Overtime Pay	\$	27,055	
In-Service Training		3,521	
Social Security		33,676	
State Retirement		27,471	
Life Insurance		1,475	
Medical Insurance		49,617	
Employer Medicare		7,876	
Communication		6,248	
Maintenance Agreements		1,358	
Maintenance and Repair Services - Buildings		3,501	
Maintenance and Repair Services - Equipment		1,820	
Maintenance and Repair Services - Vehicles		489	
Medical and Dental Services		5,965	
Postal Charges		440	
Travel		855	
Other Contracted Services		2,468	
Custodial Supplies		18,146	
Food Supplies		85,598	
Office Supplies		2,787	
Prisoners Clothing		2,980	
Uniforms		1,964	
Utilities		44,036	
Other Supplies and Materials		1,781	
Building Improvements		1,227	
Other Equipment		5,026	
Total Workhouse			\$ 862,890

Juvenile Services

County Official/Administrative Officer	\$	38,374
Assistant(s)		33,108
Sergeant(s)		93,378
Guards		177,636
Overtime Pay		17,453
In-Service Training		3,672
Social Security		21,671
State Retirement		18,335
Life Insurance		961
Medical Insurance		46,630
Employer Medicare		5,068
Communication		780

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Public Safety (Cont.)

Juvenile Services (Cont.)

Maintenance Agreements	\$	838	
Maintenance and Repair Services - Buildings		81	
Maintenance and Repair Services - Equipment		150	
Medical and Dental Services		7,620	
Postal Charges		132	
Custodial Supplies		3,923	
Food Supplies		7,653	
Instructional Supplies and Materials		97	
Office Supplies		1,012	
Prisoners Clothing		180	
Uniforms		200	
Utilities		6,422	
Other Supplies and Materials		379	
Office Equipment		375	
Other Equipment		498	
Total Juvenile Services			\$ 486,626

Other Emergency Management

Assistant(s)	\$	82,875
Supervisor/Director		101,783
Captain(s)		118,967
Lieutenant(s)		108,971
Secretary(ies)		7,103
Bonus Payments		6,800
Other Salaries and Wages		279,965
Social Security		41,433
State Retirement		21,981
Life Insurance		1,462
Medical Insurance		81,500
Employer Medicare		9,690
Communication		24,476
Maintenance Agreements		255
Maintenance and Repair Services - Buildings		8,867
Maintenance and Repair Services - Equipment		16,887
Travel		538
Other Contracted Services		5,912
Custodial Supplies		2,462
Diesel Fuel		15,894
Gasoline		3,982
Office Supplies		8,164

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management (Cont.)

Uniforms	\$	6,962	
Utilities		29,567	
Other Supplies and Materials		13,562	
Liability Insurance		6,918	
Vehicle and Equipment Insurance		10,781	
Workers' Compensation Insurance		26,996	
In Service/Staff Development		8,960	
Other Charges		10,088	
Other Equipment		180,785	
Total Other Emergency Management			\$ 1,244,586

County Coroner/Medical Examiner

Medical Personnel	\$	12,600	
Total County Coroner/Medical Examiner			12,600

Other Public Safety

Dispatchers/Radio Operators	\$	274,141	
Clerical Personnel		42,738	
Overtime Pay		19,932	
Other Salaries and Wages		9,979	
Total Other Public Safety			346,790

Public Health and Welfare

Local Health Center

Other Salaries and Wages	\$	277,154	
Social Security		16,788	
State Retirement		13,029	
Life Insurance		830	
Medical Insurance		67,200	
Employer Medicare		3,926	
Communication		8,226	
Janitorial Services		15,425	
Maintenance Agreements		2,993	
Maintenance and Repair Services - Buildings		2,413	
Maintenance and Repair Services - Equipment		165	
Travel		4,816	
Drugs and Medical Supplies		37	
Office Supplies		31	
Utilities		14,395	
Other Supplies and Materials		2,424	

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Other Charges	\$	582	
Other Equipment		1,480	
Total Local Health Center			\$ 431,914

Rabies and Animal Control

Maintenance and Repair Services - Buildings	\$	20	
Total Rabies and Animal Control			20

Ambulance/Emergency Medical Services

Supervisor/Director	\$	56,347
Captain(s)		137,622
Medical Personnel		496,862
Salary Supplements		11,922
Mechanic(s)		26,392
Clerical Personnel		65,528
Part-time Personnel		146,436
Longevity Pay		13,800
Overtime Pay		460,630
In-Service Training		4,960
Social Security		84,896
State Retirement		60,229
Life Insurance		2,419
Medical Insurance		135,326
Employer Medicare		19,855
Advertising		113
Communication		13,340
Consultants		264
Dues and Memberships		525
Evaluation and Testing		730
Licenses		2,518
Maintenance Agreements		16,136
Maintenance and Repair Services - Buildings		2,518
Maintenance and Repair Services - Equipment		5,895
Maintenance and Repair Services - Office Equipment		2,093
Maintenance and Repair Services - Vehicles		45,412
Postal Charges		2,503
Printing, Stationery, and Forms		2,278
Travel		1,409
Tuition		10,520
Disposal Fees		7,444

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Custodial Supplies	\$	2,888	
Data Processing Supplies		1,984	
Diesel Fuel		44,212	
Drugs and Medical Supplies		47,550	
Gasoline		8,103	
Natural Gas		4,424	
Office Supplies		3,354	
Periodicals		322	
Uniforms		13,183	
Utilities		16,036	
Other Charges		4,310	
Building Improvements		994	
Communication Equipment		12,860	
Data Processing Equipment		4,371	
Furniture and Fixtures		1,470	
Motor Vehicles		31,095	
Other Equipment		<u>17,135</u>	
Total Ambulance/Emergency Medical Services			\$ 2,051,213

Other Local Health Services

Contracts with Private Agencies	\$	27,500	
Contributions		<u>14,440</u>	
Total Other Local Health Services			41,940

Regional Mental Health Center

Contributions	\$	<u>12,900</u>	
Total Regional Mental Health Center			12,900

Appropriation to State

Contracts with Government Agencies	\$	<u>54,000</u>	
Total Appropriation to State			54,000

General Welfare Assistance

Contracts with Government Agencies	\$	<u>94,735</u>	
Total General Welfare Assistance			94,735

Sanitation Management

Contributions	\$	<u>855,000</u>	
Total Sanitation Management			855,000

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Social, Cultural, and Recreational Services

Adult Activities

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

Senior Citizens Assistance

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

Libraries

Contributions	\$ 138,691	
Total Libraries		138,691

Agriculture and Natural Resources

Agriculture Extension Service

Salary Supplements	\$ 121,755	
Communication	4,782	
Maintenance Agreements	1,114	
Maintenance and Repair Services - Buildings	951	
Utilities	6,249	
Total Agriculture Extension Service		134,851

Soil Conservation

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

Other Agriculture and Natural Resources

Maintenance Personnel	\$ 21,623	
Social Security	1,341	
State Retirement	1,148	
Life Insurance	87	
Employer Medicare	314	
Communication	869	
Gasoline	2,841	
Utilities	13,170	
Other Supplies and Materials	13,337	
Total Other Agriculture and Natural Resources		54,730

Other Operations

Tourism

Contributions	\$ 3,948	
Total Tourism		3,948

(Continued)

Exhibit L-8

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services

Supervisor/Director	\$	11,874	
Truck Drivers		7,000	
Social Security		1,170	
Employer Medicare		274	
Communication		2,229	
Maintenance and Repair Services - Vehicles		110	
Postal Charges		176	
Gasoline		2,931	
Office Supplies		40	
Total Veterans' Services			\$ 25,804

Other Charges

Building and Contents Insurance	\$	102,474	
Workers' Compensation Insurance		65,222	
Liability Claims		69,078	
Total Other Charges			236,774

Contributions to Other Agencies

Contributions	\$	102,000	
Dues and Memberships		10,953	
Total Contributions to Other Agencies			112,953

Employee Benefits

Unemployment Compensation	\$	41,544	
Total Employee Benefits			41,544

Miscellaneous

Audit Services	\$	11,276	
Contributions		37,464	
Rentals		25,852	
Other Contracted Services		21,814	
Trustee's Commission		213,559	
Other Charges		35,728	
Total Miscellaneous			345,693

Capital Projects

Other General Government Projects

Other Construction	\$	38,018	
Total Other General Government Projects			38,018

Total General Fund \$ 16,334,312

(Continued)

Exhibit L-8

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

Special Purpose Fund

Public Health and Welfare

Rabies and Animal Control

Assistant(s)	\$	38,328	
Supervisor/Director		30,400	
Salary Supplements		1,300	
Longevity Pay		600	
Overtime Pay		928	
In-Service Training		1,813	
Social Security		4,331	
State Retirement		2,648	
Life Insurance		171	
Medical Insurance		7,630	
Unemployment Compensation		618	
Employer Medicare		1,013	
Communication		3,858	
Maintenance and Repair Services - Buildings		2,588	
Maintenance and Repair Services - Office Equipment		100	
Maintenance and Repair Services - Vehicles		1,181	
Permits		370	
Animal Food and Supplies		7,290	
Custodial Supplies		4,270	
Drugs and Medical Supplies		31,447	
Gasoline		4,422	
Office Supplies		1,841	
Tires and Tubes		235	
Uniforms		500	
Utilities		9,821	
Other Supplies and Materials		11	
Other Charges		5,360	
Building Improvements		9,426	
Other Equipment		4,326	
Total Rabies and Animal Control			\$ 176,826

Other Operations

Miscellaneous

Trustee's Commission	\$	1,923	
Total Miscellaneous			<u>1,923</u>

Total Special Purpose Fund \$ 178,749

(Continued)

Exhibit L-8

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

Drug Control Fund

Public Safety

Drug Enforcement

Confidential Drug Enforcement Payments	\$	1,000	
Other Supplies and Materials		2,626	
Law Enforcement Equipment		3,191	
Motor Vehicles		29,470	
Office Equipment		49	
Total Drug Enforcement			\$ 36,336

Other Operations

Miscellaneous

Trustee's Commission	\$	156	
Total Miscellaneous			156

Total Drug Control Fund \$ 36,492

Agriculture Center Fund

Agriculture and Natural Resources

Other Agriculture and Natural Resources

Building Improvements	\$	4,057	
Maintenance Equipment		3,285	
Other Equipment		12,159	
Total Other Agriculture and Natural Resources			\$ 19,501

Total Agriculture Center Fund 19,501

Other Special Revenue Fund

Public Health and Welfare

Local Health Center

Maintenance Personnel	\$	19,963	
Social Security		1,226	
State Retirement		306	
Life Insurance		22	
Medical Insurance		1,363	
Unemployment Compensation		217	
Employer Medicare		287	
Maintenance and Repair Services - Buildings		116,697	
Pest Control		1,625	
Utilities		134,918	
Other Supplies and Materials		4,841	
Other Charges		5,195	
Building Improvements		5,037	
Total Local Health Center			\$ 291,697

(Continued)

Exhibit L-8

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

Other Special Revenue Fund (Cont.)

Other Operations

Miscellaneous

Trustee's Commission	\$ 3,317	
Total Miscellaneous		\$ 3,317

Total Other Special Revenue Fund \$ 295,014

Constitutional Officers - Fees Fund

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$ 470	
Total County Trustee's Office		\$ 470

Administration of Justice

Chancery Court

Constitutional Officers' Operating Expenses	\$ 593	
Total Chancery Court		593

Total Constitutional Officers - Fees Fund 1,063

Highway/Public Works Fund

Other Operations

Contributions to Other Agencies

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

Highways

Administration

County Official/Administrative Officer	\$ 77,384
Assistant(s)	40,068
Accountants/Bookkeepers	44,630
Other Salaries and Wages	800
Board and Committee Members Fees	3,750
Social Security	11,908
State Retirement	5,071
Unemployment Compensation	713
Data Processing Services	302
Dues and Memberships	3,219
Legal Notices, Recording, and Court Costs	583
Postal Charges	85
Printing, Stationery, and Forms	649
Travel	337

(Continued)

Exhibit L-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Office Supplies	\$ 836	
Total Administration		\$ 190,335

Highway and Bridge Maintenance

Foremen	\$ 32,988	
Equipment Operators	198,960	
Truck Drivers	212,770	
Laborers	67,550	
Other Salaries and Wages	7,200	
Social Security	38,457	
State Retirement	26,795	
Unemployment Compensation	5,391	
Rentals	5,851	
Asphalt - Cold Mix	4,847	
Asphalt - Hot Mix	204,458	
Asphalt - Liquid	42,535	
Crushed Stone	144,660	
Other Road Supplies	1,932	
Pipe	12,002	
Road Signs	7,904	
Small Tools	306	
Total Highway and Bridge Maintenance		1,014,606

Operation and Maintenance of Equipment

Mechanic(s)	\$ 54,975	
Laborers	63,276	
Other Salaries and Wages	1,600	
Social Security	8,731	
State Retirement	5,599	
Unemployment Compensation	881	
Diesel Fuel	81,016	
Equipment and Machinery Parts	59,578	
Garage Supplies	3,709	
Gasoline	29,377	
Lubricants	12,229	
Tires and Tubes	14,841	
Other Supplies and Materials	6,964	
Total Operation and Maintenance of Equipment		342,776

(Continued)

Exhibit L-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Litter and Trash Collection

Other Salaries and Wages	\$	30,432	
Social Security		2,298	
State Retirement		1,616	
Unemployment Compensation		292	
Other Charges		16,290	
Total Litter and Trash Collection			\$ 50,928

Other Charges

Communication	\$	12,116	
Electricity		10,204	
Natural Gas		4,287	
Premiums on Corporate Surety Bonds		455	
Trustee's Commission		25,134	
Vehicle and Equipment Insurance		43,088	
Other Charges		5,105	
Total Other Charges			100,389

Employee Benefits

State Retirement	\$	3,767	
Employee and Dependent Insurance		115,029	
Uniforms		4,685	
Workers' Compensation Insurance		56,587	
Total Employee Benefits			180,068

Capital Outlay

Engineering Services	\$	12,900	
Bridge Construction		50,061	
Highway Construction		238,454	
Highway Equipment		8,000	
Total Capital Outlay			309,415

Total Highway/Public Works Fund \$ 2,195,517

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	240,000	
Principal on Notes		313,158	
Total General Government			\$ 553,158

(Continued)

Exhibit L-8

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

General Debt Service Fund (Cont.)

Principal on Debt (Cont.)

Highways and Streets

Principal on Notes	\$ 399,331	
Total Highways and Streets		\$ 399,331

Education

Principal on Bonds	\$ 2,765,000	
Principal on Notes	1,089,753	
Principal on Other Loans	435,000	
Total Education		4,289,753

Interest on Debt

General Government

Interest on Bonds	\$ 226,500	
Interest on Notes	41,995	
Total General Government		268,495

Highways and Streets

Interest on Notes	\$ 52,478	
Total Highways and Streets		52,478

Education

Interest on Bonds	\$ 2,789,550	
Interest on Notes	161,951	
Interest on Other Loans	22,884	
Total Education		2,974,385

Other Debt Service

General Government

Trustee's Commission	\$ 66,417	
Other Debt Service	573	
Total General Government		66,990

Education

Other Debt Service	\$ 27,625	
Total Education		27,625

Total General Debt Service Fund		\$ 8,632,215
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(Continued)

Exhibit L-8

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

<u>Nursing Home Projects Fund</u>			
<u>Public Health and Welfare</u>			
<u>Local Health Center</u>			
Maintenance and Repair Services - Buildings	<u>\$ 6,307</u>		
Total Local Health Center		\$ 6,307	
<u>Other Operations</u>			
<u>Miscellaneous</u>			
Trustee's Commission	<u>\$ 1,554</u>		
Total Miscellaneous			<u>1,554</u>
Total Nursing Home Projects Fund			\$ 7,861
<u>Other Capital Projects Fund</u>			
<u>Other Operations</u>			
<u>Miscellaneous</u>			
Trustee's Commission	<u>\$ 1,366</u>		
Total Miscellaneous		<u>\$ 1,366</u>	
Total Other Capital Projects Fund			<u>1,366</u>
Total Governmental Funds - Primary Government			<u><u>\$ 27,702,090</u></u>

Exhibit L-9

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 16,971,078	
Career Ladder Program	203,301	
Career Ladder Extended Contracts	178,000	
Salary Supplements	18,807	
Clerical Personnel	59,458	
Educational Assistants	944,949	
Other Salaries and Wages	35,836	
Certified Substitute Teachers	280,965	
Social Security	1,103,518	
State Retirement	1,151,374	
Life Insurance	18,290	
Medical Insurance	2,349,386	
Unemployment Compensation	37,585	
Employer Medicare	259,268	
Maintenance and Repair Services - Equipment	148,072	
Travel	5,635	
Other Contracted Services	20,281	
Instructional Supplies and Materials	413,070	
Textbooks	533,108	
Other Supplies and Materials	47,396	
In Service/Staff Development	12,416	
Other Charges	110,999	
Regular Instruction Equipment	921,852	
Other Capital Outlay	70,554	
Total Regular Instruction Program		\$ 25,895,198

Alternative Instruction Program

Teachers	\$ 270,678	
Career Ladder Program	3,000	
Social Workers	75,343	
Clerical Personnel	11,505	
Educational Assistants	16,325	
Other Salaries and Wages	1,668	
Social Security	22,423	
State Retirement	23,579	
Medical Insurance	44,393	
Employer Medicare	5,244	
Other Contracted Services	2,512	
Other Equipment	63,763	
Total Alternative Instruction Program		540,433

(Continued)

Exhibit L-9

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program

Teachers	\$	1,877,025	
Career Ladder Program		14,832	
Career Ladder Extended Contracts		2,500	
Homebound Teachers		94,593	
Educational Assistants		102,540	
Other Salaries and Wages		2,262	
Certified Substitute Teachers		21,090	
Social Security		125,475	
State Retirement		131,698	
Life Insurance		1,018	
Medical Insurance		237,022	
Unemployment Compensation		7,150	
Employer Medicare		29,349	
Other Contracted Services		47,846	
Instructional Supplies and Materials		57,059	
In Service/Staff Development		10,552	
Other Charges		179	
Special Education Equipment		10,553	
Total Special Education Program			\$ 2,772,743

Vocational Education Program

Teachers	\$	793,626	
Career Ladder Program		6,999	
Certified Substitute Teachers		7,790	
Social Security		46,098	
State Retirement		49,134	
Life Insurance		342	
Medical Insurance		90,027	
Employer Medicare		11,294	
Maintenance and Repair Services - Equipment		3,803	
Instructional Supplies and Materials		11,940	
Vocational Instruction Equipment		5,589	
Total Vocational Education Program			1,026,642

Adult Education Program

Teachers	\$	89,795
Career Ladder Program		1,000
Clerical Personnel		8,101
Social Security		5,843

(Continued)

Exhibit L-9

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Adult Education Program (Cont.)

State Retirement	\$	3,207	
Medical Insurance		10,543	
Employer Medicare		1,366	
Instructional Supplies and Materials		11,369	
Other Supplies and Materials		652	
Other Equipment		2,469	
Total Adult Education Program			\$ 134,345

Support Services

Attendance

Supervisor/Director	\$	69,380	
Career Ladder Program		1,000	
Social Security		4,294	
State Retirement		4,518	
Medical Insurance		5,332	
Employer Medicare		1,004	
Travel		443	
Other Supplies and Materials		623	
Other Charges		281	
Total Attendance			86,875

Health Services

Medical Personnel	\$	209,610	
Other Salaries and Wages		13,527	
Social Security		13,659	
State Retirement		11,963	
Life Insurance		74	
Medical Insurance		13,775	
Employer Medicare		3,195	
Travel		5,461	
Other Contracted Services		1,474	
Drugs and Medical Supplies		7,304	
Other Supplies and Materials		24,144	
Other Charges		2,754	
Health Equipment		2,233	
Total Health Services			309,173

Other Student Support

Career Ladder Program	\$	11,999	
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(Continued)

Exhibit L-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Guidance Personnel	\$	754,198	
Career Ladder Extended Contracts		4,500	
Other Salaries and Wages		68,036	
Social Security		49,991	
State Retirement		53,846	
Life Insurance		315	
Medical Insurance		95,506	
Employer Medicare		11,692	
Evaluation and Testing		46,758	
Total Other Student Support			\$ 1,096,841

Regular Instruction Program

Supervisor/Director	\$	148,838	
Career Ladder Program		14,228	
Career Ladder Extended Contracts		4,000	
Librarians		670,128	
Secretary(ies)		40,035	
Other Salaries and Wages		1,330	
Social Security		46,693	
State Retirement		48,713	
Life Insurance		74	
Medical Insurance		80,913	
Employer Medicare		12,391	
Travel		2,864	
Library Books/Media		241,031	
In Service/Staff Development		3,363	
Other Charges		339	
Total Regular Instruction Program			1,314,940

Alternative Instruction Program

Supervisor/Director	\$	64,724	
Career Ladder Program		1,000	
Social Security		4,056	
State Retirement		4,219	
Employer Medicare		949	
Total Alternative Instruction Program			74,948

Special Education Program

Supervisor/Director	\$	73,579	
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(Continued)

Exhibit L-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Career Ladder Program	\$	1,000	
Psychological Personnel		48,455	
Secretary(ies)		22,380	
Other Salaries and Wages		22,823	
Social Security		9,928	
State Retirement		10,247	
Life Insurance		74	
Medical Insurance		21,908	
Employer Medicare		2,322	
Travel		3,770	
Other Supplies and Materials		2,466	
In Service/Staff Development		17,064	
Other Charges		6,331	
Other Equipment		22,246	
Total Special Education Program			\$ 264,593

Vocational Education Program

Secretary(ies)	\$	17,122	
Other Salaries and Wages		86	
Social Security		992	
State Retirement		909	
Life Insurance		19	
Medical Insurance		4,008	
Employer Medicare		232	
Travel		1,327	
Total Vocational Education Program			24,695

Adult Programs

Supervisor/Director	\$	70,713	
Clerical Personnel		15,630	
Social Security		5,363	
State Retirement		5,278	
Life Insurance		37	
Unemployment Compensation		251	
Employer Medicare		1,254	
Travel		211	
In Service/Staff Development		1,025	
Total Adult Programs			99,762

(Continued)

Exhibit L-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Programs

On-Behalf Payments to OPEB	\$ 113,470	
Total Other Programs		\$ 113,470

Board of Education

Secretary to Board	\$ 28,583	
Other Salaries and Wages	986	
Board and Committee Members Fees	22,010	
Social Security	2,870	
State Retirement	1,732	
Life Insurance	185	
Medical Insurance	4,008	
Employer Medicare	671	
Audit Services	11,000	
Dues and Memberships	12,695	
Legal Services	4,356	
Travel	12,520	
Trustee's Commission	226,718	
Workers' Compensation Insurance	179,347	
In Service/Staff Development	5,451	
Other Charges	759	
Total Board of Education		513,891

Director of Schools

County Official/Administrative Officer	\$ 95,000	
Clerical Personnel	24,710	
Other Salaries and Wages	1,754	
Social Security	7,510	
State Retirement	7,462	
Life Insurance	56	
Medical Insurance	4,884	
Employer Medicare	1,756	
Communication	26,487	
Contributions	1,089,707	
Postal Charges	5,506	
Travel	3,049	
Other Charges	60	
Total Director of Schools		1,267,941

(Continued)

Exhibit L-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal

Principals	\$	926,571	
Career Ladder Program		27,415	
Accountants/Bookkeepers		54,994	
Career Ladder Extended Contracts		20,000	
Assistant Principals		600,485	
Secretary(ies)		182,797	
Clerical Personnel		53,592	
Other Salaries and Wages		21,294	
Social Security		112,510	
State Retirement		116,958	
Life Insurance		740	
Medical Insurance		199,220	
Employer Medicare		26,314	
Communication		44,985	
Other Supplies and Materials		14,628	
Administration Equipment		2,316	
Total Office of the Principal			\$ 2,404,819

Human Services/Personnel

Supervisor/Director	\$	49,565	
Clerical Personnel		25,925	
Other Salaries and Wages		1,142	
Social Security		4,709	
State Retirement		4,008	
Medical Insurance		4,884	
Employer Medicare		1,101	
Maintenance and Repair Services - Equipment		800	
Travel		2,414	
Office Supplies		1,905	
Other Charges		1,492	
Total Human Services/Personnel			97,945

Operation of Plant

Supervisor/Director	\$	45,135	
Salary Supplements		6,254	
Custodial Personnel		908,770	
Other Salaries and Wages		19,741	
Social Security		58,980	
State Retirement		42,396	

(Continued)

Exhibit L-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Life Insurance	\$	1,036	
Medical Insurance		62,722	
Unemployment Compensation		4,839	
Employer Medicare		13,794	
Maintenance and Repair Services - Equipment		718	
Other Contracted Services		340,574	
Custodial Supplies		116,150	
Electricity		1,882,271	
Natural Gas		484,730	
Water and Sewer		140,081	
Other Supplies and Materials		490	
Building and Contents Insurance		182,160	
Other Charges		9,236	
Plant Operation Equipment		7,590	
Total Operation of Plant			\$ 4,327,667

Maintenance of Plant

Salary Supplements	\$	560	
Secretary(ies)		23,615	
Maintenance Personnel		564,738	
Other Salaries and Wages		10,236	
Social Security		36,096	
State Retirement		29,845	
Life Insurance		167	
Medical Insurance		32,874	
Employer Medicare		8,442	
Laundry Service		9,728	
Maintenance and Repair Services - Buildings		63,672	
Maintenance and Repair Services - Equipment		161,823	
Maintenance and Repair Services - Vehicles		16,695	
Travel		1,711	
Other Contracted Services		74,006	
Gasoline		29,650	
Other Supplies and Materials		118,883	
Other Charges		17,243	
Maintenance Equipment		50,869	
Total Maintenance of Plant			1,250,853

(Continued)

Exhibit L-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation

Supervisor/Director	\$	40,314	
Mechanic(s)		86,091	
Bus Drivers		781,228	
Clerical Personnel		25,525	
Other Salaries and Wages		21,192	
In-Service Training		100	
Social Security		56,775	
State Retirement		45,676	
Life Insurance		1,221	
Medical Insurance		25,190	
Unemployment Compensation		35	
Employer Medicare		13,308	
Laundry Service		6,477	
Maintenance and Repair Services - Vehicles		17,474	
Medical and Dental Services		6,162	
Travel		779	
Other Contracted Services		7,864	
Diesel Fuel		251,409	
Garage Supplies		3,248	
Gasoline		21,761	
Lubricants		6,338	
Tires and Tubes		17,434	
Vehicle Parts		58,421	
Other Supplies and Materials		3,692	
Vehicle and Equipment Insurance		130,293	
Other Charges		16,444	
Transportation Equipment		292,831	
Total Transportation			\$ 1,937,282

Central and Other

Data Processing Personnel	\$	154,970	
Other Salaries and Wages		3,022	
Social Security		9,717	
State Retirement		8,997	
Medical Insurance		4,691	
Employer Medicare		2,273	
Total Central and Other			183,670

(Continued)

Exhibit L-9

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	38,887	
Social Security		2,411	
State Retirement		2,496	
Employer Medicare		562	
Total Food Service			\$ 44,356

Community Services

Bonus Payments	\$	59,635	
Social Security		4,086	
State Retirement		2,367	
Medical Insurance		568	
Employer Medicare		867	
Travel		135	
Food Supplies		10,223	
Other Supplies and Materials		28,839	
Other Charges		6,091	
Total Community Services			112,811

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	143,804	
Furniture and Fixtures		710,020	
Other Capital Outlay		35,773	
Total Regular Capital Outlay			<u>889,597</u>

Total General Purpose School Fund \$ 46,785,490

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	1,087,849	
Educational Assistants		57,786	
Other Salaries and Wages		26,813	
Certified Substitute Teachers		12,490	
Special Commissioner Fees/Special Master Fees		4,020	
Social Security		67,039	
State Retirement		69,533	
Medical Insurance		91,478	
Employer Medicare		16,401	

(Continued)

Exhibit L-9

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Regular Instruction Program (Cont.)

Maintenance and Repair Services - Equipment	\$	1,356	
Other Contracted Services		105,131	
Instructional Supplies and Materials		341,127	
Other Supplies and Materials		11,594	
In Service/Staff Development		4,300	
Other Charges		3,109	
Regular Instruction Equipment		<u>1,019,908</u>	
Total Regular Instruction Program	\$		2,919,934

Special Education Program

Educational Assistants	\$	443,208	
Speech Pathologist		2,152	
Other Salaries and Wages		23,936	
Social Security		27,630	
State Retirement		20,472	
Life Insurance		1,675	
Medical Insurance		53,868	
Unemployment Compensation		101	
Employer Medicare		6,418	
Contracts with Private Agencies		7,565	
Other Contracted Services		2,700	
Instructional Supplies and Materials		169,644	
Other Supplies and Materials		10,557	
Special Education Equipment		<u>180,080</u>	
Total Special Education Program			950,006

Vocational Education Program

Other Salaries and Wages	\$	18,750	
Life Insurance		30	
Employer Medicare		272	
Instructional Supplies and Materials		3,773	
Vocational Instruction Equipment		<u>111,094</u>	
Total Vocational Education Program			133,919

Support Services

Health Services

Medical Personnel	\$	145,190	
Other Salaries and Wages		2,155	
Social Security		8,844	

(Continued)

Exhibit L-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

State Retirement	\$	8,880	
Life Insurance		100	
Medical Insurance		9,164	
Employer Medicare		2,068	
Travel		504	
Drugs and Medical Supplies		1,301	
Total Health Services			\$ 178,206

Other Student Support

Other Salaries and Wages	\$	31,522	
Social Security		1,794	
State Retirement		1,556	
Medical Insurance		4,080	
Employer Medicare		415	
Travel		25,295	
Other Contracted Services		2,266	
In Service/Staff Development		1,402	
Other Charges		23,721	
Total Other Student Support			92,051

Regular Instruction Program

Supervisor/Director	\$	68,412	
Secretary(ies)		18,364	
Clerical Personnel		88	
Social Security		4,654	
State Retirement		5,324	
Medical Insurance		12,489	
Employer Medicare		1,088	
Consultants		90	
Maintenance and Repair Services - Equipment		2,925	
Postal Charges		44	
Travel		12,784	
Other Contracted Services		75,375	
Other Supplies and Materials		27,167	
In Service/Staff Development		265,468	
Other Charges		124	
Other Equipment		26,301	
Total Regular Instruction Program			520,697

(Continued)

Exhibit L-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Special Education Program

Psychological Personnel	\$	49,805	
Assessment Personnel		80,850	
Social Security		7,708	
State Retirement		8,388	
Life Insurance		400	
Medical Insurance		12,795	
Employer Medicare		1,803	
Travel		29,707	
Other Contracted Services		22,173	
Other Supplies and Materials		5,391	
In Service/Staff Development		15,873	
Other Charges		6,826	
Other Equipment		40,834	
Total Special Education Program			\$ 282,553

Vocational Education Program

Travel	\$	304	
In Service/Staff Development		572	
Total Vocational Education Program			876

Transportation

Bus Drivers	\$	188,641	
Other Salaries and Wages		58,077	
Social Security		15,191	
State Retirement		11,427	
Life Insurance		425	
Medical Insurance		4,076	
Employer Medicare		3,553	
Transportation Equipment		166,242	
Total Transportation			447,632

Total School Federal Projects Fund \$ 5,525,874

Central Cafeteria Fund

Support Services

Board of Education

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

(Continued)

Exhibit L-9

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	20,000	
Accountants/Bookkeepers		21,613	
Clerical Personnel		15,114	
Cafeteria Personnel		1,115,360	
Other Salaries and Wages		34,646	
Social Security		71,855	
State Retirement		48,294	
Medical Insurance		64,622	
Unemployment Compensation		3,783	
Employer Medicare		16,901	
Communication		1,207	
Contributions		17,388	
Maintenance and Repair Services - Equipment		39,781	
Travel		9,451	
Other Contracted Services		13,624	
Food Preparation Supplies		166,453	
Food Supplies		1,483,481	
Office Supplies		22,430	
Other Supplies and Materials		85,738	
In Service/Staff Development		10,466	
Other Charges		497	
Food Service Equipment		54,873	
Total Food Service			\$ 3,317,577

Total Central Cafeteria Fund \$ 3,342,577

Extended School Program Fund

Support Services

Board of Education

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

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	49,408	
Salary Supplements		69	
Clerical Personnel		20,666	
Part-time Personnel		202,878	
Other Salaries and Wages		3,147	

(Continued)

Exhibit L-9

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

Extended School Program Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services (Cont.)

Social Security	\$	17,467	
State Retirement		5,087	
Employer Medicare		4,085	
Communication		1,146	
Maintenance and Repair Services - Equipment		2,416	
Travel		3,055	
Food Supplies		13,618	
Instructional Supplies and Materials		7,671	
Other Supplies and Materials		5,287	
In Service/Staff Development		4,199	
Other Charges		188	
Other Equipment		<u>2,378</u>	
Total Community Services			\$ <u>342,765</u>

Total Extended School Program Fund \$ 345,565

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Contributions	\$	1,040,063	
Building Improvements		<u>1,034,521</u>	
Total Education Capital Projects			\$ <u>2,074,584</u>

Total Education Capital Projects Fund 2,074,584

Total Governmental Funds - Bedford County School Department \$ 58,074,090

Exhibit L-10

Bedford County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Bedford County Solid Waste Authority  
For the Year Ended June 30, 2010

Solid Waste/Sanitation Fund  
Public Health and Welfare

Convenience Centers

County Official/Administrative Officer	\$	14,400	
Assistant(s)		7,800	
Accountants/Bookkeepers		1,800	
Foremen		33,319	
Truck Drivers		91,388	
Laborers		6,360	
Secretary(ies)		19,240	
Attendants		146,591	
Other Salaries and Wages		6,000	
Board and Committee Members Fees		5,450	
Social Security		25,230	
State Retirement		14,251	
Employee and Dependent Insurance		43,976	
Unemployment Compensation		471	
Audit Services		1,211	
Communication		5,916	
Contracts with Private Agencies		312,403	
Data Processing Services		2,847	
Legal Services		2,341	
Postal Charges		968	
Printing, Stationery, and Forms		521	
Travel		867	
Diesel Fuel		68,273	
Equipment and Machinery Parts		20,268	
Gasoline		1,897	
Lubricants		862	
Office Supplies		582	
Tires and Tubes		9,072	
Utilities		13,520	
Other Supplies and Materials		11,266	
Vehicle and Equipment Insurance		24,072	
Workers' Compensation Insurance		6,919	
Other Charges		6,008	
Solid Waste Equipment		111,084	
Other Capital Outlay		3,546	
Total Convenience Centers			\$ 1,020,719

Total Solid Waste/Sanitation Fund \$ 1,020,719

Total Governmental Funds - Bedford County Solid Waste Authority \$ 1,020,719

Exhibit L-11

Bedford County, Tennessee  
Schedule of Detailed Receipts, Disbursements,  
and Changes in Cash Balance - City Agency Fund  
For the Year Ended June 30, 2010

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 3,165,601
Total Cash Receipts	<u>\$ 3,165,601</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 3,133,945
Trustee's Commission	31,656
Total Cash Disbursements	<u>\$ 3,165,601</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2009	<u>0</u>
 Cash Balance, June 30, 2010	 <u><u>\$ 0</u></u>

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## STATISTICAL SECTION

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This part of Bedford County’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government’s overall financial health. Certain information about the discretely presented Bedford County School Department is included because, in our judgment, this information is beneficial in assessing the economic condition of the primary government.

	Tables	Pages
<b>Financial Trends:</b>		
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	205-212
<b>Revenue Capacity:</b>		
These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.	7-11	213-217
<b>Debt Capacity:</b>		
These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future. The tables on legal debt margin information and pledged-revenue coverage are not applicable to counties in Tennessee.	12-16	218-222
<b>Demographic and Economic Information:</b>		
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.	17-18	223-224
<b>Operating Information:</b>		
These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.	19-21	225-228

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

Table 1

**Bedford County, Tennessee**  
**General Government and Discretely Presented Bedford County School Department**

Net Assets by Component  
Last Five Fiscal Years  
(accrual basis of accounting)

	Fiscal Year				
	2006	2007	2008	2009	2010
Primary Government					
Governmental Activities					
Invested in Capital Assets, Net of Related Debt	\$ 0	\$ 17,040,029	\$ 20,004,135	\$ 21,868,974	\$ 21,777,268
Restricted	0	12,415,138	8,817,295	7,127,016	7,604,590
Unrestricted	0	(63,466,407)	(62,013,087)	(62,020,993)	(57,145,130)
Total Primary Government's Governmental Activities Net Assets	\$ 0	\$ (34,011,240)	\$ (33,191,657)	\$ (33,025,003)	\$ (27,763,272)
Business-type Activities					
Invested in Capital Assets, Net of Related Debt	\$ 0	\$ 1,054,339	\$ 1,129,497	\$ 0	\$ 0
Restricted	0	0	0	1,170,287	1,047,850
Unrestricted	0	682,713	597,328	644,297	0
Total Primary Government's Business-type Activities Net Assets	\$ 0	\$ 1,737,052	\$ 1,726,825	\$ 1,814,584	\$ 1,210,107
Total Primary Government	\$ 0	\$ 18,094,368	\$ 21,133,632	\$ 21,868,974	\$ 21,777,268
Invested in Capital Assets, Net of Related Debt	0	0	0	1,170,287	1,047,850
Restricted	0	12,415,138	8,817,295	7,127,016	7,604,590
Unrestricted	0	(62,783,694)	(61,415,759)	(61,376,696)	(56,982,873)
Total Primary Government Net Assets	\$ 0	\$ (32,274,188)	\$ (31,464,832)	\$ (31,210,419)	\$ (26,553,165)
Discretely Presented Bedford County School Department					
Governmental Activities					
Invested in Capital Assets	\$ 54,074,664	\$ 59,489,656	\$ 79,577,923	\$ 101,835,769	\$ 101,815,293
Restricted	4,112,371	45,264,038	24,333,296	6,346,445	1,765,912
Unrestricted	5,562,471	6,875,075	9,366,780	8,536,254	10,690,484
Total Discretely Presented Bedford County School Department's Governmental Activities Net Assets	\$ 63,749,506	\$ 111,628,769	\$ 113,277,999	\$ 116,718,468	\$ 114,271,689

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

Table 2

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

	Fiscal Year					
	2006	2007	2008	2009	2010	
	Primary Government	Component Unit	Primary Government	Component Unit	Primary Government	Component Unit
<b>Expenses</b>						
Governmental Activities:						
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Finance	0	1,066,998	1,829,384	1,587,946	1,557,134	0
Administration of Justice	0	1,408,133	1,866,267	1,614,768	1,615,942	0
Public Safety	0	6,618,380	8,783,057	7,305,080	7,739,326	0
Public Health and Welfare	0	4,134,997	4,000,140	5,276,550	4,233,405	0
Social, Cultural, and Recreational Services	0	150,906	150,906	156,662	163,391	0
Agriculture and Natural Resources	0	229,107	246,007	212,999	251,793	0
Other Operations	0	552,463	554,046	92,789	0	0
Highways	0	1,029,482	2,605,250	1,195,559	2,331,309	0
Education	0	0	0	4,700,000	3,037,040	0
Capital Projects	0	47,886,090	0	0	0	0
Debt Service:						
Interest on Long-term Debt	0	1,603,633	3,134,262	3,400,659	0	0
Other Debt Service	0	7,955	229,225	156,002	0	0
Business-type Activities	0	0	0	0	0	0
Nursing Home	0	6,333,175	6,708,784	7,025,043	1,122,149	0
Component Unit - Bedford County School Department	0	42,534,823	46,117,455	49,513,368	54,009,406	58,395,797
<b>Total Expenses</b>	<b>\$ 0</b>	<b>\$ 42,534,823</b>	<b>\$ 46,117,455</b>	<b>\$ 34,467,995</b>	<b>\$ 24,319,456</b>	<b>\$ 58,395,797</b>
<b>Program Revenues</b>						
Governmental Activities:						
Charges for Services:						
General Government	\$ 0	\$ 1,068,061	\$ 841,042	\$ 708,695	\$ 667,081	\$ 0
Finance	0	996,704	972,158	970,181	974,475	0
Administration of Justice	0	1,661,660	1,628,146	1,482,066	1,424,906	0
Public Safety	0	877,146	727,709	1,122,738	1,364,264	0
Public Health and Welfare	0	1,037,831	1,092,744	1,616,900	1,749,721	0
Social, Cultural, and Recreational Services	0	0	20,702	0	0	0
Agriculture and Natural Resources	0	9,742	0	0	8,550	0
Highways	0	1,405	34,949	97,222	12,172	0
Operating Grants and Contributions	0	2,446,421	3,827,410	3,596,823	3,838,749	0
Capital Grants and Contributions	0	720,000	883,228	670,265	191,388	0
Business-type Activities:						
Nursing Home:						
Charges for Services	0	6,259,989	6,599,099	7,112,743	517,163	0
Operating Grants and Contributions	0	0	99,393	0	0	0
Component Unit - Bedford County School Department:						
Charges for Services	0	1,763,138	1,834,732	1,783,300	1,851,467	1,636,002
Operating Grants and Contributions	0	4,364,744	5,142,503	6,095,074	6,511,375	0
Capital Grants and Contributions	0	0	0	0	0	890,877
<b>Total Revenues</b>	<b>\$ 0</b>	<b>\$ 15,242,187</b>	<b>\$ 54,863,325</b>	<b>\$ 17,379,633</b>	<b>\$ 11,346,559</b>	<b>\$ 9,037,754</b>
<b>Net (Expense)/Revenue</b>	<b>\$ 0</b>	<b>\$ (35,686,941)</b>	<b>\$ (57,552,208)</b>	<b>\$ (17,088,362)</b>	<b>\$ (12,970,897)</b>	<b>\$ (49,358,043)</b>
<b>Total</b>						

(Continued)

Table 2

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

	Fiscal Year										
	2006		2007		2008		2009		2010		
	Primary Government	Component Unit									
<b>General Revenues and Other Changes in Net Assets</b>											
Governmental Activities:											
Taxes											
Property Taxes	\$ 0	\$ 7,627,506	\$ 9,116,468	\$ 7,929,745	\$ 9,641,137	\$ 7,905,927	\$ 9,799,026	\$ 7,964,843	\$ 9,790,424	\$ 7,988,153	
Sales Taxes	0	1,849,965	5,081,773	1,866,835	5,023,451	1,840,350	4,814,308	1,773,676	4,809,429	1,771,641	
Other Taxes	0	109,750	955,127	6,330	1,408,226	4,187	1,126,519	5,029	1,372,638	3,134	
Unrestricted Grants and Contributions	0	27,531,753	878,838	29,178,157	333,573	34,010,955	698,500	34,893,374	830,886	36,891,817	
Investment Earnings	0	95,890	1,519,705	131,081	2,563,080	48,986	713,713	14,496	375,462	3,440	
Gain on Sale/Disposal of Capital Assets	0	0	995,413	0	0	0	0	0	0	0	
Miscellaneous	0	120,958	48,471	1,245	39,123	57,446	190,650	158,916	534,805	120,554	
Total	\$ 0	\$ 37,335,822	\$ 18,595,795	\$ 39,133,393	\$ 19,008,590	\$ 43,868,091	\$ 17,342,716	\$ 44,810,334	\$ 17,713,644	\$ 46,778,739	
Business-type Activities:											
Investment Earnings	\$ 0	\$ 0	\$ 109	\$ 0	\$ 65	\$ 0	\$ 59	\$ 0	\$ 509	\$ 0	
Transfers	0	0	0	0	0	0	0	0	0	0	
Total Business-type Activities	\$ 0	\$ 0	\$ 109	\$ 0	\$ 65	\$ 0	\$ 59	\$ 0	\$ 509	\$ 0	
Total	\$ 0	\$ 37,335,822	\$ 18,595,904	\$ 39,133,393	\$ 19,008,655	\$ 43,868,091	\$ 17,342,775	\$ 44,810,334	\$ 17,714,153	\$ 46,778,739	
Prior-period Adjustment	\$ 0	\$ 88,872	\$ (161,663)	\$ 0	\$ (956,480)	\$ 0	\$ 0	\$ 0	\$ (86,002)	\$ 132,525	
<b>Change in Net Assets</b>	\$ 0	\$ 1,737,753	\$ (39,117,967)	\$ 47,879,263	\$ 2,546,408	\$ 1,649,230	\$ 254,413	\$ 3,440,469	\$ 4,657,254	\$ (2,446,779)	

Note(s):

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

Table 3

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

Fiscal Year Ended	Property Tax	Local Option Sales Tax	Franchise Tax	Litigation Tax	Business Tax	Mineral Severance Tax	Wholesale Beer Tax	Other	Total
<b>Primary Government</b>									
2007	\$ 9,099,054	\$ 5,084,727	\$ 18,760	\$ 230,095	\$ 297,586	\$ 154,085	\$ 165,798	\$ 569,936	\$ 15,620,041
2008	9,641,137	5,023,451	0	30,428	320,908	154,595	180,448	544,798	15,895,765
2009	9,799,026	4,814,308	0	276,344	311,258	86,380	181,799	270,738	15,739,853
2010	9,790,424	4,809,429	0	415,615	313,324	94,807	193,502	355,390	15,972,491
<b>Component Unit</b>									
2006	7,627,506	1,849,965	0	0	0	0	0	120,438	9,597,909
2007	7,936,370	1,889,046	0	0	0	0	0	181,251	10,006,667
2008	7,905,927	1,840,590	0	0	0	0	0	4,187	9,750,704
2009	7,964,843	1,773,676	0	0	0	0	0	5,029	9,743,548
2010	7,988,153	1,771,641	0	0	0	0	0	3,134	9,762,928

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

Table 4

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Primary Government:</b>										
General Fund	\$ 119,760	\$ 193,967	\$ 31,849	\$ 128,315	\$ 42,412	\$ 57,151	\$ 102,703	\$ 184,719	\$ 282,804	\$ 493,945
Reserved	1,411,113	977,363	510,714	485,993	789,596	2,673,039	4,017,340	3,434,641	3,990,325	11,194,313
Unreserved	\$ 1,530,873	\$ 1,171,330	\$ 542,563	\$ 614,308	\$ 832,008	\$ 2,730,190	\$ 4,120,043	\$ 3,619,360	\$ 4,273,129	\$ 11,688,258
<b>Total General Fund</b>										
All Other Governmental Funds	\$ 0	\$ 953,313	\$ 4,760,352	\$ 4,040,063	\$ 4,991,760	\$ 6,149,374	\$ 4,185,068	\$ 2,581,807	\$ 666,701	\$ 15,529
Reserved	1,912,725	2,354,971	2,642,510	2,599,134	1,079,715	7,740,284	9,343,189	8,226,868	7,440,991	914,960
Unreserved, Reported in:	2,103,651	881,507	685,672	441,216	269,254	429,110	1,689,527	3,686,389	4,332,615	4,745,230
Special Revenue Funds	94,157	94,157	(607,955)	91,053	99,929	104,941	3,259,358	231,780	64,539	610,931
Debt Service Funds										
Capital Projects Funds										
<b>Total all Other Governmental Funds</b>	\$ 4,110,533	\$ 4,283,948	\$ 7,480,579	\$ 7,171,466	\$ 6,440,658	\$ 14,423,709	\$ 18,477,142	\$ 14,726,844	\$ 12,504,846	\$ 6,286,650
<b>Component Unit:</b>										
General Fund (General Purpose School)	\$ 2,431,931	\$ 1,714,370	\$ 1,692,852	\$ 2,119,347	\$ 2,182,018	\$ 3,019,162	\$ 2,639,156	\$ 2,429,978	\$ 3,458,476	\$ 391,001
Reserved	4,016,952	3,863,829	3,522,147	3,416,543	3,467,797	3,596,076	5,126,482	8,247,874	7,270,619	10,183,468
Unreserved	\$ 6,448,883	\$ 5,578,199	\$ 5,214,999	\$ 5,535,890	\$ 5,649,815	\$ 6,615,238	\$ 7,765,638	\$ 10,677,852	\$ 10,729,095	\$ 10,574,469
<b>Total General Fund</b>										
All other School Funds	\$ 311,973	\$ 442,380	\$ 367,687	\$ 14,871,633	\$ 2,115,265	\$ 522,289	\$ 17,019,351	\$ 26,252,895	\$ 1,577,570	\$ 129,800
Reserved	461,749	456,266	585,227	786,453	1,100,201	1,371,563	1,236,951	1,220,548	1,349,478	1,636,112
Unreserved, Reported in:	583,891	495,938	14,159,173	(2,083,146)	655,038	669,710	25,690,557	(4,945,341)	1,080,491	0
Special Revenue Funds										
Capital Projects Funds										
<b>Total all Other Governmental Funds</b>	\$ 1,357,613	\$ 1,394,584	\$ 15,112,087	\$ 13,574,940	\$ 3,870,504	\$ 2,563,562	\$ 43,946,859	\$ 22,528,102	\$ 4,007,539	\$ 1,765,912

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

Table 5

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Revenues</b>										
Taxes	\$ 7,871,189	\$ 9,114,093	\$ 9,752,001	\$ 11,805,571	\$12,637,329	\$14,866,540	\$ 15,489,944	\$ 16,054,169	\$ 15,974,804	\$ 16,097,920
Licenses and Permits	31,354	29,248	31,862	45,720	73,933	153,269	298,936	206,756	162,490	108,911
Fines and Forfeitures	204,556	209,404	586,183	485,765	569,239	532,922	483,882	408,577	408,577	376,180
Charges for Service	2,256,150	2,533,090	2,746,763	2,673,154	2,560,178	2,310,872	2,157,381	1,683,451	1,687,630	2,194,627
Other Local Revenue	1,096,462	348,273	371,570	284,420	387,188	7,921,576	3,064,019	3,081,408	1,410,494	1,252,468
Fees from Co. Officials	0	0	0	463,315	551,925	859,798	1,888,662	1,886,861	1,878,701	1,824,044
State Revenues	3,259,180	3,453,486	3,364,940	3,169,082	3,704,388	3,664,481	3,885,086	3,787,242	4,265,779	3,985,551
Federal Revenues	124,958	633,697	265,564	281,016	551,148	453,488	698,997	559,095	619,997	318,997
Other Govt/Citizens	103,284	114,271	335,401	95,330	93,363	208,441	94,686	166,476	1,193,499	2,154,927
Total Revenues	\$ 14,947,133	\$ 16,435,562	\$ 17,454,284	\$ 19,303,373	\$ 21,128,691	\$ 30,943,683	\$ 27,610,033	\$ 27,909,340	\$ 27,601,971	\$ 28,313,625
<b>Expenditures</b>										
General Government	\$ 8,098,288	\$ 9,409,614	\$ 983,505	\$ 840,642	\$ 958,335	\$ 842,698	\$ 1,131,972	\$ 957,128	\$ 1,132,685	\$ 1,085,169
Finance	0	0	824,821	822,160	920,844	936,555	910,450	1,273,122	1,575,772	1,541,838
Admin. of Justice	0	0	1,082,073	1,131,813	1,119,850	1,090,968	1,193,135	1,371,633	1,614,493	1,620,883
Public Safety	0	0	3,515,838	3,865,931	3,994,685	4,626,765	4,551,316	4,920,472	6,020,806	7,393,993
Public Health/Welfare	0	0	2,142,744	2,580,906	2,907,821	3,232,189	3,913,195	3,509,757	4,109,429	4,016,552
Social, Cultural/Rec.	0	0	119,941	130,941	147,152	147,197	150,906	150,906	156,662	163,391
Agriculture and										
Natural Resource	0	0	162,111	170,098	188,622	188,875	209,328	208,244	198,356	239,482
Other Operations	0	0	2,300,839	2,570,415	3,182,729	3,590,070	3,955,168	3,703,196	1,603,031	782,032
Highway and Bridge	3,650,954	2,582,789	2,999,970	4,031,114	3,124,085	2,989,907	3,264,191	3,974,033	2,872,158	2,188,517
Debt Service:										
Principal	2,462,766	2,414,033	2,072,667	1,906,380	2,744,982	2,851,932	3,400,324	4,056,691	5,548,386	5,242,242
Interest	1,279,990	917,960	812,757	1,136,449	1,249,546	1,424,667	1,501,629	3,177,328	3,413,122	3,295,358
Other Charges	52,831	157,813	53,829	100,614	87,956	99,222	109,193	196,355	103,312	94,615
Capital Projects	1,931	0	14,043,250	1,328,278	5,393,586	1,048,976	50,699,865	4,729,371	5,714,988	38,018
Total Expenditures	\$ 15,546,760	\$ 15,482,209	\$ 31,114,345	\$ 20,615,741	\$ 26,020,193	\$ 23,070,021	\$ 74,990,672	\$ 32,228,236	\$ 34,063,200	\$ 27,702,090
Excess of Revenues Over (Under) Expenditures	\$ (599,627)	\$ 953,353	\$ (13,660,061)	\$ (1,312,368)	\$ (4,891,502)	\$ 7,873,662	\$ (47,380,639)	\$ (4,318,896)	\$ (6,461,229)	\$ 611,535

(Continued)

Table 5

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Other Financing Sources (Uses)</b>										
Transfers In	\$ 478,424	\$ 422,170	\$ 382,816	\$ 300,412	\$ 10,875	\$ 227,755	\$ 230,000	\$ 349,400	\$ 509,980	\$ 7,359,412
Transfers Out	(969,849)	(913,595)	(474,241)	(300,412)	(10,875)	(227,755)	(304,000)	(349,400)	(509,980)	(7,359,412)
Bond Proceeds	0	0	14,000,000	0	4,290,000	0	50,500,000	3,435,000	0	0
Note Proceeds	250,000	0	2,276,100	1,075,000	1,100,000	834,000	2,000,000	0	4,893,000	450,000
Insurance Recovery	0	0	0	0	0	0	0	0	0	135,398
Proceeds on Refunded Bonds	0	5,130,000	0	0	0	0	0	0	0	0
Payments to Refunded Bond	0	(5,114,056)	0	0	0	0	0	(3,501,939)	0	0
Escrow Agent	0	0	43,250	0	3,445	0	443,599	134,854	0	0
Premiums on Bonds Sold	0	0	0	0	0	0	0	0	0	0
Transfer to Component Unit	(650,000)	(675,000)	0	0	0	0	0	0	0	0
Transfer from Component Unit	0	11,000	0	0	0	0	0	0	0	0
Total Other Financing Sources (Uses)	\$ (891,425)	\$ (1,139,481)	\$ 16,227,925	\$ 1,075,000	\$ 5,393,445	\$ 834,000	\$ 52,869,599	\$ 67,915	\$ 4,893,000	\$ 585,398
Net Change in Fund Balances	\$ (1,491,052)	\$ (186,128)	\$ 2,567,864	\$ (237,368)	\$ 501,943	\$ 8,707,662	\$ 5,488,960	\$ (4,250,981)	\$ (1,568,229)	\$ 1,196,933
Debt Service as a Percentage of Noncapital Expenditures	24.4%	22.5%	17.2%	16.3%	19.8%	19.9%	20.6%	27.0%	32.0%	31.2%

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Property Tax	\$ 4,712,251	\$ 4,930,519	\$ 5,070,416	\$ 6,666,053	\$ 7,053,712	\$ 8,804,521	\$ 9,316,418	\$ 9,756,204	\$ 9,635,803	\$ 9,803,618
Sales Tax	2,277,113	3,409,853	3,876,398	4,270,941	4,698,803	5,069,703	5,084,727	5,026,899	4,874,050	4,815,931
Litigation Tax	258,301	230,035	230,506	192,426	204,993	211,220	243,802	207,680	276,344	416,066
Business Tax	259,667	219,099	258,091	273,437	285,712	311,223	297,586	320,908	311,258	313,324
Mineral Severance	143,163	120,594	133,818	219,031	161,986	198,688	154,085	154,595	81,093	81,218
Development Tax	0	0	0	0	0	0	90,154	364,074	283,189	216,164
Wholesale Beer Tax	135,970	137,504	135,727	136,016	141,249	175,744	165,798	180,448	181,799	193,502
Bank Excise Tax	81,919	63,431	43,288	44,227	87,470	91,920	133,593	40,565	73,489	35,160
Other Statutory Tax	2,805	3,058	3,757	3,440	3,404	3,521	3,781	2,796	287,779	2,011
	\$ 7,871,189	\$ 9,114,093	\$ 9,752,001	\$ 11,805,571	\$ 12,637,329	\$ 14,866,540	\$ 15,489,944	\$ 16,054,169	\$ 15,974,804	\$ 15,876,994

Table 6

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Revenues</b>										
Local Taxes	\$ 8,217,588	\$ 8,451,385	\$ 8,736,861	\$ 8,681,424	\$ 9,261,220	\$ 9,539,539	\$ 10,006,667	\$ 9,835,545	\$ 9,816,402	\$ 9,955,712
Licenses and Permits	2,647	2,500	2,288	2,427	2,241	2,361	2,241	2,268	2,693	5,994
Charges for Current Services	1,276,112	1,334,026	1,440,421	1,528,310	1,649,311	1,756,323	1,795,873	1,773,948	1,850,006	1,648,859
Investment Earnings	76,671	22,970	13,964	145,552	248,046	95,890	131,081	48,986	14,496	0
Other Local Revenues	68,155	45,222	33,478	33,761	115,049	149,703	90,317	80,885	176,867	134,793
State of Tennessee	18,181,720	18,593,193	19,927,503	22,063,771	24,616,347	26,591,961	28,619,676	33,868,492	34,631,558	35,170,368
Federal Government	3,031,221	3,484,537	3,656,316	3,918,009	5,054,056	5,163,971	5,456,658	5,349,681	6,071,191	8,762,111
Other Governments and Citizens Groups	0	0	13,852,979	0	4,204,232	720,000	47,886,090	0	4,693,000	0
Total Revenues	\$ 30,854,114	\$ 31,933,833	\$ 47,663,810	\$ 36,373,254	\$ 45,150,502	\$ 44,019,748	\$ 93,988,603	\$ 50,959,805	\$ 57,256,213	\$ 55,677,837
<b>Expenditures</b>										
Current:										
Instruction	\$ 17,700,564	\$ 19,957,087	\$ 20,726,009	\$ 22,257,817	\$ 25,232,069	\$ 25,760,059	\$ 27,648,288	\$ 30,247,351	\$ 31,633,770	\$ 34,373,220
Support Services	9,644,869	9,738,717	10,800,948	10,932,933	11,788,375	12,832,127	13,145,079	13,713,665	15,884,647	16,919,180
Operation of Non-Instructional Services	2,120,633	2,204,186	2,205,074	2,402,154	2,551,481	2,905,851	3,349,192	4,005,947	3,895,651	3,817,509
Capital Outlay	106,862	695,605	351,942	301,784	479,132	505,346	490,529	542,722	721,148	889,597
Capital Projects	535,820	171,951	225,534	1,691,114	14,686,248	2,354,176	6,818,110	20,954,500	23,590,317	2,074,584
Debt Service	0	0	0	3,708	3,708	3,708	3,708	2,163	0	0
Total Expenditures	\$ 30,108,748	\$ 32,767,546	\$ 34,309,507	\$ 37,589,510	\$ 54,741,013	\$ 44,361,267	\$ 51,454,906	\$ 69,466,348	\$ 75,725,533	\$ 58,074,090
Excess of Revenues Over (Under) Expenditures	\$ 745,366	\$ (833,713)	\$ 13,354,303	\$ (1,216,256)	\$ (9,590,511)	\$ (341,519)	\$ 42,533,697	\$ (18,506,543)	\$ (18,469,320)	\$ (2,396,253)
<b>Other Financing Sources (Uses)</b>										
Transfers In	\$ 17,097	\$ 15,628	\$ 16,862	\$ 14,496	\$ 11,274	\$ 37,279	\$ 18,185	\$ 11,619	\$ 25,149	\$ 118,300
Transfers Out	(17,097)	(15,628)	(16,862)	(14,496)	(11,274)	(37,279)	(18,185)	(11,619)	(25,149)	(118,300)
Total Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Net Change in Fund Balances	\$ 745,366	\$ (833,713)	\$ 13,354,303	\$ (1,216,256)	\$ (9,590,511)	\$ (341,519)	\$ 42,533,697	\$ (18,506,543)	\$ (18,469,320)	\$ (2,396,253)

Table 7

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

Fiscal Year Ended	Property Tax <sup>1</sup>	Local Option Sales Tax <sup>2</sup>	Litigation Tax	Business Tax	Mineral Severance Tax	Wholesale Beer Tax	Bank Excise Tax	Interstate Telecommunications Tax	Other Statutory Local Taxes	Total
<b>Primary Government:</b>										
2001	\$ 4,505,271	\$ 2,280,113	\$ 258,301	\$ 259,667	\$ 143,163	\$ 135,970	\$ 81,919	\$ 2,805	\$ 89,043	\$ 7,756,252
2002	4,835,905	3,409,853	230,035	219,099	120,594	137,504	63,431	3,058	94,614	9,114,093
2003	4,853,736	3,876,398	230,506	258,091	133,818	135,727	43,288	3,757	105,489	9,640,810
2004	6,523,694	4,270,941	192,426	273,437	219,031	136,016	44,227	3,440	142,359	11,805,571
2005	6,848,988	4,698,803	204,993	285,712	161,986	141,249	87,470	3,404	202,124	12,634,729
2006	8,608,406	5,069,703	211,220	311,223	198,688	175,744	91,920	3,521	196,115	14,866,540
2007	9,099,054	5,084,727	230,095	297,586	154,085	165,798	133,593	3,781	321,225	15,489,944
2008	9,560,429	5,026,899	207,680	320,908	154,595	180,448	40,565	2,796	559,849	16,054,169
2009	9,635,803	4,874,050	276,344	311,258	81,093	181,799	73,489	2,324	538,644	15,974,804
2010	9,803,618	4,815,931	416,066	313,324	81,218	193,502	35,160	2,011	437,090	16,097,920
<b>Component Unit:</b>										
2001	6,691,354	1,384,520	0	0	0	0	0	5,187	136,527	8,217,588
2002	7,007,149	1,301,467	0	0	0	0	0	5,757	137,012	8,451,385
2003	7,209,706	1,378,712	0	0	0	0	0	6,926	141,517	8,736,861
2004	7,132,538	1,400,475	0	0	0	0	0	6,342	142,069	8,681,424
2005	7,365,544	1,713,618	0	0	0	0	0	6,276	175,782	9,261,220
2006	7,504,474	1,841,770	0	0	0	0	0	5,958	187,337	9,539,539
2007	7,936,370	1,889,046	0	0	0	0	0	6,330	174,921	10,006,667
2008	7,838,804	1,838,767	0	0	0	0	0	4,187	153,787	9,835,545
2009	7,832,689	1,795,056	0	0	0	0	0	5,029	183,628	9,816,402
2010	7,998,936	1,773,381	0	0	0	0	0	3,134	180,261	9,955,712

Note(s):

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

Table 8

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

Fiscal Year Ended June 30	Real Property Assessed			Tangible Personal Property Assessed	Public Utility Property	Total Taxable Assessed Value		Total Taxable Assessed Value of (Outside City of Shelbyville)	Total Direct Tax Rate Outside	Total Direct Tax Rate Inside	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential	Commercial	Industrial and Mineral Property			Value (Shelbyville)	Value (Shelbyville)					
2001	\$ 221,626,425	\$ 68,435,840	\$ 58,020,455	\$ 24,034,497	\$ 184,943,424	\$ 163,280,145	\$ 372,117,217	\$ 3.01	1.91	\$ 1,303,004,078	28.56%	
2002	312,951,250	111,746,040	69,987,294	35,016,077	189,891,625	234,805,665	529,700,661	2.23	1.47	1,891,786,881	28.00%	
2003	321,957,600	114,566,080	73,308,324	34,717,800	194,598,605	241,925,075	544,549,804	2.23	1.47	1,945,540,834	27.99%	
2004	332,545,225	111,382,840	66,468,040	32,860,629	193,594,730	250,333,335	543,256,734	2.49	1.47	1,948,337,973	27.88%	
2005	344,552,900	116,806,640	82,975,225	34,354,871	201,984,425	259,375,115	578,689,636	2.49	1.47	2,043,086,490	28.32%	
2006	361,120,075	121,064,920	60,943,665	33,420,235	211,113,160	271,071,835	576,548,895	2.77	1.47	2,030,505,565	28.39%	
2007	473,364,250	152,388,840	79,812,896	40,293,721	267,529,215	358,223,875	745,859,707	2.27	1.41	2,668,811,186	27.95%	
2008	486,143,975	155,443,760	80,930,381	42,859,029	274,877,045	366,710,690	765,377,145	2.27	1.41	2,694,715,806	28.40%	
2009	494,876,925	156,984,600	77,397,381	42,495,975	347,652,527	381,611,096	771,754,881	2.27	1.41	2,715,534,416	28.42%	
2010	503,591,300	167,263,520	74,874,856	42,775,968	358,027,739	387,701,937	788,505,644	2.27	1.41	2,759,881,341	28.57%	

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

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

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

Table 9

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

Fiscal Year Ended <sup>1</sup>	Tax Year	General Fund			Total <sup>2</sup>	City of Shelbyville Tennessee <sup>2,3</sup>		City of Bell Buckle Tennessee <sup>2,3</sup>		City of Wartrace Tennessee <sup>2,3</sup>		Total
		Highway Fund	School Fund	Debt Service Fund		Shelbyville Tennessee <sup>2,3</sup>	Bell Buckle Tennessee <sup>2,3</sup>	Wartrace Tennessee <sup>2,3</sup>				
2001	2000 <sup>4</sup>	\$ 0.83	\$ 1.32	\$ 0.02	\$ 2.23	\$ 1.47	\$ 0.34	\$ 0.86	\$ 3.70			
2002	2001	0.83	1.32	0.02	2.23	1.47	0.21	0.86	3.70			
2003	2002	1.13	1.29	0.02	2.49	1.47	0.21	1.00	3.96			
2004	2003	1.13	1.29	0.02	2.49	1.47	0.21	1.00	3.96			
2005	2004	1.41	1.29	0.02	2.77	1.47	0.21	1.00	4.24			
2006	2005 <sup>4</sup>	1.05	1.06	0.12	2.27	1.41	0.15	1.00	3.68			
2007	2006	1.09	1.02	0.12	2.27	1.41	0.15	1.00	3.68			
2008	2007	1.11	1.02	0.10	2.27	1.41	0.15	1.00	3.68			
2009	2008	1.11	1.02	0.10	2.27	1.41	0.15	1.00	3.68			
2010	2009	1.11	1.02	0.10	2.27	1.41	0.16	1.00	3.68			

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

Note(s):

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

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

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

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

Table 10

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

<u><b>Taxpayer</b></u>	<u><b>Fiscal Year Ended 2010</b></u>			<u><b>Fiscal Year Ended 2001</b></u>		
	<u><b>Taxable Assessed Value</b></u>	<u><b>Rank</b></u>	<u><b>Percentage of Total Taxable Assessed Value</b></u>	<u><b>Taxable Assessed Value</b></u>	<u><b>Rank</b></u>	<u><b>Percentage of Total Taxable Assessed Value</b></u>
	Calsonic Manufacturing	\$ 20,643,228	1	2.6%	\$ 23,600,310	1
Duck River Electric	17,229,121	2	2.2%	-	-	-
Sanford Corporation	12,197,320	3	1.5%	-	-	-
Bemis	10,042,285	4	1.3%	-	-	-
Tyson Foods	8,463,556	5	1.1%	3,014,228	6	0.4%
Pechiney Plastics	7,259,399	6	0.9%	-	-	-
Walmart Stores East	7,253,899	7	0.9%	-	-	-
Bellsouth Telecom	5,809,739	8	0.7%	-	-	-
United Telephone	3,859,397	9	0.5%	-	-	-
National Pen Corp	3,193,983	10	0.4%	2,731,993	8	0.3%
Empire Berol USA	-	-	-	4,772,017	4	0.6%
Eaton Corp.	-	-	-	9,931,047	2	1.3%
American National Can	-	-	-	9,933,181	3	1.3%
Stanley Tools	-	-	-	2,833,012	7	0.4%
Paramont Package	-	-	-	3,294,443	5	0.4%
Alcan Aluminum	-	-	-	1,746,047	10	0.2%
Josten's	-	-	-	1,993,226	9	0.3%
Totals	<u>\$ 95,951,927</u>		<u>12.2%</u>	<u>\$ 63,849,504</u>		<u>8.1%</u>

Table 11

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

Fiscal Year Ended June 30	Tax Year	Adjusted Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2001	2000	\$ 11,249,242	\$ 10,542,590	93.72%	\$ 615,683	\$ 11,158,273	99.19%
2002	2001	12,007,639	11,144,432	92.81%	680,266	11,824,698	98.48%
2003	2002	12,268,931	11,371,139	92.68%	758,570	12,129,709	98.87%
2004	2003	13,600,913	12,704,251	93.41%	775,587	13,479,838	99.11%
2005	2004	14,435,938	13,380,786	92.69%	979,077	14,359,863	99.47%
2006	2005	16,312,435	15,102,863	92.58%	985,453	16,302,918	99.94%
2007	2006	17,057,638	15,934,087	93.41%	931,074	16,865,161	98.87%
2008	2007	17,447,935	16,317,276	93.52%	644,651	16,961,927	97.21%
2009	2008	17,572,956	16,406,187	93.36%	547,679	16,953,865	96.48%
2010	2009	17,821,783	16,616,967	93.24%	457,646	17,087,288	95.88%

Source(s): Trustee's tax rolls, trustee's tax collection records, and clerk and master's tax collections records

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

Table 12

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

Fiscal Year Ended June 30	Governmental Activities							Total Primary Government <sup>1</sup>	Percentage of Personal Income <sup>2</sup>	Per Capita <sup>2</sup>
	General Obligation Bonds	Rural School Bonds	Capital Outlay Notes	Other Loans Payable						
2001	\$ 6,395,000	\$ 7,955,000	\$ 1,395,100	\$ 10,239,600	\$		25,984,700	2.89%	674	
2002	6,070,000	7,710,000	666,667	9,354,000			23,800,667	2.59%	608	
2003	5,675,000	21,330,000	2,276,100	8,723,000			38,004,100	3.86%	952	
2004	5,265,000	21,085,000	2,937,720	8,060,000			37,347,720	3.51%	914	
2005	4,835,000	24,180,000	3,440,738	7,362,000			39,817,738	3.51%	943	
2006	4,390,000	23,125,000	3,563,806	6,628,000			37,706,806	3.15%	875	
2007	10,425,000	65,880,000	4,645,482	5,856,000			86,806,482	6.83%	1,970	
2008	6,275,000	68,035,000	3,388,791	5,046,000			82,744,791	6.27%	1,838	
2009	6,040,000	65,350,000	6,505,405	4,194,000			82,089,405	6.18%	1,805	
2010	5,800,000	62,585,000	5,153,163	3,759,000			77,297,163	5.92%	1,698	

Note(s):

<sup>1</sup> Details regarding the county's outstanding debt can be found in the notes to the financial statements.<sup>2</sup> See the Schedule of Demographic and Economic Statistics, Table 17 for personal income and population data.

Table 13

**Bedford County, Tennessee**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30	General Obligation Bonds		Rural School Bonds		Total Bonded Debt <sup>1</sup>		Less: Amounts Available in General Debt Service Fund		Total	Percentage of Estimated Actual Taxable Value of Property <sup>2</sup>	Per Capita <sup>3</sup>
	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	\$
2001	6,395,000	7,955,000	14,350,000	2,103,651	12,246,349	0.94%	318				
2002	6,070,000	7,710,000	13,780,000	1,834,820	11,945,180	0.63%	305				
2003	567,500	21,330,000	21,897,500	3,059,581	18,837,919	0.97%	472				
2004	5,265,000	21,085,000	26,350,000	4,274,548	22,075,452	1.13%	540				
2005	4,835,000	24,180,000	29,015,000	5,189,955	23,825,045	1.17%	565				
2006	4,390,000	23,125,000	27,515,000	6,548,740	20,966,260	1.03%	486				
2007	10,425,000	65,880,000	76,305,000	4,485,627	71,819,373	2.69%	1,630				
2008	6,275,000	68,035,000	74,310,000	6,076,445	68,233,555	2.53%	1,515				
2009	6,040,000	65,350,000	71,390,000	4,963,594	66,426,406	2.45%	1,461				
2010	5,800,000	62,585,000	68,385,000	4,745,230	63,639,770	2.31%	1,398				

Source(s): Debt amortization schedules

Note(s):

<sup>1</sup> Details regarding the county's outstanding debt can be found in the notes to the financial statements.

<sup>2</sup> See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on Table 8 for property value data.

<sup>3</sup> Population data can be found in the Schedule of Demographic and Economic Statistics on Table 17.

Table 14

**Bedford County, Tennessee**  
**Direct and Overlapping Governmental Activities Debt**  
**General Obligation Bonds and Notes**  
**As of June 30, 2010**

		% of Estimated Property Value	% of Assessed Property Value
<b><u>Direct Debt</u></b>			
General Bonded Debt	\$ 68,385,000	2.48%	8.67%
Capital Outlay Notes	5,153,163		
Other Loans Payable	3,759,000		
Less: General Debt Service Funds	<u>(4,745,230)</u>		
Total Direct Debt	\$ 72,551,933	2.63%	9.20%
<b><u>Overlapping Debt</u></b>			
City of Shelbyville	\$ 407,353	0.01%	0.05%
City of Bell Buckle	834,619	0.03%	0.11%
City of Wartrace	1,770,182	0.06%	0.22%
City of Normandy	-	0.00%	0.00%
Total Overlapping Debt	<u>3,012,154</u>		
<b>Total Direct and Overlapping Debt</b>	<b><u>\$ 75,564,087</u></b>	<b>2.74%</b>	<b>9.58%</b>

Source: City Recorders, Tables 8, 12

Note(s): Overlapping governments are those that are within the geographic boundaries of the county. This schedule presents outstanding debt of those overlapping governments that are within Bedford County. When considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government. The amount of the county's debt overlapping with a city is estimated based on that city's percentage of property tax assessment.

Assessed Value      \$    788,505,644

Estimated Value      2,759,881,341

Table 15

**Bedford County, Tennessee**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

**Not Applicable to Bedford County, Tennessee**

Table 16

**Bedford County, Tennessee**  
**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years**

**Not Applicable to Bedford County, Tennessee**

Table 17

**Bedford County, Tennessee**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

<b>Fiscal Year Ended June 30</b>	<b>Personal Income (amounts expressed in thousands)<sup>1, 5</sup></b>	<b>Per Capita Personal Income<sup>1, 5</sup></b>	<b>Median Age<sup>2, 5</sup></b>	<b>Bedford County School Enrollment<sup>3</sup></b>	<b>Annual Unemployment Rate<sup>4, 5</sup></b>
2001	\$ 898,109	\$ 23,309	34.9	6,288	5.2%
2002	918,232	23,448	34.9	6,792	5.5%
2003	985,791	24,684	35.0	6,821	6.9%
2004	1,064,118	26,033	35.0	6,902	5.4%
2005	1,135,971	26,916	34.9	7,217	5.4%
2006	1,197,493	27,783	35.0	7,501	5.2%
2007	1,271,738	28,862	34.9	7,612	4.9%
2008	1,319,630	29,305	34.9	7,721	6.0%
2009	1,328,881	29,219	35.0	7,746	6.6%
2010	1,306,750	28,703	35.2	7,866	12.3%

Source(s): Bureau of Economic Analysis, Regional Economic Accounts, U.S. Bureau of the Census, Tennessee Department of Education, and Tennessee Department of Labor and Workforce Development

<sup>1)</sup> Amounts were provided by the Bureau of Economic Analysis: Regional Economic Accounts. Personal income amounts for 2010 were estimated using a three-year average change of the three previous years. Per capita personal income was calculated by dividing personal income by population.

<sup>2)</sup> U.S. Bureau of the Census amounts for 1990 and 2000 were used to interpolate intervening years. The 2000 amount is actual per United States Bureau of the Census. Fiscal years 2001-06 were calculated by taking a three-year average change of the three previous years. Amounts for fiscal years 2008, 2009, and 2010 are U.S. Census Bureau estimates.

<sup>3)</sup> Enrollment amounts represent the weighted full-time equivalent average daily attendance.

<sup>4)</sup> Unemployment data was provided by the U.S. Department of Labor, Bureau of Labor Statistics.

<sup>5)</sup> Amounts are presented on a calendar year basis for the fiscal year in which the calendar year ended.

Table 18

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

	2010			2001		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment<sup>1</sup></u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment<sup>2</sup></u>
Tyson Foods	1,200	1	5.44%	1,000	1	5.60%
Calsonic Manufacturing	1,000	2	4.53%	714	3	4.00%
Sanford Corporation	990	3	4.49%	-	-	-
Jostens, Inc.	590	4	2.67%	220	9	1.23%
National Pen Corp	500	5	2.27%	660	4	3.70%
Walmart Stores East	425	6	1.93%	-	-	-
Pechiney	300	7	1.36%	480	5	2.69%
Bemis	225	8	1.02%	-	-	-
Coriscana Bedding, Inc.	131	9	0.59%	-	-	-
Century Mold Co., Inc.	120	10	0.54%	-	-	-
Empire Berol USA	-	-	-	900	2	5.04%
Eaton Corporation	-	-	-	500	6	2.80%
Stanley Tools	-	-	-	250	7	1.40%
Goggin Truck Lines	-	-	-	250	8	1.40%
Nationwide Express, Inc.	-	-	-	200	10	1.12%
<b>Total</b>	<b>5,481</b>		<b>24.83%</b>	<b>5,174</b>		<b>28.97%</b>

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

Note(s):

- <sup>1</sup> Percentage is based on June 2010 employment data provided by the U.S. Department of Labor, Bureau of Labor Statistics.
- <sup>2</sup> Percentage is based on 2001 employment data provided by the U.S. Department of Labor, Bureau of Labor Statistics.
- <sup>3</sup> Employer information does not include local governments' employees.

Table 19

**Bedford County, Tennessee**  
**Full-time Equivalent Employees by Function**  
**Last Ten Fiscal Years**

Function:	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government	103	139	133	144	150	152	194	194	205	173
Finance	0	0	0	0	0	0	8	8	10	10
Justice	16	20	20	19	19	17	19	24	34	29
Public Safety	102	96	93	87	93	122	110	110	108	134
Health and Welfare	9	13	11	13	13	18	20	18	10	12
Agriculture	1	1	1	1	1	1	1	1	1	1
Other	0	0	0	0	0	0	0	0	0	0
Road and Bridge	41	41	42	45	42	40	40	38	27	26
<b>Total</b>	<b>272</b>	<b>310</b>	<b>301</b>	<b>310</b>	<b>318</b>	<b>350</b>	<b>392</b>	<b>393</b>	<b>395</b>	<b>385</b>
<b>Component Unit:</b>										
Education	830	845	865	890	905	925	945	961	972	1,060

Source: Bedford County Finance Department

Table 20

**Bedford County, Tennessee**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

Function	Fiscal Year									
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b><u>General Government</u></b>										
Registered voters	15,874	16,945	17,581	18,390	19,596	20,586	21,069	23,238	23,124	23,824
Building permits issued										
Single family homes	n/a	n/a	n/a	n/a	n/a	294	169	135	78	74
All other permits	n/a	n/a	n/a	n/a	n/a	195	158	137	201	172
<b><u>Public Safety</u></b>										
Physical arrests	n/a	n/a	n/a	n/a	1,598	1,628	1,641	1,776	569	3,151
Traffic citations	n/a	n/a	n/a	n/a	1,847	1,894	2,008	2,092	2,003	412
Warrants served	n/a	n/a	n/a	n/a	10,281	10,305	10,418	10,716	13,458	13,732
Summary of inmate days:										
Felons-convicted	n/a	n/a	n/a	n/a	20,151	21,254	20,452	23,660	28,467	22,848
Misdemeanant-convicted	n/a	n/a	n/a	n/a	52,864	55,757	53,653	62,069	26,317	24,681
Pretrial	n/a	n/a	n/a	n/a	239	252	242	280	22,866	23,552
Other	n/a	n/a	n/a	n/a	111	117	113	130	422	319
Total inmate days					73,365	77,380	74,460	86,139	78,072	71,400
Other daily inmate information										
Average daily population	n/a	n/a	n/a	n/a	201	212	204	236	243	195
Daily inmate capacity of facility	n/a	n/a	n/a	n/a	215	204	217	217	217	216
<b><u>Public Health</u></b>										
Ambulance - call volume	n/a	n/a	n/a	4,764	4,618	4,769	4,810	5,418	5,135	4,818
Response time - average minutes	n/a	n/a	n/a	11	11	11	11	11	10	10
Animal control										
Requests for service	n/a	n/a	n/a	n/a	1,291	912	796	1,494	922	998
Animals impounded	n/a	n/a	n/a	n/a	1,720	1,475	1,701	1,977	1,615	1,515
Animals adopted	n/a	n/a	n/a	n/a	77	103	171	266	211	696

(Continued)

Table 20

**Bedford County, Tennessee**  
**Operating Indicators by Function (Cont.)**

Function (Cont.)	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Road and Bridge</b>										
Street resurfaced (miles)	n/a	n/a	34	20	22	25	35	20	11	9
<b>Sanitation</b>										
Solid waste department	n/a	n/a	n/a	n/a	n/a	n/a	11,400	11,448	11,115	10,932
Refuse collected (in tons)	n/a	n/a	n/a	n/a	n/a	n/a	121	126	116	92
Recyclables collected (in tons)	n/a	n/a	n/a	n/a	n/a	n/a	7	6	5	4
Paper	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0	0
Batteries	n/a	n/a	n/a	n/a	n/a	n/a	365	397	498	412
Plastics	n/a	n/a	n/a	n/a	n/a	n/a	680	675	679	701
Metals	n/a	n/a	n/a	n/a	n/a	n/a	85	80	4,604	5,472
Tires	n/a	n/a	n/a	n/a	n/a	n/a				
Used oil (gallons)	n/a	n/a	n/a	n/a	n/a	n/a				
<b>Component Unit:</b>										
Bedford County School Department	8,135	8,181	8,160	8,110	8,227	8,352	8,352	8,517	8,628	7,521
Weighted Full-time Equivalent Average	436	365	380	426	408	426	458	478	505	532
Daily Attendance										
Number Graduated										

N/A = Information is not available for this time period.

Sources: Election Commission, Building Codes, Sheriff's Department, Ambulance Department, County Animal Control, Highway Department, and Solid Waste Department

Table 21

**Bedford County, Tennessee**  
**Capital Assets Statistics by Function**  
**Last Ten Fiscal Years**

Function	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Highways and Streets</b>										
Number of Miles	N/A	N/A	N/A	663	668	673	678	679	683	683
Number of Bridges	N/A	N/A	N/A	189	189	191	191	191	191	191
<b>Public Safety</b>										
Number of Correctional Facilities	1	1	1	1	2	2	2	2	2	2
<b>Health and Welfare</b>										
Nursing Home	1	1	1	1	1	1	1	1	1	1
Number of Beds	90	90	90	90	90	90	90	90	90	90
Dispatch Station	0	0	1	1	1	1	1	1	1	1
Ambulance Stations	2	3	3	3	3	3	4	4	4	4
Number of Ambulance Units	5	7	7	7	7	7	8	8	8	8
Sanitation/Solid Waste Department										
Number of Trucks	4	4	4	4	4	4	4	4	4	4
Health Department Facilities	1	1	1	1	1	1	1	1	1	1
<b>Facilities and Services Not Included in the Primary Government</b>										
<b>Education:</b>										
Form of Administration										
Number of Schools	7	7	7	7	7	7	7	7	7	7
Elementary Schools										
Middle Schools	1	1	1	1	1	1	1	1	1	1
High Schools	3	3	3	3	3	3	3	3	3	3
K-12 Schools										
Alternative School	1	1	1	1	1	1	1	1	1	1

Sources: Bedford County Highway Department, Sheriff's Department, Ambulance Department, Solid Waste Department, Board of Education  
N/A = Information is not available for this time period.

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## **SINGLE AUDIT SECTION**

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

REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

November 15, 2010

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

To the County Mayor and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bedford County, Tennessee, as of and for the year ended June 30, 2010, which collectively comprise Bedford County's basic financial statements and have issued our report thereon dated November 15, 2010. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Bedford County Nursing Home and the discretely presented Emergency Communications District of Bedford County as described in our report on Bedford County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies in internal control over financial reporting: 10.02, 10.03, 10.04, 10.05, and 10.06. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

#### Compliance and Other Matters

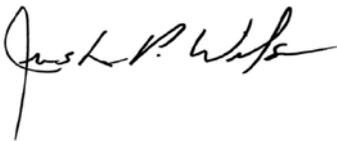
As part of obtaining reasonable assurance about whether Bedford County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under Government Auditing Standards and is described in the accompanying Schedule of Findings and Questioned Costs as item 10.01.

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

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

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

Very truly yours,



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  
JAMES K. POLK STATE OFFICE BUILDING  
NASHVILLE, TENNESSEE 37243-1402  
PHONE (615) 401-7841

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

November 15, 2010

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

To the County Mayor and Board of County Commissioners:

Compliance

We have audited the compliance of Bedford County with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2010. Bedford County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Bedford County's management. Our responsibility is to express an opinion on Bedford County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Bedford County's compliance with those requirements and performing

such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Bedford County's compliance with those requirements.

In our opinion, Bedford County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

#### Internal Control Over Compliance

The management of Bedford County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Bedford County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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 Bedford 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. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying Schedule of Findings and Questioned Costs as items 10.03, 10.07, 10.04, and 10.08. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

#### Schedule of Expenditures of Federal Awards

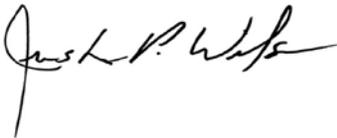
We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bedford County as of and for the year ended June 30, 2010, and have issued our report thereon dated November 15, 2010. Our audit

was performed for the purpose of forming our opinions on the financial statements that collectively comprise Bedford County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

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

Yours very truly,

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

Justin P. Wilson  
Comptroller of the Treasury

JPW/sb

Bedford County, Tennessee  
Schedule of Expenditures of Federal Awards and State Grants (1)  
For the Year-Ended June 30, 2010

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Rural Business Enterprise Grants	10.769	N/A	\$ 40,000
Distance Learning and Telemedicine Loans and Grants	10.855	N/A	484,329
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	(2)	538,489
National School Lunch Program	10.555	(2)	1,818,013 (6)
Fresh Fruit and Vegetable Program	10.582	(2)	72,341
ARRA - Child Nutrition Discretionary Grants Limited Availability	10.579	(2)	11,392
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	(2)	223,911 (6)
Total U.S. Department of Agriculture			<u>\$ 3,188,475</u>
U.S. Department of Justice:			
Direct Grant:			
Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to Units of Local Governments, Recovery Act	16.804	N/A	\$ 69,092
Total U.S. Department of Justice			<u>\$ 69,092</u>
U.S. Department of Labor:			
Passed-through State Department of Labor and Workforce Development:			
WIA Dislocated Workers, Recovery Act	17.260	(2)	\$ 33,517
Total U.S. Department of Labor			<u>\$ 33,517</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
State and Community Highway Safety	20.600	Z-10-220417-00	\$ 3,658
Alcohol Open Container Requirements	20.607	DG-10-28723-00	15,598
Total U.S. Department of Transportation			<u>\$ 19,256</u>
U.S. Department of Education:			
Direct Program:			
Improving Literacy Through School Libraries	84.364	N/A	\$ 371,206
Passed-through State Department of Human Services:			
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	(2)	31,127
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	(3)	124,592
Passed-through State Department of Education:			
Title I Cluster:			
Title I Grants to Local Educational Agencies	84.010	N/A	1,990,178
Title I Grants to Local Educational Agencies, Recovery Act	84.389	N/A	634,349
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,537,398
Special Education - Preschool Grants	84.173	N/A	36,412
Special Education - Grants to States, Recovery Act	84.391	N/A	520,638
Special Education - Preschool Grants, Recovery Act	84.392	N/A	5,996
Career and Technical Education - Basic Grants to States	84.048	N/A	253,784
Safe and Drug-free Schools and Communities - State Grants	84.186	(2)	30,221
Educational Technology Cluster:			
Education Technology State Grants	84.318	(2)	161,850
Education Technology State Grants, Recovery Act	84.386	(2)	28,627
Rural Education	84.358	N/A	102,117
English Language Acquisition Grants	84.365	N/A	143,886
Improving Teacher Quality State Grants	84.367	N/A	322,892
State Fiscal Stabilization Funds Cluster:			
State Fiscal Stabilization Funds - Education State Grants, Recovery Act	84.394	(2)	1,394,000
State Fiscal Stabilization Funds - Government Services, Recovery Act	84.397	(2)	116,034
Total U.S. Department of Education			<u>\$ 7,805,307</u>

(Continued)

Bedford County, Tennessee  
Schedule of Expenditures of Federal Awards and State Grants (1) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Health and Human Services:			
Passed through State Department of Health:			
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	93.938	(2)	\$ 600
Total U.S. Department of Health and Human Services			\$ 600
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Hazardous Mitigation Grant	97.039	GG-07-20265-00	\$ 40,506
Emergency Management Performance Grants	97.042	(4)	26,780
Homeland Security Grant Program	97.067	GG-08-24611-00	123,363
Total U.S. Department of Homeland Security			\$ 190,649
Total Expenditures of Federal Awards			\$ 11,306,896
<u>State Grants</u>			
		<u>Contract Number</u>	
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	\$ 10,546
Juvenile Justice - State Commission on Children and Youth	N/A	(2)	9,000
Lottery for Education - After-school Programs - State Department of Education	N/A	(2)	28,256
Adult Education - State Department of Labor and Workforce Development	N/A	(5)	37,843
Connection - State Department of Education	N/A	(2)	5,302
Internet Connectivity - State Department of Education	N/A	(2)	11,827
Litter Program - State Department of Transportation	N/A	Z-10-220302-00	34,221
Rural Local Health Services - State Department of Health	N/A	Z-10-219847-00	349,563
Waste Tire Grant - State Department of Environment and Conservation	N/A	Z-08-212955-02	28,400
Safe Schools Act - State Department of Education	N/A	(2)	29,109
Pilot - Lottery for Pre-K Classrooms - State Department of Education	N/A	(2)	194,818
Total State Grants			\$ 738,885

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

(1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.

(2) Information not available.

(3) Z-10-218486-00: \$90,615; Z-10-218449-00: \$33,977.

(4) 34101-000000669: \$3,875; 34101-0000003828: \$22,905.

(5) Z-10-218486-00: \$24,575; Z10-218449-00: \$13,268.

(6) Total for CFDA No. 10.555 is \$2,041,924.

Bedford 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. Presented below are findings from the Comprehensive Annual Financial Report for Bedford County, Tennessee, for the year ended June 30, 2009, which have not been corrected.

**OFFICE OF COUNTY MAYOR**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
09.02	269	The Office of Zoning and Building Inspections had deficiencies in controls over its information system environment

**OFFICE OF SHERIFF**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
09.04	270	The office had deficiencies in the operation of the commissary

**OTHER FINDING**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
09.05	271	Duties were not segregated adequately in the Offices of Zoning and Building Inspections; Juvenile Detention; Circuit, General Sessions, and Juvenile Courts Clerk; and Sheriff

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**BEDFORD COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2010**

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**PART I, SUMMARY OF AUDITOR'S RESULTS**

1. Our report on the financial statements of Bedford County is unqualified.
2. The audit of the financial statements of Bedford County disclosed significant deficiencies in internal control. None of these deficiencies was considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that are material to the financial statements.
4. The audit disclosed two significant deficiencies in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed two findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555); Distance Learning and Telemedicine Loans and Grants (CFDA No. 10.855); Improving Literacy Through School Libraries (CFDA No. 84.364); 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 – Grants to States Recovery Act, Special Education – Preschool Grants, and Special Education – Preschool Grants Recovery Act (CFDA Nos. 84.027, 84.391, 84.173, and 84.392); Improving Teacher Quality State Grants (CFDA No. 84.367); and the State Fiscal Stabilization Funds Cluster: State Fiscal Stabilization Funds – Education State Grants Recovery Act and State Fiscal Stabilization Funds – Government Services Recovery Act (CFDA Nos. 84.394 and 84.397); were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Bedford County did not qualify as a low-risk auditee.

## PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

### OFFICE OF COUNTY MAYOR

**FINDING 10.01      THE AMBULANCE SERVICE HAD DEFICIENCIES IN  
COMPUTER SYSTEM BACKUP PROCEDURES**  
(Noncompliance Under Government Auditing Standards)

System backups were stored off-site quarterly instead of weekly. Section 10-7-121, Tennessee Code Annotated, provides that records required to be retained by any government official may be maintained on a computer or removable storage media as long as certain standards are met. One of these standards requires that all data generated and stored within the computer system be copied to storage media daily, and media more than one week old be stored at an off-site location. This deficiency is the result of management's failure to implement adequate disaster recovery planning procedures. In the event of a disaster, up to one quarter's backup data could be destroyed, resulting in costly delays in generating and recording information accounted for through the automated process. Proper system backup procedures were implemented in July 2010.

### RECOMMENDATION

Management should ensure system backups are stored off-site weekly.

### MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

We concur with this finding and have corrected this deficiency as of July 2010.

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**FINDING 10.02      THE RECEIPTING SOFTWARE USED BY THE OFFICE OF  
ZONING AND BUILDING INSPECTIONS DID NOT HAVE  
ADEQUATE APPLICATION CONTROLS**  
(Internal Control – Significant Deficiency Under Government Auditing  
Standards)

The following internal control deficiencies relating to the office's software were identified. These deficiencies existed because management failed to correct the finding noted in the prior-year audit report.

- A. The application did not provide a record of changes to previously issued receipts. Users had the capability to change information on receipts, leaving no evidence of the original receipt. This lack of application controls could allow inappropriate system activity.

- B. The application did not provide a report that listed all receipt transactions in sequential order. Without this report, it is difficult to account for all receipts issued.
- C. Permits and receipts could be deleted from the application. A log was available that listed all deleted transactions; however, this log was not reviewed by management during the audit period. Procedures for reviewing the log were implemented in July 2010.

**RECOMMENDATION**

Management should contact their software vendor concerning the removal of the capability to change receipts. Removing this capability would help ensure the reliability and integrity of information maintained by the system. A report that lists all transactions in sequential order should be available and should include totals by transaction type. Management should contact their software vendor to have the capability to delete receipts and permits removed from the system. Instead, a void option should be used. Until the void option is implemented, management should review the deletion log on a routine basis for inappropriate activity.

**MANAGEMENT’S RESPONSE – FINANCE DIRECTOR**

The Office of Zoning and Building Inspections has requested the software vendor make corrections to bring the county into compliance for the last two years. Thus, we were surprised the audit finding recurred. We are also looking at other potential vendors if the current vendor cannot correct this weakness.

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**OFFICES OF SUPERINTENDENT OF SCHOOLS AND FINANCE DIRECTOR**

**FINDING 10.03 THE SCHOOL DEPARTMENT HAD PURCHASING DEFICIENCIES**  
(Internal Control – Significant Deficiency Under Government Auditing Standards and OMB Circular A-133)

During the 2009-10 year, the School Department purchased 374 computers at \$823 per unit from Howard Technology Solutions. Computers were purchased from requests for proposals (RFPs) that were solicited during the 2006-07 year (310 units) and the 2009-10 year (64 units). We noted the following deficiencies with the bids and the purchasing process from the two RFPs:

**1. 2006-07 RFP**

- A. In October 2006, the School Department publicly solicited a RFP, for “personal computer systems including but not limited to desktop, workstation, server, laptop computer, wireless, and/or specialty systems.” The RFP stated that the winning bidder would enter into a contract for one year with the option to extend the contract for two additional years.

However, the School Department did not execute a written contract with the winning bidder nor formally extend the agreement for two additional years.

- B. As a result of the RFP, six vendors submitted bids. The director of technology submitted a letter to the Board of Education recommending the highest bidder, Howard Technology Solutions; however, the letter did not cite any reasons for rejecting the other bidders. The Board of Education awarded the bid to Howard Technology Solutions at \$832 per unit, while the low bid was from another vendor at \$749 per unit. It should be noted that Howard's bid was \$832 per unit, but the invoices and payments reflected \$823 per unit. The director of technology stated that the School Department had received very good customer support from Howard Technology Solutions over the previous nine years.

In the case, *Owen of Georgia, Inc., versus Shelby County*, 442F. Supp. 314 (w.b. Tenn. 1977), the court stated that "to reject the bid of the lowest bidder there must be such evidence of the irresponsibility of the bidder as would cause fair-minded and reasonable men to believe that it was not for the best interest of the municipality to award the contract to the lowest bidder."

- C. As a result of the School Department paying more than the low bid without sufficient justification, we questioned the amount paid between the highest and lowest bids totaling \$27,676 (\$823-\$749 times 374 units). Of these 374 units purchased off both RFPs, 78 units from the 2006-07 RFP and 62 units from the 2009-10 RFP were purchased with federal funds resulting in questioned costs totaling \$10,360 (\$823 - \$749 times 140 units).

## **2. 2009-10 RFP**

In November 2009, the School Department publicly solicited a RFP for "personal computer systems, as well as other equipment, supplies, software, services, training, or any combination of the foregoing, used to provide data processing, networking, or communications services. Bedford County was seeking a bid response based on a percent off a Nationally Published Product Line Price list or comparable source for a product catalog. Resulting contracts from this bid would be available for a period of one year with the opportunity to renew for two additional years, for a total of three years." No specifications or estimated quantities were included in the RFP. Howard Technology Solutions was the only vendor to respond. Howard Technology Solutions provided a sample price list with percentage discounts; however, a letter attached to the bid stated "Deeper discounts will be considered for volume purchases." It should be noted that the School Department continued to pay \$823 per unit, the same price from the 2006-07 RFP, after the bid was awarded. Without specifications or quantities, prospective vendors have no basis on which to provide bids, and school personnel have no basis on which to compare any bids.

## **RECOMMENDATION**

The Finance Office should comply with the written requirements of the RFP by formally entering into contracts with the winning bidder. Purchases should be made from the

vendor with the lowest price that meets bid specifications unless adequate documentation is on file supporting the decision to reject the lowest bid. Bid solicitations should include detailed specifications and estimated quantities to provide prospective bidders a basis on which to base their bids.

#### MANAGEMENT'S RESPONSE – SUPERINTENDENT OF SCHOOLS

In regard to the 2006 computer bid awarded to Howard Computers, the technology director inquired about choosing the best bid rather than the lowest bid due to the service program that Howard offered. She was directed to write-up her justifications for the board by the school business manager. She did this and presented the justifications to the board. The process of choosing the best bid by eliminating bids with the correct process was never explained to me or the technology director.

Since finding out about the correct process to follow, Bedford County school administrators have been instructed on how the correct process is to be followed.

The 2009 catalog bid followed the procurement guidelines that had been accepted by both the Education Department and the county Finance Department. The guidelines state that the education administrator prepares the educational specifications for the county Finance Department. The county Finance Department prepares the bid, posts the bid in the local paper, and sends bids to vendors. All bids are mailed to, opened, and analyzed by the county Finance Department. The bid analysis is forwarded to the superintendent of schools for school board recommendation. This process was followed in the computer catalog bid with only one vendor bidding. Based on the available information at that time, the superintendent of schools made the recommendation in the regular scheduled school board meeting in December 2009. The decision of attempting to do a catalog bid was the result of checking with other school systems that had various catalog bids.

The school system administrators have been directed that catalog bids are unacceptable in the Bedford County school system.

#### MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

The 2006 computer bid was awarded prior to the creation of the Department of Finance under the 1981 Financial Management Act. Also, the 2009 catalog bid was terminated by the Finance Department when we discovered an irregularity, and computers were subsequently rebid to comply with applicable bid requirements.

The Finance Department has held meetings with all departments to explain the purchasing policies and procedures. Also, all departments have been provided copies of the financial management policies and procedures manual. Steps have been taken to ensure all bids and purchases meet applicable requirements. Noncompliance issues have been discussed with the county attorney and the district attorney general, and any future instances of noncompliance will be addressed according to Section 5-21-125, Tennessee Code Annotated.

**FINDING 10.04      THE SCHOOL DEPARTMENT DID NOT ACCOUNT FOR ALL AMERICAN RECOVERY AND REINVESTMENT ACT GRANTS SEPARATELY FROM OTHER COUNTY FUNDS**  
(Internal Control – Significant Deficiency under Government Auditing Standards and OMB Circular A-133)

The Bedford County School Department comingled American Recovery and Reinvestment Act (ARRA) expenditures of the Coordinated School Health Grant with other local, state, and federal funds. U.S. Office of Management and Budget’s (OMB) Compliance Supplement requires grantees to agree to maintain records that identify adequately the source (i.e., revenues) and application (i.e., expenditures) of ARRA awards. In addition, grant agreements contain terms and conditions that require compliance with the Tennessee Office of Recovery Act Management (TRAM) directives. TRAM Directive No. 2 requires county governments to account for ARRA grant awards and expenditures separately from other revenues and expenditures in the county’s financial accounting system. This comingling of funds violates OMB’s compliance requirements and the grant agreement and increases the risks of preparing inaccurate reports required by ARRA. When ARRA grant requirements are not followed, OMB can terminate the grants, suspend or debar the county from receiving grants, or, in serious cases, may apply civil or criminal penalties. The finance director stated they had set up cost centers for these expenditures; however, auditors found that they failed to record journal entries to move the expenditures into the cost centers.

**RECOMMENDATION**

The Finance Office should separate both the source (revenues) and application (expenditures) of ARRA grant funds on their accounting records.

**MANAGEMENT’S RESPONSE – FINANCE DIRECTOR**

We concur with the finding, and this was an oversight on our part. Steps have been taken to ensure all ARRA revenues and expenditures are accounted for properly. The Coordinated School Health Grant totaled \$82,000 out of \$1,620,379 total ARRA funds received by the county. All other ARRA funds were accounted for in compliance with TRAM directives. There was no identified misuse of ARRA funds by the county, and we will continue to strive for 100 percent compliance with TRAM directives in the future.

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**OFFICE OF SHERIFF**

**FINDING 10.05      THE OFFICE HAD DEFICIENCIES IN THE OPERATION OF THE COMMISSARY**  
(Internal Control – Significant Deficiency Under Government Auditing Standards)

We noted the following weaknesses in internal controls that increase the risks of theft or loss. These weaknesses are the result of a lack of management oversight and management’s failure to correct the finding noted in the prior-year audit report.

- A. Duties related to the operation of the commissary were not segregated adequately. Collections were received from inmates and others by various jail and workhouse employees. These collections were remitted to one employee who was principally responsible for accounting for commissary operations. This employee enters information into the computer accounting system, makes the bank deposits, reconciles bank statements, and disburses funds.
- B. The bank statements for the commissary checking account were not reconciled with general ledger controls. The bank balance at June 30, 2010, was determined using bank statements and alternative auditing procedures.
- C. The sheriff did not include commissary activity on the annual financial report as required by Section 5-8-505, Tennessee Code Annotated. This statute requires all county officials having public funds in their charge or custody to file a complete annual financial report with the county mayor and county clerk.
- D. As of June 30, 2010, commissary records reflected accumulated bank charges totaling \$3,059. These bank charges have not been deducted from the profit amount remitted to the county but have been accumulating on the general ledger.
- E. The software application used by the commissary has the capability of generating audit logs that display changes made by users. Since this log provides the only audit trail of these changes, it should be reviewed for inappropriate activity; however, officials did not generate and review the audit logs.

### RECOMMENDATION

To strengthen internal controls over commissary operations, the sheriff should segregate duties adequately among employees. The commissary should reconcile bank statements with general ledger controls monthly, and any errors noted should be corrected promptly. The annual financial report should include commissary activity. Bank charges should be reduced from profits remitted to the county. Audit logs should be generated and reviewed by supervisory personnel.

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## OTHER FINDING AND RECOMMENDATION

FINDING 10.06      **DUTIES WERE NOT SEGREGATED ADEQUATELY IN THE OFFICES OF ZONING AND BUILDING INSPECTIONS; JUVENILE DETENTION; CIRCUIT AND GENERAL SESSIONS COURTS CLERK; AND SHERIFF**  
(Internal Control – Significant Deficiency Under Government Auditing Standards)

Duties were not segregated adequately among the officials and employees in the Offices of Zoning and Building Inspections; Juvenile Detention; Circuit and General Sessions Courts Clerk; and Sheriff. Employees responsible for maintaining accounting records were also involved in receipting, depositing, and/or disbursing funds. Accounting standards provide that internal controls be designed to provide reasonable assurance of the reliability of financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

### RECOMMENDATION

Officials should segregate duties to the extent possible using available resources.

### MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

Steps have been taken in the Office of Zoning and Building Inspections to segregate duties by utilizing an employee in the Department of Finance.

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

Federal Agency	Finding Number	Federal CFDA Number	Criteria	Explanation	Amount Questioned
U.S. Department of Education Passed-through State Department of Education: Title I Grants to Local Educational Agencies	10.07	84.010	<u>Circular A-133</u> , Section 300(b) and Compliance Supplement, Part 3 (f)	Internal Control - Significant Deficiency See Finding 10.03 - Deficiencies in Procurement, Suspension, and Debarment	\$ 2,442
Career and Technical Education - Basic Grants to States	10.07	84.048	<u>Circular A-133</u> , Section 300(b) and Compliance Supplement, Part 3 (f)	Internal Control - Significant Deficiency See Finding 10.03 - Deficiencies in Procurement, Suspension, and Debarment	2,886
English Language Acquisition Grants	10.07	84.365	<u>Circular A-133</u> , Section 300(b) and Compliance Supplement, Part 3 (f)	Internal Control - Significant Deficiency See Finding 10.03 - Deficiencies in Procurement, Suspension, and Debarment	1,110
Special Education - Grants to States, Recovery Act	10.07	84.391	<u>Circular A-133</u> , Section 300(b) and Compliance Supplement, Part 3 (f)	Internal Control - Significant Deficiency See Finding 10.03 - Deficiencies in Procurement, Suspension, and Debarment	3,922
State Fiscal Stabilization Funds - Governmental Services - Recovery Act	10.08	84.397	<u>Circular A-133</u> , Section 300(b) and Compliance Supplement, Part 3 (A)	Internal Control - Significant Deficiency See Finding 10.04 - Deficiencies in Activities Allowed and Unallowed	0
					\$ 10,360

**BEDFORD 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-year's Schedule of Findings and Questioned Costs. There were four audit findings relative to federal awards presented in the current-years' Schedules of Findings and Questioned Costs.

**Director of Schools – Corrective Action Plans for Current-year Findings**

**FINDINGS 10.03 and 10.07**

Contact person: Robert Daniel, Finance Director

Corrective action planned: The County Financial Management System of 1981 provides for the finance director or a deputy appointed by him to serve as the county purchasing agent. The finance director serves as the purchasing agent for Bedford County. All departments have been provided with copies of the financial management policies and procedures. Department meetings have been held with all departments to explain bidding and purchasing procedures. The finance director will ensure that all future purchases meet applicable bid requirements.

Anticipated completion date: 2010-11

**FINDINGS 10.04 and 10.08**

Contact person: Robert Daniel, Finance Director

Corrective action planned: The finance director or a deputy appointed by him will review general ledger entries to ensure that all American Reinvestment and Recovery Act (ARRA) revenues and expenditures are accounted for separately from other county funds. The Coordinated School Health grant totaled \$82,000 out of \$1,620,379 total ARRA funds received by the county. All other ARRA funds were accounted for in compliance with TRAM directives. There was no identified misuse of ARRA funds by the county and we will continue to strive for 100 percent compliance with TRAM directives in the future.

Anticipated completion date: 2010-11