ANNUAL FINANCIAL REPORT
BLEDSOE COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2010

TENNESSEE
COMPTROLLER
OF THE TREASURY

ANNUAL FINANCIAL REPORT

BLEDSOE COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2010

DEPARTMENT OF AUDIT
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This report is available at www.tn.gov/comptroller

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Audit Highlights

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

Scope

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

Results

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

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

Findings and Best Practice

The following are summaries of the audit findings and best practice:

OFFICE OF COUNTY MAYOR

- The Ambulance Service Fund required material audit adjustments for proper financial statement presentation.

OFFICE OF DIRECTOR OF SCHOOLS

- The office had deficiencies in computer system backup procedures.

OFFICE OF CLERK AND MASTER

- The office had deficiencies in computer system backup procedures.

OFFICE OF SHERIFF

- Confiscated vehicles were sold without a disposition from the state Department of Safety releasing the vehicles.

OTHER FINDINGS

- Bledsoe County has a material recurring audit finding.
- Duties were not segregated adequately at the Ambulance Service and in the Offices of Road Superintendent; County Clerk; Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; Register; and Sheriff.
- The general sessions judge also served as county attorney, school board attorney, and delinquent tax attorney, contrary to opinions issued by the state attorney general's office.

BEST PRACTICE

Bledsoe County does not have a central system of accounting, budgeting, and purchasing. The Division of County Audit strongly believes that a central system of accounting, budgeting, and purchasing is a best practice that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Bledsoe County.

INTRODUCTORY SECTION

Bledsoe County Officials
June 30, 2010

Officials

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

Board of County Commissioners

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

Board of Education

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

FINANCIAL SECTION

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

INDEPENDENT AUDITOR'S REPORT

September 29, 2010

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

To the County Mayor and Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bledsoe County, Tennessee, as of and for the year ended June 30, 2010, which collectively comprise Bledsoe County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Bledsoe County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We 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 provides a reasonable basis for our opinions.

The financial statements of the Bledsoe County Emergency Communications District and the Bledsoe County Nursing Home, component units requiring discrete presentation, had not been made available by other auditors as of the date of this report. Accordingly, the aggregate discretely presented component units financial statements referred to above do not include amounts for the Bledsoe County Emergency Communications District and the

Bledsoe County Nursing Home, which should be included to conform with accounting principles generally accepted in the United States of America. The effects on the financial statements of the aggregate discretely presented component units are not reasonably determinable.

In our opinion, except for the effects of not including the financial statements of the Bledsoe County Emergency Communications District and the Bledsoe County Nursing Home as discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate discretely presented component units of Bledsoe County, Tennessee, as of June 30, 2010, and the results of operations of the aggregate discretely presented component units, for the year ended, in conformity with accounting principles generally accepted in the United States of America.

Additionally, in our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Bledsoe County, Tennessee, as of June 30, 2010, and the respective changes in financial position, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated September 29, 2010, on our consideration of Bledsoe County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

As described in Note V.B., Bledsoe 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.

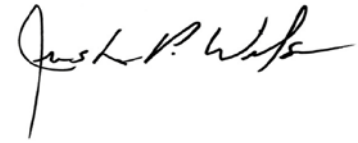
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required 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. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison, pension, and other postemployment benefits information on pages 58 through 65 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 Bledsoe County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Bledsoe County School Department (a discretely presented component unit), and miscellaneous schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Bledsoe County School Department (a discretely presented component unit), and the miscellaneous schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on it.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury

JPW/sb

Basic Financial Statements

Exhibit A

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

	Primary Government Governmental Activities	Component Unit Bledsoe County School Department
ASSETS		
Cash	$ 6,772	$ 3,402
Equity in Pooled Cash and Investments	2,512,551	2,269,461
Accounts Receivable	1,867,117	0
Allowance for Uncollectibles	(1,159,962)	0
Due from Other Governments	288,588	245,146
Property Taxes Receivable	2,505,091	1,602,296
Allowance for Uncollectible Property Taxes	(139,196)	(89,032)
Deferred Charges - Debt Issuance Cost	215,576	0
Capital Assets:		
Assets Not Depreciated:		
Land	173,140	380,847
Construction in Progress	6,158,258	0
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	1,345,694	9,921,511
Infrastructure	4,720,860	99,264
Other Capital Assets	351,524	1,253,873
Total Assets	$ 18,846,013	$ 15,686,768
LIABILITIES		
Accounts Payable	$ 7,552	$ 35,229
Contracts Payable	68,420	749,060
Accrued Interest Payable	0	80,682
Customer Deposits Payable	0	3,776
Deferred Revenue - Current Property Taxes	2,181,025	1,395,019
Noncurrent Liabilities:		
Due Within One Year	245,754	502,522
Due in More Than One Year (net of deferred amount on refunding and unamortized premiums on debt)	8,652,908	10,309,002
Total Liabilities	$ 11,155,659	$ 13,075,290
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	$ 4,228,154	$ 1,250,030
Restricted for:		
General Purposes	50,047	3,979
Courthouse and Jail Maintenance	6,743	0
Public Library	21,212	0
Solid Waste/Sanitation	38,008	0
Ambulance Service	819,573	0
Drug Control	24,036	0
Highway/Public Works	382,388	0
Debt Service	863,946	110,387
School Federal Projects	0	77,439
Central Cafeteria	0	259,656
Capital Projects	1,199,949	0
Other Purposes	24,991	0
Unrestricted	31,307	909,987
Total Net Assets	$ 7,690,354	$ 2,611,478

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

Exhibit B

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

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Total Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Component Unit: Bledsoe County School Department
Primary Government:						
Governmental Activities:						
General Government	$ 606,626	$ 98,258	$ 21,806	$ 10,000	$ (476,562)	$ 0
Finance	352,943	206,364	5,496	0	(141,083)	0
Administration of Justice	429,216	133,038	9,000	0	(287,178)	0
Public Safety	1,468,070	198,138	14,247	0	(1,255,685)	0
Public Health and Welfare	1,185,813	687,280	92,605	224,215	(181,713)	0
Social, Cultural, and Recreational Services	80,042	2,294	0	0	(77,748)	0
Agriculture and Natural Resources	68,298	0	0	0	(68,298)	0
Other Operations	12,832	145,248	3,000	0	135,416	0
Highways/Public Works	2,418,995	0	1,490,343	414,393	(514,259)	0
Interest on Long-term Debt	355,343	0	0	0	(355,343)	0
Other Debt Service	21,318	0	0	0	(21,318)	0
Total Governmental Activities	$ 6,999,496	$ 1,470,620	$ 1,636,497	$ 648,608	$ (3,243,771)	$ 0
Total Primary Government	$ 6,999,496	$ 1,470,620	$ 1,636,497	$ 648,608	$ (3,243,771)	$ 0
Component Unit:						
Bledsoe County School Department	$ 17,368,768	$ 332,536	$ 2,597,236	$ 0	$ 0	$ (14,438,996)
Total Component Unit	$ 17,368,768	$ 332,536	$ 2,597,236	$ 0	$ 0	$ (14,438,996)

Exhibit B

Bledsoe County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Total Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Component Unit: Bledsoe County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					$ 1,314,104	$ 1,293,857
Property Taxes Levied for Solid Waste					210,016	0
Property Taxes Levied for Debt Service					629,040	80,204
Local Option Sales Taxes					69,315	577,049
Litigation Tax - General					15,065	0
Business Tax					34,961	0
Wholesale Beer Tax					91,926	0
Other Local Taxes					0	1,891
Grants and Contributions Not Restricted to Specific Programs					371,947	12,102,920
Unrestricted Investment Income					107,975	1,130
Miscellaneous					33,145	49,595
Total General Revenues					$ 2,877,494	$ 14,106,646
Change in Net Assets					$ (366,277)	$ (332,350)
Net Assets, July 1, 2009					8,125,051	2,509,577
Prior-period Adjustment					(68,420)	434,251
Net Assets, June 30, 2010					$ 7,690,354	$ 2,611,478

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

Exhibit C-1

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

	Major Funds					Nonmajor Funds	
	General	Ambulance Service	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern-mental Funds	Total Govern-mental Funds
ASSETS							
Cash	$ 0	$ 518	$ 0	$ 0	$ 0	$ 6,254	$ 6,772
Equity in Pooled Cash and Investments	92,141	113,638	205,153	809,702	1,199,399	92,518	2,512,551
Accounts Receivable	0	1,865,379	0	0	0	1,738	1,867,117
Allowance for Uncollectibles	0	(1,159,962)	0	0	0	0	(1,159,962)
Due from Other Governments	35,348	0	245,655	0	0	7,585	288,588
Due from Other Funds	6,509	0	0	0	0	0	6,509
Property Taxes Receivable	1,976,825	0	0	278,838	0	249,428	2,505,091
Allowance for Uncollectible Property Taxes	(98,685)	0	0	(26,651)	0	(13,860)	(139,196)
Total Assets	$ 2,012,138	$ 819,573	$ 450,808	$ 1,061,889	$ 1,199,399	$ 343,663	$ 5,887,470
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts Payable	$ 3,099	$ 0	$ 0	$ 0	$ 0	$ 4,453	$ 7,552
Contracts Payable	0	0	68,420	0	0	0	68,420
Due to Other Funds	0	0	0	0	0	6,509	6,509
Deferred Revenue - Current Property Taxes	1,765,921	0	0	197,943	0	217,161	2,181,025
Deferred Revenue - Delinquent Property Taxes	104,123	0	0	53,269	0	17,432	174,824
Other Deferred Revenues	11,000	654,747	122,828	0	0	0	788,575
Total Liabilities	$ 1,884,143	$ 654,747	$ 191,248	$ 251,212	$ 0	$ 245,555	$ 3,226,905
Fund Balances							
Reserved for Encumbrances	$ 9,105	$ 3,234	$ 0	$ 0	$ 707,906	$ 6,800	$ 727,045
Reserved for Alcohol and Drug Treatment	14,234	0	0	0	0	0	14,234
Reserved for Drug Court	5,712	0	0	0	0	0	5,712
Reserved for Sexual Offender Registration	3,285	0	0	0	0	0	3,285
Reserved for Computer System - Register	22,019	0	0	0	0	0	22,019
Reserved for Automation Purposes - General Sessions Court	3,843	0	0	0	0	0	3,843
Reserved for Automation Purposes - Chancery Court	954	0	0	0	0	0	954

(Continued)

Exhibit C-1

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

	Major Funds					Nonmajor Funds	
	General	Ambulance Service	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern-mental Funds	Total Govern-mental Funds
LIABILITIES AND FUND BALANCES (Cont.)							
Fund Balances (Cont.)							
Unreserved, Reported In:							
General Fund	$ 68,843	$ 0	$ 0	$ 0	$ 0	$ 0	$ 68,843
Special Revenue Funds	0	161,592	259,560	0	0	90,758	511,910
Debt Service Funds	0	0	0	810,677	0	0	810,677
Capital Projects Funds	0	0	0	0	491,493	550	492,043
Total Fund Balances	$ 127,995	$ 164,826	$ 259,560	$ 810,677	$ 1,199,399	$ 98,108	$ 2,660,565
Total Liabilities and Fund Balances	$ 2,012,138	$ 819,573	$ 450,808	$ 1,061,889	$ 1,199,399	$ 343,663	$ 5,887,470

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

Exhibit C-2

Bledsoe County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
June 30, 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)		$ 2,660,565
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Add: land	$ 173,140	
Add: construction in progress	6,158,258	
Add: buildings and improvements net of accumulated depreciation	1,345,694	
Add: infrastructure net of accumulated depreciation	4,720,860	
Add: other capital assets net of accumulated depreciation	351,524	12,749,476
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	$ (8,690,000)	
Less: deferred premium on debt issuances	(58,765)	
Add: deferred amount on refunding	11,867	
Add: deferred charges - debt issuance cost	215,576	
Less: compensated absences payable	(145,754)	
Less: other postemployment benefits liability	(16,010)	(8,683,086)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		963,399
Net assets of governmental activities (Exhibit A)		$ 7,690,354

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

Exhibit C-3

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

	Major Funds					Nonmajor Funds	
	General	Ambulance Service	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern-mental Funds	Total Governmental Funds
Revenues							
Local Taxes	$ 1,534,181	$ 0	$ 0	$ 595,995	$ 0	$ 213,148	$ 2,343,324
Licenses and Permits	6,261	0	0	1,822	0	1,902	9,985
Fines, Forfeitures, and Penalties	27,256	0	0	0	0	10,342	37,598
Charges for Current Services	6,924	602,703	0	0	0	2,514	612,141
Other Local Revenues	135,947	161	3,353	107,814	11,042	15,839	274,156
Fees Received from County Officials	354,981	0	0	0	0	0	354,981
State of Tennessee	350,655	0	1,901,736	81,877	0	60,093	2,394,361
Federal Government	23,176	0	0	0	0	209,886	233,062
Other Governments and Citizens Groups	36,673	0	0	0	0	180,000	216,673
Total Revenues	$ 2,476,054	$ 602,864	$ 1,905,089	$ 787,508	$ 11,042	$ 693,724	$ 6,476,281
Expenditures							
Current:							
General Government	$ 626,628	$ 0	$ 0	$ 0	$ 0	$ 4,478	$ 631,106
Finance	346,048	0	0	0	0	151	346,199
Administration of Justice	409,492	0	0	0	0	389	409,881
Public Safety	958,139	0	0	0	0	187,016	1,145,155
Public Health and Welfare	111,128	745,448	0	0	165,000	200,710	1,222,286
Social, Cultural, and Recreational Services	11,717	0	0	0	0	63,393	75,110
Agriculture and Natural Resources	60,306	0	0	0	0	0	60,306
Other Operations	12,832	0	0	0	0	0	12,832
Highways	0	0	2,678,446	0	0	36,669	2,715,115
Debt Service:							
Principal on Debt	0	0	0	100,000	0	41,942	141,942
Interest on Debt	0	0	0	355,125	0	1,258	356,383
Other Debt Service	0	0	0	13,785	0	0	13,785
Capital Projects	0	0	0	0	5,374,982	209,886	5,584,868
Total Expenditures	$ 2,536,290	$ 745,448	$ 2,678,446	$ 468,910	$ 5,539,982	$ 745,892	$ 12,714,968
Excess (Deficiency) of Revenues Over Expenditures	$ (60,236)	$ (142,584)	$ (773,357)	$ 318,598	$ (5,528,940)	$ (52,168)	$ (6,238,687)

(Continued)

Exhibit C-3

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

	Major Funds					Nonmajor Funds	
	General	Ambulance Service	Highway / Public Works	General Debt Service	General Capital Projects	Other Govern-mental Funds	Total Governmental Funds
Other Financing Sources (Uses)							
Insurance Recovery	$ 11,053	$ 0	$ 0	$ 0	$ 0	$ 0	$ 11,053
Transfers In	0	0	0	0	0	61,139	61,139
Transfers Out	(61,139)	0	0	0	0	0	(61,139)
Total Other Financing Sources (Uses)	$ (50,086)	$ 0	$ 0	$ 0	$ 0	$ 61,139	$ 11,053
Net Change in Fund Balances	$ (110,322)	$ (142,584)	$ (773,357)	$ 318,598	$ (5,528,940)	$ 8,971	$ (6,227,634)
Fund Balance, July 1, 2009	238,317	307,410	1,101,337	492,079	6,728,339	89,137	8,956,619
Prior Period Adjustment	0	0	(68,420)	0	0	0	(68,420)
Fund Balance, June 30, 2010	$ 127,995	$ 164,826	$ 259,560	$ 810,677	$ 1,199,399	$ 98,108	$ 2,660,565

Exhibit C-4

Bledsoe County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 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)		$ (6,227,634)
(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	$ 6,012,552	
Less: current year depreciation expense	(298,553)	5,713,999
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		
Add: assets donated and capitalized	$ 10,000	
Less: loss on disposal of capital assets	(48,591)	
Less: decrease of revenue for proceeds from the sale of disposed assets	(1,750)	(40,341)
(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	$ 963,399	
Less: deferred delinquent property taxes and other deferred June 30, 2009	(829,410)	133,989
(4) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Less: change in deferred debt issuance cost	$ (6,954)	
Less: change in deferred amount on advanced refunding	(579)	
Add: change in premium on debt issuance	1,896	
Add: principal payments on bonds	100,000	
Add: principal payments on notes	41,942	136,305
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	$ 1,040	
Change in other postemployment benefits liability	(16,010)	
Change in compensated absences payable	(67,625)	(82,595)
Change in net assets of governmental activities (Exhibit B)		$ (366,277)

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

Exhibit D

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

	Agency Funds
ASSETS	
Cash	$ 588,956
Due from Other Governments	27,897
Total Assets	$ 616,853
LIABILITIES	
Due to Other Taxing Units	$ 27,897
Due to Litigants, Heirs, and Others	588,956
Total Liabilities	$ 616,853

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

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

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

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

Commission's approval. The financial statements of the Bledsoe County Emergency Communications District were not available from other auditors in time for inclusion in this report.

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

Administrative Offices:

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

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

B. Government-wide and Fund Financial Statements

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

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

operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Bledsoe County issues all debt for the discretely presented Bledsoe County School Department. During the year ended June 30, 2010, no debt issues were contributed by the county to the School Department.

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

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

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

Fund financial statements of Bledsoe County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. However, Bledsoe County has no proprietary funds to report. An emphasis is placed on major funds within the governmental category.

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

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

revenues to be available if they are collected within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

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

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

Bledsoe County reports the following major governmental funds:

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

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

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

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

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

Additionally, Bledsoe County reports the following fund type:

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

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

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

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

Additionally, the School Department reports the following fund type:

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

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

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

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

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

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

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Bledsoe County School Department. Each fund's portion of this pool is displayed on the

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

2. <u>Receivables and Payables</u>

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

All ambulance and property taxes receivable are shown with an allowance for uncollectibles. Ambulance receivables allowance is based on historical collection data. The allowance for uncollectible property taxes is equal to 3.11 percent of total taxes levied.

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

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

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current fiscal year. These property taxes receivable are presented on the

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

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

3. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items) are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of $5,000 or more and an estimated useful life 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 and discretely presented School Department are depreciated using the straight-line method over the following estimated useful lives:

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

4. Compensated Absences

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

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

5. Long-term Obligations

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

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

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

extent that the liabilities have matured (come due for payment) each period.

6. Net Assets and Fund Equity

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

a. Invested in capital assets, net of related debt – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

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

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

7. Prior-period Adjustments

Primary Government

During 2007, the Highway/Public Works Fund had a contract payable of $68,420. The validity of this contract payable was disputed by the Highway Department and was written-off during the 2009 fiscal year. However, after more deliberation between the Highway Department and the contractor, it was decided that this was a legitimate payable of the Highway Department. Consequently, a prior-period adjustment of $68,420 is shown in the Highway/Public Works Fund for 2009-10. This contract payable was liquidated subsequent to June 30, 2010.

Discretely Presented Bledsoe County School Department

Noncurrent liabilities of the discretely presented Bledsoe County School Department were restated $434,251 from the prior year because the liability for other postemployment benefits was overstated at July 1, 2009.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Bledsoe County School Department

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

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

Primary Government

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

Discretely Presented Bledsoe County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

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

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

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

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

Investments

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

Investments	Maturities		Cost
State Treasurer's Investment Pool	Daily	$	2,051,966

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

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Bledsoe County has no

investment policy that would further limit its investment choices. As of June 30, 2010, Bledsoe County's investment in the State Treasurer's Investment Pool was unrated.

B. Capital Assets

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

Primary Government

Governmental Activities:

	Balance 7-1-09	Increases	Decreases	Balance 6-30-10
Capital Assets Not Depreciated:				
Land	$ 163,140	$ 10,000	$ 0	$ 173,140
Construction in Progress	783,276	5,374,982	0	6,158,258
Total Capital Assets Not Depreciated	$ 946,416	$ 5,384,982	$ 0	$ 6,331,398
Capital Assets Depreciated:				
Buildings and Improvements	$ 1,850,733	$ 0	$ 0	$ 1,850,733
Infrastructure	6,096,582	528,499	(72,512)	6,552,569
Other Capital Assets	2,429,809	109,071	(54,315)	2,484,565
Total Capital Assets Depreciated	$ 10,377,124	$ 637,570	$ (126,827)	$ 10,887,867
Less Accumulated Depreciated For:				
Buildings and Improvements	$ 462,498	$ 42,541	$ 0	$ 505,039
Infrastructure	1,712,338	143,542	(24,171)	1,831,709
Other Capital Assets	2,072,886	112,470	(52,315)	2,133,041
Total Accumulated Depreciation	$ 4,247,722	$ 298,553	$ (76,486)	$ 4,469,789
Total Capital Assets Depreciated, Net	$ 6,129,402	$ 339,017	$ (50,341)	$ 6,418,078
Governmental Activities Capital Assets, Net	$ 7,075,818	$ 5,723,999	$ (50,341)	$ 12,749,476

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

Governmental Activities:

General Government	$ 14,726
Finance	2,940
Administration of Justice	12,413
Public Safety	40,095
Public Health and Welfare	36,449
Social, Cultural, and Recreational Services	3,972
Agriculture and Natural Resources	3,920
Highways/Public Works	184,038
Total Depreciation Expense - Governmental Activities	$ 298,553

Discretely Presented Bledsoe County School Department

Governmental Activities:

	Balance 7-1-09	Increases	Balance 6-30-10
Capital Assets Not Depreciated:			
Land	$ 380,847	$ 0	$ 380,847
Total Capital Assets Not Depreciated	$ 380,847	$ 0	$ 380,847
Capital Assets Depreciated:			
Buildings and Improvements	$ 14,642,073	$ 135,240	$ 14,777,313
Infrastructure	132,274	0	132,274
Other Capital Assets	2,312,977	225,215	2,538,192
Total Capital Assets Depreciated	$ 17,087,324	$ 360,455	$ 17,447,779
Less Accumulated Depreciated For:			
Buildings and Improvements	$ 4,510,897	$ 344,905	$ 4,855,802
Infrastructure	26,919	6,091	33,010
Other Capital Assets	1,141,450	142,869	1,284,319
Total Accumulated Depreciation	$ 5,679,266	$ 493,865	$ 6,173,131
Total Capital Assets Depreciated, Net	$ 11,408,058	$ (133,410)	$ 11,274,648
Governmental Activities Capital Assets, Net	$ 11,788,905	$ (133,410)	$ 11,655,495

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

Governmental Activities:

Instruction	$ 3,516
Support Services	471,819
Operation of Non-Instructional Services	18,530
Total Depreciation Expense - Governmental Activities	$ 493,865

C. Insurance Recoveries

Primary Government

During the year, the county suffered damages to a Sheriff's Department vehicle and a volunteer fire department vehicle. Insurance recoveries of $11,053 were used to repair the damages.

Discretely Presented Bledsoe County School Department

During the year, the School Department suffered water and wind damage to the roof on the central office building and the roof on a field house. Insurance recoveries of $20,822 were used to repair the damages.

D. Construction Commitments

At June 30, 2010, the General Capital Projects Fund had uncompleted construction contracts of approximately $672,386 for an architect, project manager, and contractor for the construction of a jail. Funding has been received for these future expenditures.

E. Interfund Receivables, Payables, and Transfers

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

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	$ 6,509
Discretely Presented School Department:		
General Purpose School	School Federal Projects	4,037

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

Interfund Transfers:

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

Primary Government

Transfer Out	Transfer In Nonmajor Governmental Funds
General Fund	$ 61,139

Discretely Presented Bledsoe County School Department

Transfers Out	Transfers In General Purpose School Fund	School Federal Projects Fund	Nonmajor Governmental Fund
General Purpose School Fund	$ 0	$ 50,000	$ 350,000
School Federal Projects Fund	41,865	0	0
Total	$ 41,865	$ 50,000	$ 350,000

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

F. Commitment – Discretely Presented Bledsoe County School Department

In a prior year, the Tennessee Department of Environment and Conservation performed assessment and remediation activities on a leaking underground gas storage tank at the Bledsoe County bus garage. The state incurred total costs of $308,316 for cleaning up the site as specified in an Amended Agreed Final Order between the county and the state dated July 20, 2004. Bledsoe County agreed to pay the state all costs related to this clean-up at a rate of $500 per month. During the 2009-10 year, the School Department paid $6,000 to the state from the Education Debt Service Fund. On June 30, 2010, the outstanding balance owed by the School Department was $204,316, which has been included in the School Department's long-term debt in this report.

G. Long-term Debt

Primary Government

General Obligation Bonds and Notes

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

General obligation bonds and capital outlay notes are direct obligations and pledge the full faith and credit of the government. General obligation bonds and capital outlay notes were issued for original terms of up to 32 years for bonds and up to six years for notes. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. The bond included in long-term debt as of June 30, 2010, will be retired from the General Debt Service Fund.

General obligation bond outstanding as of June 30, 2010, is as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-09
General Obligation/ Refunding Bond	2 to 4.5 %	$ 8,790,000	$ 8,690,000

The annual requirement to amortize the general obligation bond outstanding as of June 30, 2010, including interest payments, is presented in the following table:

Year Ending June 30	Bond Principal	Bond Interest	Bond Total
2011	$ 100,000	$ 353,125	$ 453,125
2012	145,000	351,125	496,125
2013	150,000	347,500	497,500
2014	160,000	343,000	503,000
2015	165,000	338,200	503,200

Year Ending June 30	Bond (Cont.) Principal	Interest	Total
2016-2020	$ 920,000	$ 1,610,113	$ 2,530,113
2021-2025	1,095,000	1,424,600	2,519,600
2026-2030	1,380,000	1,184,837	2,564,837
2031-2035	1,760,000	836,194	2,596,194
2036-2040	2,245,000	438,194	2,683,194
2041	570,000	25,650	595,650
Total	$ 8,690,000	$ 7,252,538	$ 15,942,538

There is $810,677 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled $703, 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
Balance, July 1, 2009	$ 8,790,000	$ 41,942
Additions	0	0
Deductions	(100,000)	(41,942)
Balance, June 30, 2010	$ 8,690,000	$ 0
Balance Due Within One Year	$ 100,000	$ 0

	Other Postemployment Benefits	Compensated Absences
Balance, July 1, 2009	$ 0	$ 78,129
Additions	18,000	91,706
Deductions	(1,990)	(24,081)
Balance, June 30, 2010	$ 16,010	$ 145,754
Balance Due Within One Year	$ 0	$ 145,754

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2010	$ 8,851,764
Less: Balance Due Within One Year	(245,754)
Less: Deferred Amount on Refunding	(11,867)
Add: Unamortized Premium on Debt	58,765
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 8,652,908

Discretely Presented Bledsoe County School Department

General Obligation Bonds and Notes

Bledsoe County issues general obligation bonds on behalf of the School Department for the acquisition and construction of major capital facilities. An energy program note was issued for an energy program.

General obligation bonds and the energy program note are direct obligations and pledge the full faith and credit of the government. General obligation bonds and the energy program note outstanding were issued for original terms of up to 25 years for bonds and ten years for notes. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds and notes included in long-term debt as of June 30, 2010, will be retired from the Education Debt Service and General Purpose School funds.

General obligation bonds and the energy program note outstanding as of June 30, 2010, are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-10
General Obligation Bonds	3 to 4.7 %	$ 7,500,000	$ 5,950,000
General Obligation Bonds - Refunding	2 to 4.25	5,510,000	4,055,000
Energy Program Note	4.95	412,269	400,465

On December 2, 2009, the School Department entered into a 12-year energy program note, which will provide funding for various energy savings and efficiency programs at all the county schools.

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

Year Ending June 30	Note Principal	Note Interest	Note Total
2011	$ 26,522	$ 19,228	$ 45,750
2012	27,816	17,934	45,750
2013	29,273	16,477	45,750
2014	30,756	14,995	45,751
2015	32,313	13,437	45,750
2016-2020	187,780	40,970	228,750
2021-2022	66,005	2,620	68,625
Total	$ 400,465	$ 125,661	$ 526,126

Year Ending June 30	Bonds Principal	Bonds Interest	Bonds Total
2011	$ 470,000	$ 418,795	$ 888,795
2012	495,000	400,733	895,733
2013	515,000	381,756	896,756
2014	535,000	361,753	896,753
2015	560,000	340,403	900,403
2016-2020	3,200,000	1,324,342	4,524,342
2021-2025	3,230,000	563,779	3,793,779
2026-2027	1,000,000	47,706	1,047,706
Total	$ 10,005,000	$ 3,839,267	$ 13,844,267

There is $154,720 available in the Education Debt Service Fund to service long-term debt. Bonded debt per capita totaled $809, based on the 2000 federal census. Debt per capita, including bonds and the note totaled $841, 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
Balance, July 1, 2009	$ 10,455,000	$ 9,000
Additions	0	412,269
Deductions	(450,000)	(20,804)
Balance, June 30, 2010	$ 10,005,000	$ 400,465
Balance Due Within One Year	$ 470,000	$ 26,522

	Other Postemployment Benefits	Long-term Commitment
Balance, July 1, 2009	$ 586,062	$ 210,316
Prior-period Adjustment	(434,251)	0
Additions	121,360	0
Deductions	(71,428)	(6,000)
Balance, June 30, 2010	$ 201,743	$ 204,316
Balance Due Within One Year	$ 0	$ 6,000

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2010	$ 10,811,524
Less: Balance Due Within One Year	(502,522)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 10,309,002

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Bledsoe County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2010, were $29,313 and $6,618, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

I. Short-term Debt

Bledsoe County issued tax anticipation notes in advance of property tax collections and deposited the proceeds in the General ($500,000) and Solid Waste/Sanitation ($125,000) funds. These notes were necessary because funds were not available to meet current obligations coming due before current tax collections. Short-term debt activity for the year ended June 30, 2010, was as follows:

	Balance 7-1-09	Issued	Redeemed	Balance 6-30-10
Tax Anticipation Notes	$ 0	$ 625,000	$ (625,000)	$ 0

V. OTHER INFORMATION

A. Risk Management

Primary Government

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

Bledsoe County, with the exception of the Highway Department, provides health insurance coverage to its employees through the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and quasi-governmental entities that was established for the primary purpose of providing services for or on behalf of state and local governments. In accordance with Section 8-27-207, Tennessee Code Annotated (TCA), all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by the fund. The state statute provides for the LGGIF to be self-sustaining through member premiums.

The Bledsoe County Highway Department provides commercial health insurance coverage to its employees. Settled claim have not exceeded this commercial coverage over the past three fiscal years. Highway Department pre-65 age retirees are not allowed to remain in the program.

Discretely Presented Bledsoe County School Department

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

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

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 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, 2009.

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

C. Subsequent Events

On July 14, 2010, the county's General Debt Service Fund issued tax anticipation notes of $312,500 for the General ($250,000) and Solid Waste/Sanitation ($62,500) funds for temporary operating funds.

On August 16, 2010, the School Department's General Purpose Fund received proceeds of $306,081, under an agreement with the State Department of Education for an energy efficiency program, which included a $500,000 interest-free loan.

On August 17, 2010, the county's General Debt Service Fund issued tax anticipation notes of $100,000 for the General Fund for temporary operating funds.

The following table lists officials who left office on August 31, 2010, and their successors:

Official	Office	Successor
Greg Ridley	County Mayor	Bobby Collier
Tom Frazier	Road Superintendent	Marvin Smith
Jamey Roberson	Circuit, General Sessions, and Juvenile Courts	Michael Walker

On September 15, 2010, the county's General Debt Service Fund issued tax anticipation notes of $175,000 for the General ($150,000) and Solid Waste/Sanitation ($25,000) funds for temporary operating funds.

D. 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.

E. Joint Ventures

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

Administrative Office:

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

The Twelfth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twelfth Judicial District and the municipalities within the district. The district is composed of Bledsoe, Franklin, Marion, Rhea, and Sequatchie counties and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a Board of Directors including the district attorney general, sheriffs, and police chiefs of the participating law enforcement agencies within the judicial district. Bledsoe County made no contributions to the DTF for the year ended June 30, 2010, and does not have any equity interest in this joint venture. Complete financial statements for the DTF can be obtained from its administrative office at the following address:

Administrative Office:

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

F. Retirement Commitments

Plan Description

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

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP. That report may be obtained by writing to 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

Bledsoe County requires employees to contribute five percent of earnable compensation.

Bledsoe County is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2010, was 8.65 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Bledsoe County is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2010, Bledsoe County's annual pension cost of $378,361 to TCRS was equal to Bledsoe County's required and actual contributions. The required contribution was determined as part of the

July 1, 2007, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected post retirement increases of three percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. Bledsoe County's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2007, was 17 years. An actuarial valuation was performed as of July 1, 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	$378,361	100%	$0
6-30-09	367,222	100	0
6-30-08	350,472	100	0

Funded Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the plan was 81.12 percent funded. The actuarial accrued liability for benefits was $11.52 million, and the actuarial value of assets was $9.34 million, resulting in an unfunded actuarial accrued liability (UAAL) of $2.17 million. The covered payroll (annual payroll of active employees covered by the plan) was $4.07 million, and the ratio of the UAAL to the covered payroll was 53.39 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 AALs for benefits.

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

School Teachers

Plan Description

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

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 $431,425, $447,160, and $431,344, respectively, equal to the required contributions for each year.

G. Other Postemployment Benefits (OPEB)

Plan Description

Bledsoe County and the Bledsoe County School Department participate in the state-administered Local Government Group Insurance Plan and the 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 8-27-207, Tennessee Code Annotated (TCA), for local governments and Section 8-27-302, TCA, for local education employees. 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 plans are 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. Bledsoe County retirees' contributions vary depending on the insurance options they select, ranging from $349 to $555 (single coverage) per month. School Department retirees' contributions vary depending on the insurance options they select, ranging from $439 to $1,195 per month. Bledsoe County and the School Department recognized expenditures of $1,990 and $71,428 respectively, for postemployment health care during the year ended June 30, 2010.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	Local Government Group Plan
ARC	$ 121,000	$ 18,000
Interest on the NPO	6,831	0
Adjustment to the ARC	(6,471)	0
Annual OPEB cost	$ 121,360	$ 18,000
Amount of contribution	(71,428)	(1,990)
Increase/decrease in NPO	$ 49,932	$ 16,010
Net Adjusted OPEB obligation, 7-1-09	151,811	0
Net OPEB obligation, 6-30-10	$ 201,743	$ 16,010

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net Adjusted Obligation at Year End
6-30-09*	Local Education Group	$ 121,869	36.48 %	$ 151,811
6-30-10*	"	121,360	59.86	201,743
6-30-10^	Local Government Group	18,000	11.06	16,010

* Data only available for two years.
^ Data only available for one year.

Funded Status and Funding Progress

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

	Local Education Group Plan	Local Government Group Plan
Actuarial valuation date	7-1-09	7-1-09
Actuarial accrued liability (AAL)	$ 1,281,000	$ 167,000
Actuarial value of plan assets	$ 0	$ 0
Unfunded actuarial accrued liability (UAAL)	$ 1,281,000	$ 167,000
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	$ 5,024,490	$ 653,029
UAAL as a % of covered payroll	25.5%	25.57%

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

Actuarial Methods and Assumptions

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the July 1, 2009, actuarial valuation, the 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). The Local Education Plan annual healthcare cost trend rate was four percent for fiscal year 2010. The trend will rise to ten percent in fiscal year 2011 and will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. The Local Government Plan annual healthcare cost trend rate was three percent for fiscal year 2010. The trend will rise to ten percent in fiscal year 2011 and will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with June 30, 2008.

In addition to the other postemployment benefits described above, the Board of Education agreed by contract to pay the department's and the individual's portion of the medical and health insurance expenses for the previous two directors (Thad Colvard and Clettis McDaniel, who left employment August 15, 2006, and August 15, 2008, respectively). These payments will be made through the group plan currently available or acquired for board employees in the future, beginning immediately upon the retirement or resignation of the director of schools, through and until such date that the director attains Medicare insurance coverage. During the year, expenditures totaling $10,949 were recognized for postemployment healthcare for these previous two directors.

H. Purchasing Laws

Office of County Mayor

Purchasing procedures for the Bledsoe County Mayor's Office are governed by the County Purchasing Law of 1983, Section 5-14-201, Tennessee Code Annotated (TCA). This act provides for all purchases exceeding $10,000 (excluding emergency purchases) to be made based on competitive bids solicited through newspaper advertisement.

Office of Road Superintendent

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

Office of Director of Schools

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

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit E-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 1,534,181	$ 0	$ 0	$ 1,534,181	$ 1,646,748	$ 1,646,748	$ (112,567)
Licenses and Permits	6,261	0	0	6,261	6,700	6,700	(439)
Fines, Forfeitures, and Penalties	27,256	0	0	27,256	36,949	36,949	(9,693)
Charges for Current Services	6,924	0	0	6,924	8,250	8,250	(1,326)
Other Local Revenues	135,947	0	0	135,947	191,717	191,717	(55,770)
Fees Received from County Officials	354,981	0	0	354,981	381,120	381,120	(26,139)
State of Tennessee	350,655	0	0	350,655	372,482	372,482	(21,827)
Federal Government	23,176	0	0	23,176	137,000	121,900	(98,724)
Other Governments and Citizens Groups	36,673	0	0	36,673	0	37,000	(327)
Total Revenues	$ 2,476,054	$ 0	$ 0	$ 2,476,054	$ 2,780,966	$ 2,802,866	$ (326,812)
Expenditures							
General Government							
County Commission	$ 50,693	$ 0	$ 0	$ 50,693	$ 54,800	$ 54,800	$ 4,107
Board of Equalization	0	0	0	0	400	400	400
County Mayor/Executive	147,999	0	0	147,999	146,827	148,740	741
County Attorney	8,494	0	0	8,494	11,000	11,000	2,506
Election Commission	94,376	(407)	0	93,969	90,830	94,162	193
Register of Deeds	107,386	0	1,070	108,456	111,330	111,330	2,874
Planning	2,312	0	0	2,312	14,325	14,325	12,013
County Buildings	82,342	0	210	82,552	102,444	102,444	19,892
Other General Administration	133,026	(69)	0	132,957	123,000	133,251	294
Finance							
Property Assessor's Office	126,125	0	0	126,125	129,043	129,043	2,918
Reappraisal Program	6,208	0	0	6,208	5,450	6,450	242

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Finance (Cont.)							
County Trustee's Office	$ 109,540	$ 0	$ 0	$ 109,540	$ 111,511	$ 111,511	$ 1,971
County Clerk's Office	104,175	0	905	105,080	103,520	105,720	640
Administration of Justice							
Circuit Court	160,716	0	0	160,716	160,876	161,335	619
General Sessions Court	95,855	0	0	95,855	99,342	99,987	4,132
Drug Court	1,421	0	0	1,421	0	1,421	0
Chancery Court	119,622	(296)	34	119,360	121,840	121,840	2,480
Juvenile Court	31,878	0	0	31,878	32,747	33,786	1,908
Public Safety							
Sheriff's Department	584,464	(1,500)	2,100	585,064	645,911	644,411	59,347
Jail	330,882	(225)	0	330,657	389,650	391,150	60,493
Fire Prevention and Control	18,500	0	0	18,500	18,500	18,500	0
Civil Defense	11,918	0	700	12,618	103,600	103,600	90,982
Rescue Squad	6,000	0	0	6,000	6,000	6,000	0
County Coroner/Medical Examiner	6,375	0	0	6,375	7,600	7,600	1,225
Public Health and Welfare							
Local Health Center	49,365	0	4,086	53,451	46,112	68,012	14,561
Dental Health Program	60,279	0	0	60,279	83,000	83,000	22,721
Alcohol and Drug Programs	0	0	0	0	2,400	2,400	2,400
Crippled Children Services	0	0	0	0	971	971	971
General Welfare Assistance	1,484	0	0	1,484	6,900	6,294	4,810
Social, Cultural, and Recreational Services							
Senior Citizens Assistance	4,000	0	0	4,000	4,000	4,000	0
Libraries	0	0	0	0	61,139	0	0

(Continued)

Exhibit E-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Social, Cultural, and Recreational Services (Cont.)							
Parks and Fair Boards	$ 7,717	$ 0	$ 0	$ 7,717	$ 6,700	$ 7,725	$ 8
Agriculture and Natural Resources							
Agriculture Extension Service	60,306	0	0	60,306	63,671	63,671	3,365
Other Operations							
Other Economic and Community Development	3,606	0	0	3,606	3,000	3,606	0
Veterans' Services	5,726	0	0	5,726	7,550	7,550	1,824
Contributions to Other Agencies	3,500	0	0	3,500	5,000	5,000	1,500
Total Expenditures	$ 2,536,290	$ (2,497)	$ 9,105	$ 2,542,898	$ 2,880,989	$ 2,865,035	$ 322,137
Excess (Deficiency) of Revenues Over Expenditures	$ (60,236)	$ 2,497	$ (9,105)	$ (66,844)	$ (100,023)	$ (62,169)	$ (4,675)
Other Financing Sources (Uses)							
Insurance Recovery	$ 11,053	$ 0	$ 0	$ 11,053	$ 0	$ 7,546	$ 3,507
Transfers Out	(61,139)	0	0	(61,139)	0	(61,139)	0
Total Other Financing Sources (Uses)	$ (50,086)	$ 0	$ 0	$ (50,086)	$ 0	$ (53,593)	$ 3,507
Net Change in Fund Balance	$ (110,322)	$ 2,497	$ (9,105)	$ (116,930)	$ (100,023)	$ (115,762)	$ (1,168)
Fund Balance, July 1, 2009	238,317	(2,497)	0	235,820	158,000	158,000	77,820
Fund Balance, June 30, 2010	$ 127,995	$ 0	$ (9,105)	$ 118,890	$ 57,977	$ 42,238	$ 76,652

Exhibit E-2

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Charges for Current Services	$ 602,703	$ 0	$ 0	$ 602,703	$ 552,600	$ 552,600	$ 50,103
Other Local Revenues	161	0	0	161	7,400	7,400	(7,239)
Total Revenues	$ 602,864	$ 0	$ 0	$ 602,864	$ 560,000	$ 560,000	$ 42,864
Expenditures							
Public Health and Welfare							
Ambulance/Emergency Medical Services	$ 745,448	$ (115)	$ 3,234	$ 748,567	$ 820,200	$ 820,200	$ 71,633
Total Expenditures	$ 745,448	$ (115)	$ 3,234	$ 748,567	$ 820,200	$ 820,200	$ 71,633
Excess (Deficiency) of Revenues Over Expenditures	$ (142,584)	$ 115	$ (3,234)	$ (145,703)	$ (260,200)	$ (260,200)	$ 114,497
Net Change in Fund Balance	$ (142,584)	$ 115	$ (3,234)	$ (145,703)	$ (260,200)	$ (260,200)	$ 114,497
Fund Balance, July 1, 2009	307,410	(115)	0	307,295	265,000	265,000	42,295
Fund Balance, June 30, 2010	$ 164,826	$ 0	$ (3,234)	$ 161,592	$ 4,800	$ 4,800	$ 156,792

Exhibit E-3

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

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Other Local Revenues	$ 3,353	$ 5,000	$ 5,000	$ (1,647)
State of Tennessee	1,901,736	1,698,929	1,888,322	13,414
Total Revenues	$ 1,905,089	$ 1,703,929	$ 1,893,322	$ 11,767
Expenditures				
Highways				
Administration	$ 133,902	$ 140,857	$ 140,783	$ 6,881
Highway and Bridge Maintenance	1,449,535	1,267,260	1,511,924	62,389
Operation and Maintenance of Equipment	218,384	289,000	246,100	27,716
Quarry Operations	2,555	2,500	2,555	0
Other Charges	56,324	73,600	60,300	3,976
Employee Benefits	279,182	261,000	283,829	4,647
Capital Outlay	538,564	413,000	544,113	5,549
Total Expenditures	$ 2,678,446	$ 2,447,217	$ 2,789,604	$ 111,158
Excess (Deficiency) of Revenues Over Expenditures	$ (773,357)	$ (743,288)	$ (896,282)	$ 122,925
Net Change in Fund Balance	$ (773,357)	$ (743,288)	$ (896,282)	$ 122,925
Fund Balance, July 1, 2009	1,101,337	1,151,023	1,151,023	(49,686)
Prior Period Adjustment	(68,420)	0	0	(68,420)
Fund Balance, June 30, 2010	$ 259,560	$ 407,735	$ 254,741	$ 4,819

Exhibit E-4

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

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-07	$ 8,646	$ 10,005	$ 1,359	86.42 %	$ 3,691	36.82 %
7-1-09	9,344	11,519	2,175	81.12	4,074	53.39

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

Exhibit E-5

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

(Dollar amounts in thousands)

Plan(s)	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
PRIMARY GOVERNMENT *							
Local Government Group	7-1-09	$ 0	$ 167	$ 167	0 %	$ 653	25.57 %
DISCRETELY PRESENTED BLEDSOE COUNTY SCHOOL DEPARTMENT **							
Local Education Group	7-1-07	$ 0	$ 2,964	$ 2,964	0 %	$ 4,405	67.29 %
"	7-1-09	0	1,281	1,281	0	5,024	25.50

* Data only available for one actuarial valuation.
** Data only available for two actuarial valuations.

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

BUDGETARY INFORMATION

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

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

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

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

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

Capital Projects Fund

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

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

Exhibit F-1

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

	Special Revenue Funds							Capital Projects Fund	
	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitu-tional Officers - Fees	Total	HUD Grant Projects	Total Nonmajor Governmental Funds
ASSETS									
Cash	$ 0	$ 0	$ 0	$ 0	$ 0	$ 6,254	$ 6,254	$ 0	$ 6,254
Equity in Pooled Cash and Investments	6,743	21,212	14,986	24,036	24,991	0	91,968	550	92,518
Accounts Receivable	0	0	1,483	0	0	255	1,738	0	1,738
Due from Other Governments	0	0	7,585	0	0	0	7,585	0	7,585
Property Taxes Receivable	0	0	249,428	0	0	0	249,428	0	249,428
Allowance for Uncollectible Property Taxes	0	0	(13,860)	0	0	0	(13,860)	0	(13,860)
Total Assets	$ 6,743	$ 21,212	$ 259,622	$ 24,036	$ 24,991	$ 6,509	$ 343,113	$ 550	$ 343,663
LIABILITIES AND FUND BALANCES									
Liabilities									
Accounts Payable	$ 0	$ 0	$ 4,453	$ 0	$ 0	$ 0	$ 4,453	$ 0	$ 4,453
Due to Other Funds	0	0	0	0	0	6,509	6,509	0	6,509
Deferred Revenue - Current Property Taxes	0	0	217,161	0	0	0	217,161	0	217,161
Deferred Revenue - Delinquent Property Taxes	0	0	17,432	0	0	0	17,432	0	17,432
Total Liabilities	$ 0	$ 0	$ 239,046	$ 0	$ 0	$ 6,509	$ 245,555	$ 0	$ 245,555
Fund Balances									
Reserved for Encumbrances	$ 0	$ 6,000	$ 800	$ 0	$ 0	$ 0	$ 6,800	$ 0	$ 6,800
Unreserved	6,743	15,212	19,776	24,036	24,991	0	90,758	550	91,308
Total Fund Balances	$ 6,743	$ 21,212	$ 20,576	$ 24,036	$ 24,991	$ 0	$ 97,558	$ 550	$ 98,108
Total Liabilities and Fund Balances	$ 6,743	$ 21,212	$ 259,622	$ 24,036	$ 24,991	$ 6,509	$ 343,113	$ 550	$ 343,663

Exhibit F-2

Bledsoe 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							Capital Projects Fund	
	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Total	HUD Grant Projects	Total Nonmajor Governmental Funds
Revenues									
Local Taxes	$ 615	$ 0	$ 212,533	$ 0	$ 0	$ 0	$ 213,148	$ 0	$ 213,148
Licenses and Permits	1,045	0	857	0	0	0	1,902	0	1,902
Fines, Forfeitures, and Penalties	5,466	0	0	4,876	0	0	10,342	0	10,342
Charges for Current Services	0	1,807	0	0	0	707	2,514	0	2,514
Other Local Revenues	0	2,447	13,142	0	250	0	15,839	0	15,839
State of Tennessee	0	3,000	57,093	0	0	0	60,093	0	60,093
Federal Government	0	0	0	0	0	0	0	209,886	209,886
Other Governments and Citizens Groups	0	0	0	0	180,000	0	180,000	0	180,000
Total Revenues	$ 7,126	$ 7,254	$ 283,625	$ 4,876	$ 180,250	$ 707	$ 483,838	$ 209,886	$ 693,724
Expenditures									
Current:									
General Government	$ 4,311	$ 0	$ 0	$ 0	$ 0	$ 167	$ 4,478	$ 0	$ 4,478
Finance	0	0	0	0	0	151	151	0	151
Administration of Justice	0	0	0	0	0	389	389	0	389
Public Safety	0	0	0	707	186,309	0	187,016	0	187,016
Public Health and Welfare	0	0	200,710	0	0	0	200,710	0	200,710
Social, Cultural, and Recreational Services	0	63,393	0	0	0	0	63,393	0	63,393
Highways	0	0	36,669	0	0	0	36,669	0	36,669
Debt Service:									
Principal on Debt	0	0	41,942	0	0	0	41,942	0	41,942
Interest on Debt	0	0	1,258	0	0	0	1,258	0	1,258
Capital Projects	0	0	0	0	0	0	0	209,886	209,886
Total Expenditures	$ 4,311	$ 63,393	$ 280,579	$ 707	$ 186,309	$ 707	$ 536,006	$ 209,886	$ 745,892
Excess (Deficiency) of Revenues Over Expenditures	$ 2,815	$ (56,139)	$ 3,046	$ 4,169	$ (6,059)	$ 0	$ (52,168)	$ 0	$ (52,168)
Other Financing Sources (Uses)									
Transfers In	$ 0	$ 61,139	$ 0	$ 0	$ 0	$ 0	$ 61,139	$ 0	$ 61,139
Total Other Financing Sources (Uses)	$ 0	$ 61,139	$ 0	$ 0	$ 0	$ 0	$ 61,139	$ 0	$ 61,139
Net Change in Fund Balances	$ 2,815	$ 5,000	$ 3,046	$ 4,169	$ (6,059)	$ 0	$ 8,971	$ 0	$ 8,971
Fund Balance, July 1, 2009	3,928	16,212	17,530	19,867	31,050	0	88,587	550	89,137
Fund Balance, June 30, 2010	$ 6,743	$ 21,212	$ 20,576	$ 24,036	$ 24,991	$ 0	$ 97,558	$ 550	$ 98,108

Exhibit F-3

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

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 615	$ 425	$ 425	$ 190
Licenses and Permits	1,045	1,250	1,250	(205)
Fines, Forfeitures, and Penalties	5,466	4,000	4,000	1,466
Other Local Revenues	0	1,000	1,000	(1,000)
Total Revenues	$ 7,126	$ 6,675	$ 6,675	$ 451
Expenditures				
General Government				
County Buildings	$ 4,234	$ 6,500	$ 6,500	$ 2,266
Other General Administration	77	90	90	13
Total Expenditures	$ 4,311	$ 6,590	$ 6,590	$ 2,279
Excess (Deficiency) of Revenues Over Expenditures	$ 2,815	$ 85	$ 85	$ 2,730
Net Change in Fund Balance	$ 2,815	$ 85	$ 85	$ 2,730
Fund Balance, July 1, 2009	3,928	3,407	3,407	521
Fund Balance, June 30, 2010	$ 6,743	$ 3,492	$ 3,492	$ 3,251

Exhibit F-4

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Charges for Current Services	$ 1,807	$ 0	$ 0	$ 1,807	$ 1,444	$ 1,444	$ 363
Other Local Revenues	2,447	0	0	2,447	1,462	1,462	985
State of Tennessee	3,000	0	0	3,000	0	0	3,000
Total Revenues	$ 7,254	$ 0	$ 0	$ 7,254	$ 2,906	$ 2,906	$ 4,348
Expenditures							
Social, Cultural, and Recreational Services							
Libraries	$ 63,393	$ (330)	$ 6,000	$ 69,063	$ 63,456	$ 71,557	$ 2,494
Total Expenditures	$ 63,393	$ (330)	$ 6,000	$ 69,063	$ 63,456	$ 71,557	$ 2,494
Excess (Deficiency) of Revenues Over Expenditures	$ (56,139)	$ 330	$ (6,000)	$ (61,809)	$ (60,550)	$ (68,651)	$ 6,842
Other Financing Sources (Uses)							
Transfers In	$ 61,139	$ 0	$ 0	$ 61,139	$ 61,139	$ 61,139	$ 0
Total Other Financing Sources (Uses)	$ 61,139	$ 0	$ 0	$ 61,139	$ 61,139	$ 61,139	$ 0
Net Change in Fund Balance	$ 5,000	$ 330	$ (6,000)	$ (670)	$ 589	$ (7,512)	$ 6,842
Fund Balance, July 1, 2009	16,212	(330)	0	15,882	12,500	12,500	3,382
Fund Balance, June 30, 2010	$ 21,212	$ 0	$ (6,000)	$ 15,212	$ 13,089	$ 4,988	$ 10,224

Exhibit F-5

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues						
Local Taxes	$ 212,533	$ 0	$ 212,533	$ 215,135	$ 215,135	$ (2,602)
Licenses and Permits	857	0	857	370	370	487
Other Local Revenues	13,142	0	13,142	8,000	8,000	5,142
State of Tennessee	57,093	0	57,093	32,500	52,500	4,593
Total Revenues	$ 283,625	$ 0	$ 283,625	$ 256,005	$ 276,005	$ 7,620
Expenditures						
Public Health and Welfare						
Convenience Centers	$ 187,846	$ 800	$ 188,646	$ 175,915	$ 192,582	$ 3,936
Landfill Operation and Maintenance	12,864	0	12,864	56,600	12,864	0
Highways						
Litter and Trash Collection	36,669	0	36,669	35,791	37,251	582
Principal on Debt						
General Government	41,942	0	41,942	0	41,942	0
Interest on Debt						
General Government	1,258	0	1,258	0	1,258	0
Total Expenditures	$ 280,579	$ 800	$ 281,379	$ 268,306	$ 285,897	$ 4,518
Excess (Deficiency) of Revenues Over Expenditures	$ 3,046	$ (800)	$ 2,246	$ (12,301)	$ (9,892)	$ 12,138
Net Change in Fund Balance	$ 3,046	$ (800)	$ 2,246	$ (12,301)	$ (9,892)	$ 12,138
Fund Balance, July 1, 2009	17,530	0	17,530	18,000	18,000	(470)
Fund Balance, June 30, 2010	$ 20,576	$ (800)	$ 19,776	$ 5,699	$ 8,108	$ 11,668

Exhibit F-6

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

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Fines, Forfeitures, and Penalties	$ 4,876	$ 4,300	$ 4,300	$ 576
Total Revenues	$ 4,876	$ 4,300	$ 4,300	$ 576
Expenditures				
Public Safety				
Sheriff's Department	$ 675	$ 15,000	$ 15,000	$ 14,325
Drug Enforcement	32	2,200	2,200	2,168
Total Expenditures	$ 707	$ 17,200	$ 17,200	$ 16,493
Excess (Deficiency) of Revenues Over Expenditures	$ 4,169	$ (12,900)	$ (12,900)	$ 17,069
Net Change in Fund Balance	$ 4,169	$ (12,900)	$ (12,900)	$ 17,069
Fund Balance, July 1, 2009	19,867	15,000	15,000	4,867
Fund Balance, June 30, 2010	$ 24,036	$ 2,100	$ 2,100	$ 21,936

Exhibit F-7

Bledsoe 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 Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Other Local Revenues	$ 250	$ 0	$ 0	$ 250
Other Governments and Citizens Groups	180,000	180,000	180,000	0
Total Revenues	$ 180,250	$ 180,000	$ 180,000	$ 250
Expenditures				
Public Safety				
Other Public Safety	$ 186,309	$ 197,882	$ 197,882	$ 11,573
Total Expenditures	$ 186,309	$ 197,882	$ 197,882	$ 11,573
Excess (Deficiency) of Revenues Over Expenditures	$ (6,059)	$ (17,882)	$ (17,882)	$ 11,823
Net Change in Fund Balance	$ (6,059)	$ (17,882)	$ (17,882)	$ 11,823
Fund Balance, July 1, 2009	31,050	30,000	30,000	1,050
Fund Balance, June 30, 2010	$ 24,991	$ 12,118	$ 12,118	$ 12,873

Major Governmental Fund

General Debt Service Fund

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

Exhibit G

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

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 595,995	$ 606,734	$ 606,734	$ (10,739)
Licenses and Permits	1,822	650	650	1,172
Other Local Revenues	107,814	100,780	100,780	7,034
State of Tennessee	81,877	15,500	15,500	66,377
Total Revenues	$ 787,508	$ 723,664	$ 723,664	$ 63,844
Expenditures				
Principal on Debt				
General Government	$ 100,000	$ 190,000	$ 126,476	$ 26,476
Interest on Debt				
General Government	355,125	300,000	355,125	0
Other Debt Service				
General Government	13,785	8,000	16,399	2,614
Total Expenditures	$ 468,910	$ 498,000	$ 498,000	$ 29,090
Excess (Deficiency) of Revenues Over Expenditures	$ 318,598	$ 225,664	$ 225,664	$ 92,934
Net Change in Fund Balance	$ 318,598	$ 225,664	$ 225,664	$ 92,934
Fund Balance, July 1, 2009	492,079	322,913	322,913	169,166
Fund Balance, June 30, 2010	$ 810,677	$ 548,577	$ 548,577	$ 262,100

Fiduciary Funds

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

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

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

Exhibit H-1

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

	Agency Funds		
	Cities - Sales Tax	Constitutional Officers - Agency	Total
ASSETS			
Cash	$ 0	$ 588,956	$ 588,956
Due from Other Governments	27,897	0	27,897
Total Assets	$ 27,897	$ 588,956	$ 616,853
LIABILITIES			
Due to Other Taxing Units	$ 27,897	$ 0	$ 27,897
Due to Litigants, Heirs, and Others	0	588,956	588,956
Total Liabilities	$ 27,897	$ 588,956	$ 616,853

Exhibit H-2

Bledsoe 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
Cities - Sales Tax Fund				
Assets				
Equity in Pooled Cash and Investments	$ 0	$ 168,967	$ 168,967	$ 0
Due from Other Governments	27,869	27,897	27,869	27,897
Total Assets	$ 27,869	$ 196,864	$ 196,836	$ 27,897
Liabilities				
Due to Other Taxing Units	$ 27,869	$ 196,864	$ 196,836	$ 27,897
Total Liabilities	$ 27,869	$ 196,864	$ 196,836	$ 27,897
Constitutional Officers - Agency Fund				
Assets				
Cash	$ 671,319	$ 2,063,268	$ 2,145,631	$ 588,956
Cash Shortage	2,238	0	2,238	0
Total Assets	$ 673,557	$ 2,063,268	$ 2,147,869	$ 588,956
Liabilities				
Due to Litigants, Heirs, and Others	$ 673,557	$ 2,063,268	$ 2,147,869	$ 588,956
Total Liabilities	$ 673,557	$ 2,063,268	$ 2,147,869	$ 588,956
Totals - All Agency Funds				
Assets				
Cash	$ 671,319	$ 2,063,268	$ 2,145,631	$ 588,956
Equity in Pooled Cash and Investments	0	168,967	168,967	0
Cash Shortage	2,238	0	2,238	0
Due from Other Governments	27,869	27,897	27,869	27,897
Total Assets	$ 701,426	$ 2,260,132	$ 2,344,705	$ 616,853
Liabilities				
Due to Other Taxing Units	$ 27,869	$ 196,864	$ 196,836	$ 27,897
Due to Litigants, Heirs, and Others	673,557	2,063,268	2,147,869	588,956
Total Liabilities	$ 701,426	$ 2,260,132	$ 2,344,705	$ 616,853

Bledsoe County School Department

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

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

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

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

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

Exhibit I-1

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

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Total Governmental Activities
Governmental Activities:				
Instruction	$ 8,213,990	$ 24,725	$ 1,432,713	$ (6,756,552)
Support Services	6,790,693	150	0	(6,790,543)
Operation of Non-Instructional Services	1,691,167	307,661	1,164,523	(218,983)
Capital Outlay	221,693	0	0	(221,693)
Interest on Long-term Debt	442,935	0	0	(442,935)
Other Debt Service	8,290	0	0	(8,290)
Total Governmental Activities	$ 17,368,768	$ 332,536	$ 2,597,236	$ (14,438,996)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				$ 1,293,857
Property Taxes Levied for Debt Service				80,204
Local Option Sales Taxes				577,049
Other Local Taxes				1,891
Grants and Contributions Not Restricted to Specific Programs				12,102,920
Unrestricted Investment Earnings				1,130
Miscellaneous				49,595
Total General Revenues				$ 14,106,646
Change in Net Assets				$ (332,350)
Net Assets, July 1, 2009				2,509,577
Prior-period Adjustment				434,251
Net Assets, June 30, 2010				$ 2,611,478

Exhibit I-2

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

	Major Funds		Nonmajor Funds	
	General Purpose School	School Federal Projects	Other Govern-mental Funds	Total Govern-mental Funds
ASSETS				
Cash	$ 0	$ 0	$ 3,402	$ 3,402
Equity in Pooled Cash and Investments	1,844,637	41,634	383,190	2,269,461
Due from Other Governments	142,348	40,036	62,762	245,146
Due from Other Funds	4,037	0	0	4,037
Property Taxes Receivable	1,509,588	0	92,708	1,602,296
Allowance for Uncollectible Property Taxes	(83,881)	0	(5,151)	(89,032)
Total Assets	$ 3,416,729	$ 81,670	$ 536,911	$ 4,035,310
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	$ 33,340	$ 194	$ 1,695	$ 35,229
Contracts Payable	749,060	0	0	749,060
Due to Other Funds	0	4,037	0	4,037
Current Liabilities Payable from Restricted Assets:				
Customer Deposits Payable	0	0	3,776	3,776
Deferred Revenue - Current Property Taxes	1,314,304	0	80,715	1,395,019
Deferred Revenue - Delinquent Property Taxes	103,367	0	6,349	109,716
Other Deferred Revenues	17,557	0	30,000	47,557
Total Liabilities	$ 2,217,628	$ 4,231	$ 122,535	$ 2,344,394
Fund Balances				
Reserved for Encumbrances	$ 469,188	$ 0	$ 0	$ 469,188
Reserved for Career Ladder - Extended Contract	2,788	0	0	2,788
Reserved for Career Ladder Program	1,191	0	0	1,191
Reserved for Innovative Education Program Strategies	0	2,210	0	2,210
Reserved for Special Education - Grants to States	0	25,229	0	25,229
Other Federal Reserves	0	50,000	0	50,000
Unreserved, Reported In:				
General Fund	725,934	0	0	725,934
Special Revenue Funds	0	0	259,656	259,656
Debt Service Funds	0	0	154,720	154,720
Total Fund Balances	$ 1,199,101	$ 77,439	$ 414,376	$ 1,690,916
Total Liabilities and Fund Balances	$ 3,416,729	$ 81,670	$ 536,911	$ 4,035,310

Exhibit I-3

Bledsoe County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
Discretely Presented Bledsoe County School Department
June 30, 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 I-2)		$ 1,690,916
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Add: land	$ 380,847	
Add: buildings and improvements net of accumulated depreciation	9,921,511	
Add: infrastructure net of accumulated depreciation	99,264	
Add: other capital assets net of accumulated depreciation	1,253,873	11,655,495
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	$ (10,005,000)	
Less: note payable	(400,465)	
Less: other postemployment benefits liability	(201,743)	
Less: accrued interest on bonds	(80,682)	
Less: other long-term liabilities	(204,316)	(10,892,206)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		157,273
Net assets of governmental activities (Exhibit A)		$ 2,611,478

Exhibit I-4

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

	Major Funds		Nonmajor Funds	
	General Purpose School	School Federal Projects	Other Govern-mental Funds	Total Governmental Funds
Revenues				
Local Taxes	$ 1,495,686	$ 0	$ 477,925	$ 1,973,611
Licenses and Permits	6,767	0	367	7,134
Charges for Current Services	0	0	307,661	307,661
Other Local Revenues	55,254	0	1,130	56,384
State of Tennessee	11,411,909	0	21,186	11,433,095
Federal Government	100,286	2,291,681	795,613	3,187,580
Total Revenues	$ 13,069,902	$ 2,291,681	$ 1,603,882	$ 16,965,465
Expenditures				
Current:				
Instruction	$ 7,214,467	$ 1,294,856	$ 0	$ 8,509,323
Support Services	5,347,177	983,371	0	6,330,548
Operation of Non-Instructional Services	486,967	0	1,130,288	1,617,255
Capital Outlay	221,693	0	0	221,693
Debt Service:				
Principal on Debt	20,804	0	450,000	470,804
Interest on Debt	11,072	0	435,445	446,517
Other Debt Service	0	0	14,290	14,290
Total Expenditures	$ 13,302,180	$ 2,278,227	$ 2,030,023	$ 17,610,430
Excess (Deficiency) of Revenues Over Expenditures	$ (232,278)	$ 13,454	$ (426,141)	$ (644,965)
Other Financing Sources (Uses)				
Notes Issued	$ 412,269	$ 0	$ 0	$ 412,269
Insurance Recovery	20,822	0	0	20,822
Transfers In	41,365	50,000	350,000	441,365
Transfers Out	(400,000)	(41,365)	0	(441,365)
Total Other Financing Sources (Uses)	$ 74,456	$ 8,635	$ 350,000	$ 433,091
Net Change in Fund Balances	$ (157,822)	$ 22,089	$ (76,141)	$ (211,874)
Fund Balance, July 1, 2009	1,356,923	55,350	490,517	1,902,790
Fund Balance, June 30, 2010	$ 1,199,101	$ 77,439	$ 414,376	$ 1,690,916

Exhibit I-5

Bledsoe County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Discretely Presented Bledsoe County School Department
For the Year Ended June 30, 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 I-4)		$ (211,874)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	$ 360,455	
Less: current year depreciation expense	(493,865)	(133,410)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund.		
Add: deferred delinquent property taxes and other deferred June 30, 2010	$ 157,273	
Less: deferred delinquent property taxes and other deferred June 30, 2009	(162,524)	(5,251)
(3) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Less: note proceeds	$ (412,269)	
Add: principal payments on bonds	450,000	
Add: principal payments on note	20,804	
Add: payments on other long-term liabilities	6,000	64,535
(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	$ (49,932)	
Change in accrued interest payable	3,582	(46,350)
Change in net assets of governmental activities (Exhibit B)		$ (332,350)

Exhibit I-6

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

	Special Revenue Fund	Debt Service Fund	Total
	Central Cafeteria	Education Debt Service	Nonmajor Governmental Funds
ASSETS			
Cash	$ 3,402	$ 0	$ 3,402
Equity in Pooled Cash and Investments	260,932	122,258	383,190
Due from Other Governments	793	61,969	62,762
Property Taxes Receivable	0	92,708	92,708
Allowance for Uncollectible Property Taxes	0	(5,151)	(5,151)
Total Assets	$ 265,127	$ 271,784	$ 536,911
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	$ 1,695	$ 0	$ 1,695
Current Liabilities Payable from Restricted Assets:			
Customer Deposits Payable	3,776	0	3,776
Deferred Revenue - Current Property Taxes	0	80,715	80,715
Deferred Revenue - Delinquent Property Taxes	0	6,349	6,349
Other Deferred Revenues	0	30,000	30,000
Total Liabilities	$ 5,471	$ 117,064	$ 122,535
Fund Balances			
Unreserved	$ 259,656	$ 154,720	$ 414,376
Total Fund Balances	$ 259,656	$ 154,720	$ 414,376
Total Liabilities and Fund Balances	$ 265,127	$ 271,784	$ 536,911

Exhibit I-7

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

	Special Revenue Fund	Debt Service Fund	Total
	Central Cafeteria	Education Debt Service	Nonmajor Governmental Funds
Revenues			
Local Taxes	$ 0	$ 477,925	$ 477,925
Licenses and Permits	0	367	367
Charges for Current Services	307,661	0	307,661
Other Local Revenues	1,130	0	1,130
State of Tennessee	10,859	10,327	21,186
Federal Government	795,613	0	795,613
Total Revenues	$ 1,115,263	$ 488,619	$ 1,603,882
Expenditures			
Current:			
Operation of Non-Instructional Services	$ 1,130,288	$ 0	$ 1,130,288
Debt Service:			
Principal on Debt	0	450,000	450,000
Interest on Debt	0	435,445	435,445
Other Debt Service	0	14,290	14,290
Total Expenditures	$ 1,130,288	$ 899,735	$ 2,030,023
Excess (Deficiency) of Revenues Over Expenditures	$ (15,025)	$ (411,116)	$ (426,141)
Other Financing Sources (Uses)			
Transfers In	$ 0	$ 350,000	$ 350,000
Total Other Financing Sources (Uses)	$ 0	$ 350,000	$ 350,000
Net Change in Fund Balances	$ (15,025)	$ (61,116)	$ (76,141)
Fund Balance, July 1, 2009	274,681	215,836	490,517
Fund Balance, June 30, 2010	$ 259,656	$ 154,720	$ 414,376

Exhibit I-8

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues						
Local Taxes	$ 1,495,686	$ 0	$ 1,495,686	$ 1,566,441	$ 1,566,441	$ (70,755)
Licenses and Permits	6,767	0	6,767	6,000	6,000	767
Other Local Revenues	55,254	0	55,254	64,835	64,835	(9,581)
State of Tennessee	11,411,909	0	11,411,909	11,408,820	11,997,351	(585,442)
Federal Government	100,286	0	100,286	86,063	86,063	14,223
Total Revenues	$ 13,069,902	$ 0	$ 13,069,902	$ 13,132,159	$ 13,720,690	$ (650,788)
Expenditures						
Instruction						
Regular Instruction Program	$ 5,404,657	$ 0	$ 5,404,657	$ 5,524,731	$ 5,503,864	$ 99,207
Alternative Instruction Program	48,387	0	48,387	65,827	65,827	17,440
Special Education Program	1,284,523	9,869	1,294,392	1,464,066	1,294,392	0
Vocational Education Program	369,876	0	369,876	380,323	380,323	10,447
Adult Education Program	107,024	0	107,024	112,682	112,682	5,658
Support Services						
Attendance	46,337	0	46,337	50,499	50,499	4,162
Health Services	214,438	0	214,438	237,788	224,261	9,823
Other Student Support	268,171	0	268,171	293,015	295,805	27,634
Regular Instruction Program	418,393	0	418,393	431,722	432,797	14,404
Special Education Program	104,829	0	104,829	105,681	105,681	852
Vocational Education Program	515	0	515	800	800	285
Adult Programs	67,249	0	67,249	69,972	69,972	2,723
Other Programs	35,931	0	35,931	0	35,931	0
Board of Education	243,239	0	243,239	232,813	257,267	14,028

(Continued)

Exhibit I-8

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)						
Support Services (Cont.)						
Director of Schools	$ 163,271	$ 0	$ 163,271	$ 180,430	$ 170,449	$ 7,178
Office of the Principal	616,497	0	616,497	609,100	616,580	83
Fiscal Services	139,944	0	139,944	141,147	143,630	3,686
Operation of Plant	1,063,792	0	1,063,792	1,124,905	1,124,905	61,113
Maintenance of Plant	989,141	213,619	1,202,760	256,611	1,208,885	6,125
Transportation	975,430	0	975,430	920,445	1,070,344	94,914
Operation of Non-Instructional Services						
Food Service	24,266	0	24,266	56,023	56,023	31,757
Community Services	53,179	0	53,179	49,691	53,234	55
Early Childhood Education	409,522	0	409,522	410,000	410,123	601
Capital Outlay						
Regular Capital Outlay	221,693	245,700	467,393	100,000	519,980	52,587
Principal on Debt						
Education	20,804	0	20,804	9,000	20,804	0
Interest on Debt						
Education	11,072	0	11,072	0	11,072	0
Total Expenditures	$ 13,302,180	$ 469,188	$ 13,771,368	$ 12,827,271	$ 14,236,130	$ 464,762
Excess (Deficiency) of Revenues Over Expenditures	$ (232,278)	$ (469,188)	$ (701,466)	$ 304,888	$ (515,440)	$ (186,026)

(Continued)

Exhibit I-8

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Other Financing Sources (Uses)						
Notes Issued	$ 412,269	$ 0	$ 412,269	$ 0	$ 412,269	$ 0
Insurance Recovery	20,822	0	20,822	0	0	20,822
Transfers In	41,365	0	41,365	20,000	20,000	21,365
Transfers Out	(400,000)	0	(400,000)	(350,000)	(400,000)	0
Total Other Financing Sources (Uses)	$ 74,456	$ 0	$ 74,456	$ (330,000)	$ 32,269	$ 42,187
Net Change in Fund Balance	$ (157,822)	$ (469,188)	$ (627,010)	$ (25,112)	$ (483,171)	$ (143,839)
Fund Balance, July 1, 2009	1,356,923	0	1,356,923	926,105	926,105	430,818
Fund Balance, June 30, 2010	$ 1,199,101	$ (469,188)	$ 729,913	$ 900,993	$ 442,934	$ 286,979

Exhibit I-9

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

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Federal Government	$ 2,291,681	$ 2,880,142	$ 2,881,142	$ (589,461)
Total Revenues	$ 2,291,681	$ 2,880,142	$ 2,881,142	$ (589,461)
Expenditures				
Instruction				
Regular Instruction Program	$ 664,613	$ 719,918	$ 719,064	$ 54,451
Special Education Program	602,335	796,844	799,716	197,381
Vocational Education Program	27,908	27,819	27,908	0
Support Services				
Other Student Support	73,370	181,728	182,346	108,976
Regular Instruction Program	687,954	781,476	782,622	94,668
Special Education Program	105,064	197,369	194,498	89,434
Vocational Education Program	2,000	2,000	2,000	0
Transportation	114,983	120,373	120,373	5,390
Total Expenditures	$ 2,278,227	$ 2,827,527	$ 2,828,527	$ 550,300
Excess (Deficiency) of Revenues Over Expenditures	$ 13,454	$ 52,615	$ 52,615	$ (39,161)
Other Financing Sources (Uses)				
Transfers In	$ 50,000	$ 0	$ 0	$ 50,000
Transfers Out	(41,365)	(52,615)	(52,615)	11,250
Total Other Financing Sources (Uses)	$ 8,635	$ (52,615)	$ (52,615)	$ 61,250
Net Change in Fund Balance	$ 22,089	$ 0	$ 0	$ 22,089
Fund Balance, July 1, 2009	55,350	0	0	55,350
Fund Balance, June 30, 2010	$ 77,439	$ 0	$ 0	$ 77,439

Exhibit I-10

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

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for Current Services	$ 307,661	$ 313,400	$ 313,400	$ (5,739)
Other Local Revenues	1,130	1,000	1,000	130
State of Tennessee	10,859	11,000	11,000	(141)
Federal Government	795,613	765,091	789,399	6,214
Total Revenues	$ 1,115,263	$ 1,090,491	$ 1,114,799	$ 464
Expenditures				
Operation of Non-Instructional Services				
Food Service	$ 1,065,541	$ 1,041,394	$ 1,065,702	$ 161
Community Services	64,747	64,749	64,749	2
Total Expenditures	$ 1,130,288	$ 1,106,143	$ 1,130,451	$ 163
Excess (Deficiency) of Revenues Over Expenditures	$ (15,025)	$ (15,652)	$ (15,652)	$ 627
Net Change in Fund Balance	$ (15,025)	$ (15,652)	$ (15,652)	$ 627
Fund Balance, July 1, 2009	274,681	118,174	118,174	156,507
Fund Balance, June 30, 2010	$ 259,656	$ 102,522	$ 102,522	$ 157,134

Exhibit I-11

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

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 477,925	$ 492,346	$ 492,346	$ (14,421)
Licenses and Permits	367	231	231	136
State of Tennessee	10,327	11,000	11,000	(673)
Total Revenues	$ 488,619	$ 503,577	$ 503,577	$ (14,958)
Expenditures				
Principal on Debt				
Education	$ 450,000	$ 456,000	$ 450,000	$ 0
Interest on Debt				
Education	435,445	418,795	435,795	350
Other Debt Service				
Education	14,290	8,954	15,207	917
Total Expenditures	$ 899,735	$ 883,749	$ 901,002	$ 1,267
Excess (Deficiency) of Revenues Over Expenditures	$ (411,116)	$ (380,172)	$ (397,425)	$ (13,691)
Other Financing Sources (Uses)				
Transfers In	$ 350,000	$ 350,000	$ 350,000	$ 0
Total Other Financing Sources (Uses)	$ 350,000	$ 350,000	$ 350,000	$ 0
Net Change in Fund Balance	$ (61,116)	$ (30,172)	$ (47,425)	$ (13,691)
Fund Balance, July 1, 2009	215,836	193,199	193,199	22,637
Fund Balance, June 30, 2010	$ 154,720	$ 163,027	$ 145,774	$ 8,946

MISCELLANEOUS SCHEDULES

Exhibit J-1

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

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-09	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-10
PRIMARY GOVERNMENT								
NOTES PAYABLE								
Payable through Solid Waste/Sanitation Fund								
Bledsoe - Sequatchie Landfill Closure	$ 234,000	3 %	8-29-03	8-29-09	$ 41,942	$ 0	$ 41,942	$ 0
Total Notes Payable					$ 41,942	$ 0	$ 41,942	$ 0
BONDS PAYABLE								
Payable through General Debt Service Fund								
General Obligation/Refunding Bond Series 2009	8,790,000	2 to 4.5	6-1-09	6-1-41	$ 8,790,000	$ 0	$ 100,000	$ 8,690,000
Total Bonds Payable					$ 8,790,000	$ 0	$ 100,000	$ 8,690,000
DISCRETELY PRESENTED BLEDSOE COUNTY SCHOOL DEPARTMENT								
NOTES PAYABLE								
Payable through General Purpose School Fund								
Computer Lab Equipment	90,000	0	6-30-00	6-30-10	$ 9,000	$ 0	$ 9,000	$ 0
Energy Program	412,269	4.95	12-2-09	12-1-21	0	412,269	11,804	400,465
Total Notes Payable					$ 9,000	$ 412,269	$ 20,804	$ 400,465
BONDS PAYABLE								
Payable through Education Debt Service Fund								
School Bonds Series 2001	7,500,000	3 to 4.7	10-1-01	10-1-26	$ 6,170,000	$ 0	$ 220,000	$ 5,950,000
School Refunding Series 2003	5,510,000	2 to 4.25	5-29-03	12-1-22	4,285,000	0	230,000	4,055,000
Total Bonds Payable					$ 10,455,000	$ 0	$ 450,000	$ 10,005,000

Exhibit J-2

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

PRIMARY GOVERNMENT

Year Ending June 30	Bonds		
	Principal	Interest	Total
2011	$ 100,000	$ 353,125	$ 453,125
2012	145,000	351,125	496,125
2013	150,000	347,500	497,500
2014	160,000	343,000	503,000
2015	165,000	338,200	503,200
2016	170,000	333,250	503,250
2017	175,000	328,150	503,150
2018	185,000	322,462	507,462
2019	190,000	316,450	506,450
2020	200,000	309,800	509,800
2021	210,000	301,800	511,800
2022	205,000	293,400	498,400
2023	215,000	285,200	500,200
2024	225,000	276,600	501,600
2025	240,000	267,600	507,600
2026	250,000	258,000	508,000
2027	260,000	248,000	508,000
2028	275,000	237,600	512,600
2029	290,000	226,600	516,600
2030	305,000	214,638	519,638
2031	320,000	201,675	521,675
2032	335,000	188,075	523,075
2033	350,000	173,419	523,419
2034	370,000	158,106	528,106
2035	385,000	141,919	526,919
2036	405,000	125,075	530,075
2037	425,000	107,356	532,356
2038	450,000	88,763	538,763
2039	470,000	69,075	539,075
2040	495,000	47,925	542,925
2041	570,000	25,650	595,650
Total	$ 8,690,000	$ 7,279,538	$ 15,969,538

(Continued)

Exhibit J-2

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

DISCRETELY PRESENTED BLEDSOE COUNTY SCHOOL DEPARTMENT

Year Ending June 30	Notes		
	Principal	Interest	Total
2011	$ 26,522	$ 19,228	$ 45,750
2012	27,816	17,934	45,750
2013	29,273	16,477	45,750
2014	30,756	14,995	45,751
2015	32,313	13,437	45,750
2016	33,917	11,833	45,750
2017	35,667	10,083	45,750
2018	37,473	8,277	45,750
2019	39,370	6,380	45,750
2020	41,353	4,397	45,750
2021	43,458	2,292	45,750
2022	22,547	328	22,875
Total	$ 400,465	$ 125,661	$ 526,126

Year Ending June 30	Bonds		
	Principal	Interest	Total
2011	$ 470,000	$ 418,795	$ 888,795
2012	495,000	400,733	895,733
2013	515,000	381,756	896,756
2014	535,000	361,753	896,753
2015	560,000	340,403	900,403
2016	585,000	317,505	902,505
2017	610,000	293,010	903,010
2018	635,000	266,693	901,693
2019	665,000	238,561	903,561
2020	705,000	208,573	913,573
2021	740,000	176,669	916,669
2022	775,000	143,033	918,033
2023	820,000	107,424	927,424
2024	435,000	78,843	513,843
2025	460,000	57,810	517,810
2026	485,000	35,603	520,603
2027	515,000	12,103	527,103
Total	$ 10,005,000	$ 3,839,267	$ 13,844,267

Exhibit J-3

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

From Fund	To Fund	Purpose	Amount
PRIMARY GOVERNMENT			
General	Public Library	Operations	$ 61,139
Total Transfers Primary Government			$ 61,139
DISCRETELY PRESENTED BLEDSOE COUNTY SCHOOL DEPARTMENT			
School Federal Projects	General Purpose School	Indirect costs	$ 41,865
General Purpose School	School Federal Projects	Cash flow	50,000
General Purpose School	Education Debt Service	Debt retirement	350,000
Total Transfers Discretely Presented Bledsoe County School Department			$ 441,865

Exhibit J-4

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

Official	Authorization for Salary	Salary Paid During Period		Bond	Surety
County Mayor	Section 8-24-102, TCA	$ 66,702		$ 25,000	NGM Insurance
Road Superintendent	Section 8-24-102, TCA	63,527		100,000	State Farm Fire and Casualty Company
Director of Schools	State Board of Education and Bledsoe County Board of Education	70,469	(1)	(2)	
Trustee	Section 8-24-102, TCA	57,751		476,000	NGM Insurance
Assessor of Property	Section 8-24-102, TCA	57,751		10,000	State Farm Fire and Casualty Company
County Clerk	Section 8-24-102, TCA	57,751		25,000	"
Circuit Court Clerk	Section 8-24-102, TCA	57,751		25,000	NGM Insurance
Clerk and Master	Section 8-24-102, TCA	57,751		45,000	State Farm Fire and Casualty Company
Register	Section 8-24-102, TCA	57,751		15,000	NGM Insurance
Sheriff	Section 8-24-102, TCA	63,527	(3)	25,000	"
Employee Dishonesty Bond Coverage:					
General County Government				150,000	Local Government Property and Casualty Fund
Highway Department				150,000	"
School Employees				100,000	Montgomery Insurance

(1) Does not include chief executive officer training supplement of $1,000 and automobile allowance of $5,000.
(2) The director of schools is covered under the employee dishonesty bond.
(3) Does not include a law enforcement training supplement of $600.

Exhibit J-5

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

		Special Revenue Funds				
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Ambulance Service	Drug Control
Local Taxes						
County Property Taxes						
Current Property Tax	$ 1,184,342	$ 0	$ 0	$ 194,275	$ 0	$ 0
Trustee's Collections - Prior Year	81,114	0	0	9,865	0	0
Circuit/Clerk & Master Collections - Prior Years	34,645	0	0	4,174	0	0
Interest and Penalty	13,466	0	0	1,702	0	0
Payments in-Lieu-of Taxes - T.V.A.	6,093	0	0	949	0	0
Payments in-Lieu-of Taxes - Local Utilities	1,084	0	0	176	0	0
County Local Option Taxes						
Local Option Sales Tax	69,615	0	0	0	0	0
Litigation Tax - General	14,450	615	0	0	0	0
Business Tax	28,961	0	0	0	0	0
Statutory Local Taxes						
Bank Excise Tax	8,485	0	0	1,392	0	0
Wholesale Beer Tax	91,926	0	0	0	0	0
Total Local Taxes	$ 1,534,181	$ 615	$ 0	$ 212,533	$ 0	$ 0
Licenses and Permits						
Licenses						
Cable TV Franchise	$ 6,023	$ 0	$ 0	$ 857	$ 0	$ 0
Permits						
Beer Permits	238	1,045	0	0	0	0
Total Licenses and Permits	$ 6,261	$ 1,045	$ 0	$ 857	$ 0	$ 0
Fines, Forfeitures, and Penalties						
Circuit Court						
Fines	$ 4,359	$ 5,466	$ 0	$ 0	$ 0	$ 0
Officers Costs	1,101	0	0	0	0	0
Drug Court Fees	291	0	0	0	0	0
Jail Fees	233	0	0	0	0	0
General Sessions Court						
Fines	6,776	0	0	0	0	0

(Continued)

Exhibit J-5

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

		Special Revenue Funds				
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Ambulance Service	Drug Control
Fines, Forfeitures, and Penalties (Cont.)						
General Sessions Court (Cont.)						
Officers Costs	$ 9,466	$ 0	$ 0	$ 0	$ 0	$ 0
Drug Control Fines	0	0	0	0	0	3,151
Drug Court Fees	1,654	0	0	0	0	0
Jail Fees	872	0	0	0	0	0
Data Entry Fee - General Sessions Court	1,466	0	0	0	0	0
Courtroom Security Fee	2	0	0	0	0	0
Juvenile Court						
Fines	144	0	0	0	0	0
Officers Costs	272	0	0	0	0	0
Chancery Court						
Data Entry Fee - Chancery Court	610	0	0	0	0	0
Courtroom Security Fee	10	0	0	0	0	0
Other Fines, Forfeitures, and Penalties						
Proceeds from Confiscated Property	0	0	0	0	0	1,725
Total Fines, Forfeitures, and Penalties	$ 27,256	$ 5,466	$ 0	$ 0	$ 0	$ 4,876
Charges for Current Services						
General Service Charges						
Patient Charges	$ 0	$ 0	$ 0	$ 0	$ 602,683	$ 0
Fees						
Copy Fees	0	0	1,135	0	20	0
Library Fees	0	0	672	0	0	0
Vending Machine Collections	673	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0
Data Processing Fee - Register	4,412	0	0	0	0	0
Data Processing Fee - Sheriff	39	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	1,800	0	0	0	0	0
Total Charges for Current Services	$ 6,924	$ 0	$ 1,807	$ 0	$ 602,703	$ 0

(Continued)

Exhibit J-5

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

		Special Revenue Funds				
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Ambulance Service	Drug Control
Other Local Revenues						
Recurring Items						
Investment Income	$ 0	$ 0	$ 0	$ 0	$ 161	$ 0
Lease/Rentals	130,000	0	0	0	0	0
Sale of Materials and Supplies	0	0	210	0	0	0
Sale of Recycled Materials	0	0	0	13,142	0	0
Refund of Telecommunication & Internet Fees (E-Rate)	0	0	1,750	0	0	0
Miscellaneous Refunds	797	0	0	0	0	0
Nonrecurring Items						
Sale of Equipment	5,150	0	0	0	0	0
Contributions and Gifts	0	0	487	0	0	0
Total Other Local Revenues	$ 135,947	$ 0	$ 2,447	$ 13,142	$ 161	$ 0
Fees Received from County Officials						
Fees in-Lieu-of Salary						
County Clerk	$ 86,720	$ 0	$ 0	$ 0	$ 0	$ 0
Circuit Court Clerk	15,575	0	0	0	0	0
General Sessions Court Clerk	46,785	0	0	0	0	0
Clerk and Master	31,161	0	0	0	0	0
Juvenile Court Clerk	1,491	0	0	0	0	0
Register	46,348	0	0	0	0	0
Sheriff	7,408	0	0	0	0	0
Trustee	119,493	0	0	0	0	0
Total Fees Received from County Officials	$ 354,981	$ 0	$ 0	$ 0	$ 0	$ 0
State of Tennessee						
General Government Grants						
Juvenile Services Program	$ 9,000	$ 0	$ 0	$ 0	$ 0	$ 0
State Reappraisal Grant	5,496	0	0	0	0	0
Solid Waste Grants	0	0	0	2,300	0	0
Public Safety Grants						
Law Enforcement Training Programs	5,400	0	0	0	0	0

(Continued)

Exhibit J-5

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

		Special Revenue Funds				
	General	Courthouse and Jail Maintenance	Public Library	Solid Waste / Sanitation	Ambulance Service	Drug Control
State of Tennessee (Cont.)						
Health and Welfare Grants						
Health Department Programs	$ 4,372	$ 0	$ 0	$ 0	$ 0	$ 0
Other Health and Welfare Grants	58,924	0	0	0	0	0
Public Works Grants						
State Aid Program	0	0	0	0	0	0
Litter Program	0	0	0	27,009	0	0
Other State Revenues						
Income Tax	18,746	0	0	0	0	0
Beer Tax	17,778	0	0	0	0	0
Alcoholic Beverage Tax	31,068	0	0	0	0	0
State Revenue Sharing - T.V.A.	169,385	0	0	27,784	0	0
Contracted Prisoner Boarding	8,680	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0
Registrar's Salary Supplement	20,475	0	0	0	0	0
Other State Grants	0	0	3,000	0	0	0
Other State Revenues	1,331	0	0	0	0	0
Total State of Tennessee	$ 350,655	$ 0	$ 3,000	$ 57,093	$ 0	$ 0
Federal Government						
Federal Through State						
Homeland Security Grants	$ 8,847	$ 0	$ 0	$ 0	$ 0	$ 0
Other Federal through State	14,329	0	0	0	0	0
Total Federal Government	$ 23,176	$ 0	$ 0	$ 0	$ 0	$ 0
Other Governments and Citizens Groups						
Other Governments						
Contributions	$ 36,673	$ 0	$ 0	$ 0	$ 0	$ 0
Total Other Governments and Citizens Groups	$ 36,673	$ 0	$ 0	$ 0	$ 0	$ 0
Total	$ 2,476,054	$ 7,126	$ 7,254	$ 283,625	$ 602,864	$ 4,876

(Continued)

Exhibit J-5

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

	Special Revenue Funds			Debt Service Fund	Capital Projects Funds		
	Other Special Revenue	Constitu-tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	HUD Grant Projects	Total
Local Taxes							
County Property Taxes							
Current Property Tax	$ 0	$ 0	$ 0	$ 572,541	$ 0	$ 0	$ 1,951,158
Trustee's Collections - Prior Year	0	0	0	9,864	0	0	100,843
Circuit/Clerk & Master Collections - Prior Years	0	0	0	4,174	0	0	42,993
Interest and Penalty	0	0	0	2,286	0	0	17,454
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	2,524	0	0	9,566
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	505	0	0	1,765
County Local Option Taxes							
Local Option Sales Tax	0	0	0	0	0	0	69,615
Litigation Tax - General	0	0	0	0	0	0	15,065
Business Tax	0	0	0	0	0	0	28,961
Statutory Local Taxes							
Bank Excise Tax	0	0	0	4,101	0	0	13,978
Wholesale Beer Tax	0	0	0	0	0	0	91,926
Total Local Taxes	$ 0	$ 0	$ 0	$ 595,995	$ 0	$ 0	$ 2,343,324
Licenses and Permits							
Licenses							
Cable TV Franchise	$ 0	$ 0	$ 0	$ 1,822	$ 0	$ 0	$ 8,702
Permits							
Beer Permits	0	0	0	0	0	0	1,283
Total Licenses and Permits	$ 0	$ 0	$ 0	$ 1,822	$ 0	$ 0	$ 9,985
Fines, Forfeitures, and Penalties							
Circuit Court							
Fines	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 9,825
Officers Costs	0	0	0	0	0	0	1,101
Drug Court Fees	0	0	0	0	0	0	291
Jail Fees	0	0	0	0	0	0	233
General Sessions Court							
Fines	0	0	0	0	0	0	6,776

(Continued)

Exhibit J-5

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

	Special Revenue Funds			Debt Service Fund	Capital Projects Funds		
	Other Special Revenue	Constitu-tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	HUD Grant Projects	Total
Fines, Forfeitures, and Penalties (Cont.)							
General Sessions Court (Cont.)							
Officers Costs	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 9,466
Drug Control Fines	0	0	0	0	0	0	3,151
Drug Court Fees	0	0	0	0	0	0	1,654
Jail Fees	0	0	0	0	0	0	872
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	1,466
Courtroom Security Fee	0	0	0	0	0	0	2
Juvenile Court							
Fines	0	0	0	0	0	0	144
Officers Costs	0	0	0	0	0	0	272
Chancery Court							
Data Entry Fee - Chancery Court	0	0	0	0	0	0	610
Courtroom Security Fee	0	0	0	0	0	0	10
Other Fines, Forfeitures, and Penalties							
Proceeds from Confiscated Property	0	0	0	0	0	0	1,725
Total Fines, Forfeitures, and Penalties	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 37,598
Charges for Current Services							
General Service Charges							
Patient Charges	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 602,683
Fees							
Copy Fees	0	0	0	0	0	0	1,155
Library Fees	0	0	0	0	0	0	672
Vending Machine Collections	0	0	0	0	0	0	673
Constitutional Officers' Fees and Commissions	0	707	0	0	0	0	707
Data Processing Fee - Register	0	0	0	0	0	0	4,412
Data Processing Fee - Sheriff	0	0	0	0	0	0	39
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	0	1,800
Total Charges for Current Services	$ 0	$ 707	$ 0	$ 0	$ 0	$ 0	$ 612,141

(Continued)

Exhibit J-5

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

	Special Revenue Funds			Debt Service Fund	Capital Projects Funds		
	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	HUD Grant Projects	Total
Other Local Revenues							
Recurring Items							
Investment Income	$ 0	$ 0	$ 0	$ 107,814	$ 0	$ 0	$ 107,975
Lease/Rentals	0	0	0	0	0	0	130,000
Sale of Materials and Supplies	0	0	0	0	0	0	210
Sale of Recycled Materials	0	0	0	0	0	0	13,142
Refund of Telecommunication & Internet Fees (E-Rate)	0	0	0	0	0	0	1,750
Miscellaneous Refunds	0	0	3,353	0	11,042	0	15,192
Nonrecurring Items							
Sale of Equipment	0	0	0	0	0	0	5,150
Contributions and Gifts	250	0	0	0	0	0	737
Total Other Local Revenues	$ 250	$ 0	$ 3,353	$ 107,814	$ 11,042	$ 0	$ 274,156
Fees Received from County Officials							
Fees in-Lieu-of Salary							
County Clerk	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 86,720
Circuit Court Clerk	0	0	0	0	0	0	15,575
General Sessions Court Clerk	0	0	0	0	0	0	46,785
Clerk and Master	0	0	0	0	0	0	31,161
Juvenile Court Clerk	0	0	0	0	0	0	1,491
Register	0	0	0	0	0	0	46,348
Sheriff	0	0	0	0	0	0	7,408
Trustee	0	0	0	0	0	0	119,493
Total Fees Received from County Officials	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 354,981
State of Tennessee							
General Government Grants							
Juvenile Services Program	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 9,000
State Reappraisal Grant	0	0	0	0	0	0	5,496
Solid Waste Grants	0	0	0	0	0	0	2,300
Public Safety Grants							
Law Enforcement Training Programs	0	0	0	0	0	0	5,400

(Continued)

Exhibit J-5

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

	Special Revenue Funds			Debt Service Fund	Capital Projects Funds		
	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	HUD Grant Projects	Total
State of Tennessee (Cont.)							
Health and Welfare Grants							
Health Department Programs	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 4,372
Other Health and Welfare Grants	0	0	0	0	0	0	58,924
Public Works Grants							
State Aid Program	0	0	414,393	0	0	0	414,393
Litter Program	0	0	0	0	0	0	27,009
Other State Revenues							
Income Tax	0	0	0	0	0	0	18,746
Beer Tax	0	0	0	0	0	0	17,778
Alcoholic Beverage Tax	0	0	0	0	0	0	31,068
State Revenue Sharing - T.V.A.	0	0	0	81,877	0	0	279,046
Contracted Prisoner Boarding	0	0	0	0	0	0	8,680
Gasoline and Motor Fuel Tax	0	0	1,477,411	0	0	0	1,477,411
Petroleum Special Tax	0	0	9,932	0	0	0	9,932
Registrar's Salary Supplement	0	0	0	0	0	0	20,475
Other State Grants	0	0	0	0	0	0	3,000
Other State Revenues	0	0	0	0	0	0	1,331
Total State of Tennessee	$ 0	$ 0	$ 1,901,736	$ 81,877	$ 0	$ 0	$ 2,394,361
Federal Government							
Federal Through State							
Homeland Security Grants	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 8,847
Other Federal through State	0	0	0	0	0	209,886	224,215
Total Federal Government	$ 0	$ 0	$ 0	$ 0	$ 0	$ 209,886	$ 233,062
Other Governments and Citizens Groups							
Other Governments							
Contributions	$ 180,000	$ 0	$ 0	$ 0	$ 0	$ 0	$ 216,673
Total Other Governments and Citizens Groups	$ 180,000	$ 0	$ 0	$ 0	$ 0	$ 0	$ 216,673
Total	$ 180,250	$ 707	$ 1,905,089	$ 787,508	$ 11,042	$ 209,886	$ 6,476,281

Exhibit J-6

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

	General Purpose School	School Federal Projects	Central Cafeteria	Education Debt Service	Total
Local Taxes					
County Property Taxes					
Current Property Tax	$ 1,175,748	$ 0	$ 0	$ 72,205	$ 1,247,953
Trustee's Collections - Prior Year	73,473	0	0	4,995	78,468
Circuit/Clerk & Master Collections - Prior Years	34,394	0	0	2,116	36,510
Interest and Penalty	13,368	0	0	820	14,188
Payments in-Lieu-of Taxes - T.V.A.	6,048	0	0	371	6,419
Payments in-Lieu-of Taxes - Local Utilities	1,076	0	0	68	1,144
County Local Option Taxes					
Local Option Sales Tax	181,265	0	0	396,833	578,098
Statutory Local Taxes					
Bank Excise Tax	8,423	0	0	517	8,940
Interstate Telecommunications Tax	1,891	0	0	0	1,891
Total Local Taxes	$ 1,495,686	$ 0	$ 0	$ 477,925	$ 1,973,611
Licenses and Permits					
Licenses					
Marriage Licenses	$ 788	$ 0	$ 0	$ 0	$ 788
Cable TV Franchise	5,979	0	0	367	6,346
Total Licenses and Permits	$ 6,767	$ 0	$ 0	$ 367	$ 7,134
Charges for Current Services					
Education Charges					
Lunch Payments - Children	$ 0	$ 0	$ 129,911	$ 0	$ 129,911
Lunch Payments - Adults	0	0	32,797	0	32,797
Income from Breakfast	0	0	11,284	0	11,284
A la carte Sales	0	0	133,669	0	133,669
Total Charges for Current Services	$ 0	$ 0	$ 307,661	$ 0	$ 307,661
Other Local Revenues					
Recurring Items					
Investment Income	$ 0	$ 0	$ 1,130	$ 0	$ 1,130
Lease/Rentals	150	0	0	0	150
Refund of Telecommunication and Internet Fees (E-Rate)	24,725	0	0	0	24,725
Miscellaneous Refunds	2,069	0	0	0	2,069
Nonrecurring Items					
Sale of Equipment	309	0	0	0	309
Damages Recovered from Individuals	358	0	0	0	358
Contributions and Gifts	7,952	0	0	0	7,952
Other Local Revenues					
Other Local Revenues	19,691	0	0	0	19,691
Total Other Local Revenues	$ 55,254	$ 0	$ 1,130	$ 0	$ 56,384
State of Tennessee					
General Government Grants					
On-Behalf Contributions for OPEB	$ 35,931	$ 0	$ 0	$ 0	$ 35,931
State Education Funds					
Basic Education Program	10,081,754	0	0	0	10,081,754
Basic Education Program - ARRA	344,200	0	0	0	344,200
Early Childhood Education	410,123	0	0	0	410,123

(Continued)

Exhibit J-6

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

	General Purpose School	School Federal Projects	Central Cafeteria	Education Debt Service	Total
State of Tennessee (Cont.)					
State Education Funds (Cont.)					
School Food Service	$ 0	$ 0	$ 10,859	$ 0	$ 10,859
Energy Efficient School Initiative	40,005	0	0	0	40,005
Other State Education Funds	1,252	0	0	0	1,252
Coordinated School Health - ARRA	80,000	0	0	0	80,000
Internet Connectivity - ARRA	5,263	0	0	0	5,263
Family Resource Centers - ARRA	33,300	0	0	0	33,300
Statewide Student Management System (SSMS) - ARRA	4,575	0	0	0	4,575
Career Ladder Program	76,733	0	0	0	76,733
Career Ladder - Extended Contract - ARRA	28,400	0	0	0	28,400
Other State Revenues					
State Revenue Sharing - T.V.A.	168,156	0	0	10,327	178,483
Other State Grants	87,517	0	0	0	87,517
Safe Schools - ARRA	14,700	0	0	0	14,700
Total State of Tennessee	$ 11,411,909	$ 0	$ 10,859	$ 10,327	$ 11,433,095
Federal Government					
Federal Through State					
USDA School Lunch Program	$ 0	$ 0	$ 527,043	$ 0	$ 527,043
Breakfast	0	0	196,441	0	196,441
USDA Food Service Equipment Grant - ARRA	0	0	10,780	0	10,780
Adult Education State Grant Program	64,466	0	0	0	64,466
Vocational Education - Basic Grants to States	14,396	41,078	0	0	55,474
Title I Grants to Local Education Agencies	0	798,901	0	0	798,901
Special Education - Grants to States	21,424	811,278	0	0	832,702
Special Education Preschool Grants	0	29,120	0	0	29,120
Safe and Drug-free Schools - State Grants	0	8,219	0	0	8,219
Rural Education	0	50,958	0	0	50,958
Eisenhower Professional Development State Grants	0	140,349	0	0	140,349
Other Federal through State	0	47,760	61,349	0	109,109
Direct Federal Revenue					
Other Direct Federal Revenue	0	364,018	0	0	364,018
Total Federal Government	$ 100,286	$ 2,291,681	$ 795,613	$ 0	$ 3,187,580
Total	$ 13,069,902	$ 2,291,681	$ 1,115,263	$ 488,619	$ 16,965,465

Exhibit J-7

Bledsoe 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	$	43,613		
Medical Insurance		3,288		
Audit Services		3,710		
Postal Charges		82		
Total County Commission			$	50,693
County Mayor/Executive				
County Official/Administrative Officer	$	66,702		
Assistant(s)		23,725		
Secretary(ies)		16,800		
Social Security		6,435		
State Retirement		9,275		
Life Insurance		72		
Medical Insurance		2,739		
Employer Medicare		1,505		
Communication		5,078		
Data Processing Services		7,450		
Postal Charges		985		
Travel		2,173		
Office Supplies		5,060		
Total County Mayor/Executive				147,999
County Attorney				
Legal Services	$	6,332		
Legal Notices, Recording, and Court Costs		2,162		
Total County Attorney				8,494
Election Commission				
County Official/Administrative Officer	$	46,200		
Election Commission		3,825		
Election Workers		13,907		
Social Security		2,872		
State Retirement		2,613		
Life Insurance		24		
Employer Medicare		672		
Communication		817		
Legal Notices, Recording, and Court Costs		1,288		
Postal Charges		700		
Travel		1,334		
Data Processing Supplies		16,686		

(Continued)

Exhibit J-7

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

General Fund (Cont.)		
General Government (Cont.)		
Election Commission (Cont.)		
Office Supplies	$ 3,438	
Total Election Commission		$ 94,376
Register of Deeds		
County Official/Administrative Officer	$ 57,751	
Clerical Personnel	22,146	
Social Security	4,483	
State Retirement	6,911	
Life Insurance	48	
Medical Insurance	6,576	
Employer Medicare	1,049	
Communication	1,140	
Data Processing Services	4,339	
Postal Charges	226	
Travel	293	
Office Supplies	2,424	
Total Register of Deeds		107,386
Planning		
Contracts with Government Agencies	$ 2,312	
Total Planning		2,312
County Buildings		
Custodial Personnel	$ 17,400	
Social Security	1,046	
State Retirement	1,505	
Life Insurance	4	
Employer Medicare	245	
Maintenance and Repair Services - Buildings	26,617	
Other Contracted Services	1,301	
Custodial Supplies	3,278	
Electricity	26,017	
Water and Sewer	4,654	
Other Supplies and Materials	275	
Total County Buildings		82,342
Other General Administration		
Guards	$ 5,625	
Unemployment Compensation	12,703	
Other Contracted Services	62	

(Continued)

Exhibit J-7

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

General Fund (Cont.)				
General Government (Cont.)				
Other General Administration (Cont.)				
Office Supplies	$	1,000		
Other Supplies and Materials		4,991		
Building and Contents Insurance		41,227		
Refunds		4,487		
Trustee's Commission		31,107		
Workers' Compensation Insurance		18,090		
Liability Claims		7,546		
Interest on Notes		6,188		
Total Other General Administration			$	133,026
Finance				
Property Assessor's Office				
County Official/Administrative Officer	$	57,751		
Deputy(ies)		27,093		
Clerical Personnel		18,633		
Social Security		6,154		
State Retirement		8,577		
Life Insurance		64		
Medical Insurance		3,288		
Employer Medicare		1,439		
Communication		1,238		
Contracts with Government Agencies		1,888		
Total Property Assessor's Office				126,125
Reappraisal Program				
Data Processing Services	$	1,909		
Postal Charges		288		
Travel		2,428		
Other Supplies and Materials		1,583		
Total Reappraisal Program				6,208
County Trustee's Office				
County Official/Administrative Officer	$	57,751		
Deputy(ies)		17,400		
Social Security		4,529		
State Retirement		6,500		
Life Insurance		48		
Medical Insurance		2,097		
Employer Medicare		1,059		
Communication		1,397		

(Continued)

Exhibit J-7

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

General Fund (Cont.)				
Finance (Cont.)				
County Trustee's Office (Cont.)				
Data Processing Services	$	16,167		
Legal Notices, Recording, and Court Costs		144		
Postal Charges		705		
Printing, Stationery, and Forms		153		
Travel		188		
Data Processing Supplies		797		
Office Supplies		605		
Total County Trustee's Office			$	109,540
County Clerk's Office				
County Official/Administrative Officer	$	57,751		
Deputy(ies)		28,109		
Social Security		5,258		
State Retirement		7,427		
Life Insurance		48		
Employer Medicare		1,230		
Communication		1,365		
Postal Charges		1,251		
Office Supplies		1,736		
Total County Clerk's Office				104,175
Administration of Justice				
Circuit Court				
County Official/Administrative Officer	$	57,751		
Deputy(ies)		16,659		
Accountants/Bookkeepers		19,425		
Clerical Personnel		16,200		
Jury and Witness Expense		11,630		
Social Security		6,529		
State Retirement		8,869		
Life Insurance		96		
Medical Insurance		3,288		
Employer Medicare		1,527		
Communication		4,069		
Data Processing Services		6,791		
Postal Charges		1,755		
Travel		416		
Office Supplies		5,711		
Total Circuit Court				160,716

(Continued)

Exhibit J-7

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

General Fund (Cont.)				
Administration of Justice (Cont.)				
General Sessions Court				
Judge(s)	$	82,421		
Social Security		5,110		
State Retirement		7,129		
Employer Medicare		1,195		
Total General Sessions Court			$	95,855
Drug Court				
Fines, Assessments, and Penalties	$	1,421		
Total Drug Court				1,421
Chancery Court				
County Official/Administrative Officer	$	57,751		
Deputy(ies)		28,109		
Secretary(ies)		11,249		
Social Security		5,950		
State Retirement		7,427		
Life Insurance		48		
Employer Medicare		1,392		
Communication		1,770		
Data Processing Services		912		
Postal Charges		1,533		
Travel		314		
Data Processing Supplies		296		
Office Supplies		2,871		
Total Chancery Court				119,622
Juvenile Court				
Social Workers	$	24,533		
Social Security		1,501		
State Retirement		2,122		
Life Insurance		24		
Employer Medicare		351		
Communication		644		
Travel		571		
Office Supplies		2,132		
Total Juvenile Court				31,878
Public Safety				
Sheriff's Department				
County Official/Administrative Officer	$	63,527		

(Continued)

Exhibit J-7

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

General Fund (Cont.)		
Public Safety (Cont.)		
Sheriff's Department (Cont.)		
Deputy(ies)	$ 239,477	
Youth Service Officer(s)	60,706	
Salary Supplements	5,400	
Overtime Pay	25,065	
In-Service Training	9,508	
Social Security	24,323	
State Retirement	29,088	
Life Insurance	196	
Employer Medicare	5,688	
Communication	9,364	
Data Processing Services	2,900	
Maintenance and Repair Services - Equipment	552	
Maintenance and Repair Services - Vehicles	25,264	
Medical and Dental Services	360	
Postal Charges	454	
Gasoline	44,179	
Office Supplies	2,014	
Uniforms	2,872	
Law Enforcement Equipment	4,427	
Motor Vehicles	29,100	
Total Sheriff's Department		$ 584,464
Jail		
Supervisor/Director	$ 20,500	
Guards	144,839	
Part-time Personnel	13,132	
Overtime Pay	5,833	
Social Security	11,427	
State Retirement	11,954	
Life Insurance	64	
Employer Medicare	2,672	
Medical and Dental Services	32,945	
Travel	857	
Other Contracted Services	38,896	
Custodial Supplies	1,947	
Electricity	9,727	
Food Supplies	20,548	
Office Supplies	2,558	
Uniforms	805	
Water and Sewer	10,525	

(Continued)

Exhibit J-7

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

General Fund (Cont.)		
Public Safety (Cont.)		
Jail (Cont.)		
Other Supplies and Materials	$ 1,653	
Total Jail		$ 330,882
Fire Prevention and Control		
Contributions	$ 18,000	
Other Charges	500	
Total Fire Prevention and Control		18,500
Civil Defense		
In-Service Training	$ 50	
Dues and Memberships	35	
Diesel Fuel	267	
Office Supplies	56	
Other Supplies and Materials	4,379	
Other Charges	7,131	
Total Civil Defense		11,918
Rescue Squad		
Contributions	$ 6,000	
Total Rescue Squad		6,000
County Coroner/Medical Examiner		
Medical and Dental Services	$ 6,375	
Total County Coroner/Medical Examiner		6,375
Public Health and Welfare		
Local Health Center		
Medical Personnel	$ 1,162	
Custodial Personnel	5,110	
Other Salaries and Wages	8,552	
Social Security	912	
Employer Medicare	213	
Communication	3,281	
Contracts with Government Agencies	5,867	
Maintenance and Repair Services - Buildings	315	
Travel	1,201	
Other Contracted Services	7,492	
Custodial Supplies	465	
Electricity	12,904	
Office Supplies	584	

(Continued)

Exhibit J-7

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

General Fund (Cont.)		
Public Health and Welfare (Cont.)		
Local Health Center (Cont.)		
Utilities	$ 1,307	
Total Local Health Center		$ 49,365
Dental Health Program		
Secretary(ies)	$ 5,600	
Other Salaries and Wages	50,395	
Social Security	3,472	
Employer Medicare	812	
Total Dental Health Program		60,279
General Welfare Assistance		
Contributions	$ 1,484	
Total General Welfare Assistance		1,484
Social, Cultural, and Recreational Services		
Senior Citizens Assistance		
Contributions	$ 4,000	
Total Senior Citizens Assistance		4,000
Parks and Fair Boards		
Contributions	$ 3,500	
Electricity	4,217	
Total Parks and Fair Boards		7,717
Agriculture and Natural Resources		
Agriculture Extension Service		
Salary Supplements	$ 47,971	
Communication	3,335	
Transportation - Other than Students	4,500	
Other Supplies and Materials	4,500	
Total Agriculture Extension Service		60,306
Other Operations		
Other Economic and Community Development		
Contracts with Other Public Agencies	$ 3,606	
Total Other Economic and Community Development		3,606
Veterans' Services		
Supervisor/Director	$ 3,000	
Social Security	186	

(Continued)

Exhibit J-7

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

General Fund (Cont.)			
Other Operations (Cont.)			
Veterans' Services (Cont.)			
Employer Medicare	$ 44		
Postal Charges	44		
Travel	1,030		
Gasoline	516		
Office Supplies	906		
Total Veterans' Services		$ 5,726	
Contributions to Other Agencies			
Contributions	$ 3,500		
Total Contributions to Other Agencies		3,500	
Total General Fund			$ 2,536,290
Courthouse and Jail Maintenance Fund			
General Government			
County Buildings			
Maintenance and Repair Services - Buildings	$ 3,071		
Other Supplies and Materials	1,163		
Total County Buildings		$ 4,234	
Other General Administration			
Trustee's Commission	$ 77		
Total Other General Administration		77	
Total Courthouse and Jail Maintenance Fund			4,311
Public Library Fund			
Social, Cultural, and Recreational Services			
Libraries			
Assistant(s)	$ 11,755		
Librarians	28,110		
Social Security	2,268		
State Retirement	2,432		
Medical Insurance	3,288		
Employer Medicare	530		
Communication	2,164		
Dues and Memberships	25		
Maintenance and Repair Services - Buildings	199		
Postal Charges	2,200		
Travel	1,092		

(Continued)

Exhibit J-7

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

Public Library Fund (Cont.)			
Social, Cultural, and Recreational Services (Cont.)			
Libraries (Cont.)			
Other Contracted Services	$ 1,046		
Data Processing Supplies	1,253		
Electricity	1,940		
Library Books/Media	2,104		
Water and Sewer	2,297		
Other Supplies and Materials	690		
Total Libraries		$ 63,393	
Total Public Library Fund			$ 63,393
Solid Waste/Sanitation Fund			
Public Health and Welfare			
Convenience Centers			
Truck Drivers	$ 23,542		
Other Salaries and Wages	58,066		
Social Security	3,600		
State Retirement	3,250		
Life Insurance	30		
Employer Medicare	842		
Communication	1,345		
Maintenance and Repair Services - Buildings	38		
Other Contracted Services	63,350		
Electricity	2,604		
Equipment and Machinery Parts	1,892		
Water and Sewer	383		
Other Supplies and Materials	10,711		
Building and Contents Insurance	5,000		
Refunds	249		
Trustee's Commission	4,502		
Vehicle and Equipment Insurance	2,500		
Workers' Compensation Insurance	4,675		
Interest on Notes	1,267		
Total Convenience Centers		$ 187,846	
Landfill Operation and Maintenance			
Contracts for Landfill Facilities	$ 12,864		
Total Landfill Operation and Maintenance		12,864	

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)			
Highways			
Litter and Trash Collection			
Education Media Personnel	$ 4,300		
Clerical Personnel	4,700		
Other Salaries and Wages	20,340		
Social Security	1,553		
State Retirement	1,382		
Life Insurance	37		
Employer Medicare	363		
Other Supplies and Materials	3,994		
Total Litter and Trash Collection		$ 36,669	
Principal on Debt			
General Government			
Principal on Notes	$ 41,942		
Total General Government		41,942	
Interest on Debt			
General Government			
Interest on Notes	$ 1,258		
Total General Government		1,258	
Total Solid Waste/Sanitation Fund			$ 280,579
Ambulance Service Fund			
Public Health and Welfare			
Ambulance/Emergency Medical Services			
Medical Personnel	$ 310,342		
Part-time Personnel	12,516		
Overtime Pay	64,608		
In-Service Training	1,547		
Social Security	29,382		
State Retirement	12,591		
Life Insurance	240		
Medical Insurance	69,828		
Communication	3,064		
Consultants	4,125		
Dues and Memberships	240		
Licenses	1,900		
Maintenance and Repair Services - Buildings	2,601		
Maintenance and Repair Services - Equipment	3,212		
Maintenance and Repair Services - Vehicles	15,024		

(Continued)

Exhibit J-7

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

Ambulance Service Fund (Cont.)			
Public Health and Welfare (Cont.)			
Ambulance/Emergency Medical Services (Cont.)			
Postal Charges	$ 787		
Travel	3,722		
Other Contracted Services	4,315		
Data Processing Supplies	1,415		
Drugs and Medical Supplies	19,844		
Electricity	5,587		
Gasoline	22,417		
Office Supplies	3,001		
Tires and Tubes	1,121		
Uniforms	7,531		
Water and Sewer	644		
Other Supplies and Materials	13,962		
Liability Insurance	6,000		
Refunds	528		
Vehicle and Equipment Insurance	8,000		
Workers' Compensation Insurance	30,000		
Other Charges	761		
Communication Equipment	251		
Motor Vehicles	84,342		
Total Ambulance/Emergency Medical Services		$ 745,448	
Total Ambulance Service Fund			$ 745,448
Drug Control Fund			
Public Safety			
Sheriff's Department			
Other Supplies and Materials	$ 220		
Law Enforcement Equipment	455		
Total Sheriff's Department		$ 675	
Drug Enforcement			
Trustee's Commission	$ 32		
Total Drug Enforcement		32	
Total Drug Control Fund			707
Other Special Revenue Fund			
Public Safety			
Other Public Safety			
Supervisor/Director	$ 28,860		

(Continued)

Exhibit J-7

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

Other Special Revenue Fund (Cont.)			
Public Safety (Cont.)			
Other Public Safety (Cont.)			
Dispatchers/Radio Operators	$ 76,153		
Overtime Pay	18,265		
In-Service Training	698		
Social Security	9,152		
State Retirement	10,562		
Life Insurance	96		
Medical Insurance	3,159		
Communication	4,908		
Travel	2,923		
Other Contracted Services	10,885		
Electricity	4,176		
Office Supplies	1,932		
Water and Sewer	2,468		
Building and Contents Insurance	5,000		
Workers' Compensation Insurance	6,000		
Other Charges	1,072		
Total Other Public Safety		$ 186,309	
Total Other Special Revenue Fund			$ 186,309
Constitutional Officers - Fees Fund			
General Government			
Register of Deeds			
Constitutional Officers' Operating Expenses	$ 167		
Total Register of Deeds		$ 167	
Finance			
County Trustee's Office			
Constitutional Officers' Operating Expenses	$ 110		
Total County Trustee's Office		110	
County Clerk's Office			
Constitutional Officers' Operating Expenses	$ 41		
Total County Clerk's Office		41	
Administration of Justice			
Circuit Court			
Constitutional Officers' Operating Expenses	$ 122		
Total Circuit Court		122	

(Continued)

Exhibit J-7

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

Constitutional Officers - Fees Fund (Cont.)			
Administration of Justice (Cont.)			
General Sessions Court			
Constitutional Officers' Operating Expenses	$ 267		
Total General Sessions Court		$ 267	
Total Constitutional Officers - Fees Fund			$ 707
Highway/Public Works Fund			
Highways			
Administration			
County Official/Administrative Officer	$ 63,527		
Data Processing Personnel	23,150		
Secretary(ies)	17,390		
Communication	4,875		
Data Processing Services	3,892		
Dues and Memberships	2,449		
Legal Notices, Recording, and Court Costs	576		
Maintenance and Repair Services - Office Equipment	25		
Postal Charges	484		
Travel	607		
Other Contracted Services	768		
Data Processing Supplies	36		
Electricity	6,190		
Office Supplies	73		
Propane Gas	4,491		
Water and Sewer	2,030		
Other Supplies and Materials	879		
Other Charges	2,460		
Total Administration		$ 133,902	
Highway and Bridge Maintenance			
Foremen	$ 63,866		
Equipment Operators	68,587		
Truck Drivers	92,287		
Laborers	81,543		
Overtime Pay	14,271		
Freight Expenses	125		
Other Contracted Services	39,031		
Asphalt	762,581		
Concrete	520		
Crushed Stone	306,854		
Ice	300		

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)		
Highways (Cont.)		
Highway and Bridge Maintenance (Cont.)		
Other Road Supplies	$ 259	
Pipe - Metal	14,650	
Propane Gas	991	
Road Signs	1,751	
Other Supplies and Materials	853	
Other Charges	1,066	
Total Highway and Bridge Maintenance		$ 1,449,535
Operation and Maintenance of Equipment		
Mechanic(s)	$ 47,192	
Nightwatchmen	36,960	
Freight Expenses	256	
Maintenance and Repair Services - Equipment	925	
Maintenance and Repair Services - Vehicles	2,789	
Diesel Fuel	59,801	
Equipment and Machinery Parts	29,205	
Garage Supplies	2,525	
Gasoline	21,366	
Lubricants	2,733	
Small Tools	357	
Tires and Tubes	13,263	
Other Supplies and Materials	225	
Other Charges	787	
Total Operation and Maintenance of Equipment		218,384
Quarry Operations		
Other Charges	$ 2,555	
Total Quarry Operations		2,555
Other Charges		
Building and Contents Insurance	$ 1,000	
Liability Insurance	7,100	
Trustee's Commission	15,025	
Vehicle and Equipment Insurance	8,015	
Workers' Compensation Insurance	25,184	
Total Other Charges		56,324
Employee Benefits		
Social Security	$ 38,301	
State Retirement	41,097	

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)			
Highways (Cont.)			
Employee Benefits (Cont.)			
Employee and Dependent Insurance	$ 194,228		
Unemployment Compensation	5,313		
Other Fringe Benefits	243		
Total Employee Benefits		$ 279,182	
Capital Outlay			
Building Improvements	$ 451		
State Aid Projects	538,113		
Total Capital Outlay		538,564	
Total Highway/Public Works Fund			$ 2,678,446
General Debt Service Fund			
Principal on Debt			
General Government			
Principal on Bonds	$ 100,000		
Total General Government		$ 100,000	
Interest on Debt			
General Government			
Interest on Bonds	$ 355,125		
Total General Government		355,125	
Other Debt Service			
General Government			
Fiscal Agent Charges	$ 640		
Refunds	398		
Trustee's Commission	12,747		
Total General Government		13,785	
Total General Debt Service Fund			468,910
General Capital Projects Fund			
Public Health and Welfare			
Nursing Home			
Contributions	$ 165,000		
Total Nursing Home		$ 165,000	

(Continued)

Exhibit J-7

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

General Capital Projects Fund (Cont.)			
Capital Projects			
Administration of Justice Projects			
Architects	$ 58,219		
Building Construction	5,316,763		
Total Administration of Justice Projects		$ 5,374,982	
Total General Capital Projects Fund			$ 5,539,982
HUD Grant Projects Fund			
Capital Projects			
General Administration Projects			
Building Improvements	$ 209,886		
Total General Administration Projects		$ 209,886	
Total HUD Grant Projects Fund			209,886
Total Governmental Funds - Primary Government			$ 12,714,968

Exhibit J-8

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

General Purpose School Fund		
Instruction		
Regular Instruction Program		
Teachers	$ 3,692,668	
Career Ladder Program	39,915	
Career Ladder Extended Contracts	17,900	
Homebound Teachers	3,825	
Educational Assistants	273,835	
Certified Substitute Teachers	10,677	
Non-certified Substitute Teachers	93,092	
Social Security	240,025	
State Retirement	262,808	
Life Insurance	413	
Medical Insurance	419,181	
Employer Medicare	56,555	
Instructional Supplies and Materials	67,788	
Textbooks	175,975	
Regular Instruction Equipment	50,000	
Total Regular Instruction Program		$ 5,404,657
Alternative Instruction Program		
Teachers	$ 39,780	
Career Ladder Program	1,000	
Social Security	2,435	
State Retirement	2,618	
Medical Insurance	1,985	
Employer Medicare	569	
Total Alternative Instruction Program		48,387
Special Education Program		
Teachers	$ 843,898	
Career Ladder Program	9,000	
Homebound Teachers	5,575	
Clerical Personnel	23,706	
Educational Assistants	78,090	
Other Salaries and Wages	7,000	
Social Security	55,122	
State Retirement	64,548	
Medical Insurance	136,116	
Employer Medicare	12,744	
Maintenance and Repair Services - Equipment	2,975	
Other Contracted Services	12,860	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)		
Instruction (Cont.)		
Special Education Program (Cont.)		
Instructional Supplies and Materials	$ 22,045	
Other Supplies and Materials	2,288	
Special Education Equipment	8,556	
Total Special Education Program		$ 1,284,523
Vocational Education Program		
Teachers	$ 290,739	
Career Ladder Program	4,000	
Non-certified Substitute Teachers	4,150	
Social Security	17,943	
State Retirement	18,922	
Medical Insurance	20,744	
Employer Medicare	4,197	
Other Contracted Services	1,800	
Instructional Supplies and Materials	7,381	
Total Vocational Education Program		369,876
Adult Education Program		
Teachers	$ 66,199	
Other Salaries and Wages	16,438	
Social Security	4,999	
State Retirement	2,683	
Medical Insurance	24	
Employer Medicare	1,169	
Instructional Supplies and Materials	15,512	
Total Adult Education Program		107,024
Support Services		
Attendance		
Supervisor/Director	$ 32,707	
Career Ladder Program	1,000	
Social Security	2,090	
State Retirement	2,164	
Employer Medicare	489	
Travel	1,866	
Other Contracted Services	500	
Other Supplies and Materials	3,585	
In Service/Staff Development	910	
Attendance Equipment	1,026	
Total Attendance		46,337

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Health Services				
Medical Personnel	$	128,993		
Other Salaries and Wages		15,061		
Social Security		8,270		
State Retirement		8,349		
Medical Insurance		18,180		
Employer Medicare		1,934		
Postal Charges		167		
Travel		5,780		
Other Contracted Services		4,000		
Other Supplies and Materials		14,496		
In Service/Staff Development		2,640		
Health Equipment		6,568		
Total Health Services			$	214,438
Other Student Support				
Career Ladder Program	$	3,000		
Guidance Personnel		111,656		
Psychological Personnel		42,605		
Other Salaries and Wages		2,922		
Social Security		8,963		
State Retirement		10,096		
Medical Insurance		23,008		
Employer Medicare		2,096		
Evaluation and Testing		10,562		
Other Contracted Services		36,673		
Other Supplies and Materials		12,530		
Other Charges		4,060		
Total Other Student Support				268,171
Regular Instruction Program				
Supervisor/Director	$	71,216		
Career Ladder Program		6,000		
Career Ladder Extended Contracts		3,500		
Librarians		133,292		
Instructional Computer Personnel		57,908		
Other Salaries and Wages		49,889		
Social Security		16,196		
State Retirement		18,921		
Medical Insurance		25,891		

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Regular Instruction Program (Cont.)				
Employer Medicare	$	4,415		
Maintenance and Repair Services - Equipment		2,815		
Travel		9,415		
Other Contracted Services		4,575		
Library Books/Media		10,277		
Other Supplies and Materials		36		
In Service/Staff Development		4,047		
Total Regular Instruction Program			$	418,393
Special Education Program				
Supervisor/Director	$	64,880		
Career Ladder Program		2,000		
Career Ladder Extended Contracts		3,500		
Social Security		4,281		
State Retirement		4,570		
Medical Insurance		4,063		
Employer Medicare		1,001		
Postal Charges		500		
Travel		7,806		
Other Contracted Services		4,300		
Other Supplies and Materials		4,765		
In Service/Staff Development		998		
Other Charges		2,165		
Total Special Education Program				104,829
Vocational Education Program				
Travel	$	515		
Total Vocational Education Program				515
Adult Programs				
Supervisor/Director	$	46,386		
Career Ladder Program		1,000		
Social Security		2,807		
State Retirement		3,042		
Medical Insurance		4,063		
Employer Medicare		657		
Travel		1,805		
Other Charges		4,239		
Other Equipment		3,250		
Total Adult Programs				67,249

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Other Programs		
On-Behalf Payments to OPEB	$ 35,931	
Total Other Programs		$ 35,931
Board of Education		
Board and Committee Members Fees	$ 24,300	
Social Security	1,507	
Unemployment Compensation	33,565	
Employer Medicare	352	
Audit Services	5,500	
Dues and Memberships	5,844	
Legal Services	5,814	
Travel	11,216	
Other Contracted Services	3,658	
Other Supplies and Materials	451	
Liability Insurance	36,797	
Trustee's Commission	48,744	
Workers' Compensation Insurance	58,940	
Refund to Applicant for Criminal Investigation	1,020	
Other Charges	5,531	
Total Board of Education		243,239
Director of Schools		
County Official/Administrative Officer	$ 70,469	
Career Ladder Program	1,000	
Social Security	4,709	
State Retirement	4,909	
Medical Insurance	11,238	
Employer Medicare	1,101	
Other Fringe Benefits	1,751	
Communication	50,023	
Dues and Memberships	1,801	
Maintenance and Repair Services - Equipment	564	
Postal Charges	1,600	
Travel	8,233	
Office Supplies	101	
In Service/Staff Development	605	
Other Charges	792	
Administration Equipment	4,375	
Total Director of Schools		163,271

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Office of the Principal				
Principals	$	335,101		
Career Ladder Program		5,000		
Career Ladder Extended Contracts		3,500		
Assistant Principals		57,150		
Secretary(ies)		114,652		
Social Security		30,684		
State Retirement		35,649		
Medical Insurance		25,172		
Employer Medicare		7,176		
Communication		2,413		
Total Office of the Principal			$	616,497
Fiscal Services				
Supervisor/Director	$	29,326		
Accountants/Bookkeepers		69,530		
Social Security		6,339		
State Retirement		8,648		
Medical Insurance		9,740		
Employer Medicare		1,656		
Data Processing Services		8,640		
Travel		257		
Other Contracted Services		762		
Office Supplies		1,676		
In Service/Staff Development		25		
Administration Equipment		3,345		
Total Fiscal Services				139,944
Operation of Plant				
Supervisor/Director	$	53,416		
Custodial Personnel		321,726		
Social Security		22,269		
State Retirement		27,151		
Medical Insurance		2,273		
Employer Medicare		5,354		
Rentals		30,400		
Other Contracted Services		64,077		
Custodial Supplies		70,373		
Electricity		353,301		
Natural Gas		54,327		

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Operation of Plant (Cont.)		
Water and Sewer	$ 33,299	
Other Supplies and Materials	15,075	
Plant Operation Equipment	10,751	
Total Operation of Plant		$ 1,063,792
Maintenance of Plant		
Supervisor/Director	$ 32,707	
Maintenance Personnel	69,744	
Social Security	6,352	
State Retirement	7,618	
Employer Medicare	1,486	
Maintenance and Repair Services - Buildings	72,773	
Maintenance and Repair Services - Equipment	3,127	
Travel	1,619	
Other Contracted Services	769,222	
Other Supplies and Materials	24,045	
Administration Equipment	448	
Total Maintenance of Plant		989,141
Transportation		
Mechanic(s)	$ 60,059	
Bus Drivers	385,586	
Other Salaries and Wages	25,345	
Social Security	27,382	
State Retirement	35,508	
Medical Insurance	4,282	
Employer Medicare	6,708	
Contracts with Parents	5,827	
Maintenance and Repair Services - Vehicles	12,737	
Medical and Dental Services	2,177	
Travel	1,843	
Other Contracted Services	6,037	
Gasoline	144,975	
Tires and Tubes	8,875	
Vehicle Parts	65,437	
Other Supplies and Materials	10,688	
Vehicle and Equipment Insurance	16,333	
Transportation Equipment	155,631	
Total Transportation		975,430

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)				
Operation of Non-Instructional Services				
Food Service				
Other Salaries and Wages	$	19,253		
Social Security		1,192		
State Retirement		976		
Employer Medicare		279		
Other Charges		2,566		
Total Food Service			$	24,266
Community Services				
Supervisor/Director	$	15,592		
Educational Assistants		28,183		
Social Security		2,714		
State Retirement		3,786		
Employer Medicare		635		
Communication		506		
Travel		286		
Instructional Supplies and Materials		21		
Other Supplies and Materials		1,456		
Total Community Services				53,179
Early Childhood Education				
Teachers	$	141,067		
Bus Drivers		25,160		
Educational Assistants		83,971		
Other Salaries and Wages		20,675		
Social Security		15,854		
State Retirement		19,175		
Medical Insurance		25,696		
Employer Medicare		3,710		
Communication		5,083		
Travel		4,386		
Instructional Supplies and Materials		32,394		
In Service/Staff Development		7,051		
Other Capital Outlay		25,300		
Total Early Childhood Education				409,522
Capital Outlay				
Regular Capital Outlay				
Other Capital Outlay	$	221,693		
Total Regular Capital Outlay				221,693

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)			
Principal on Debt			
Education			
Principal on Notes	$ 20,804		
Total Education		$ 20,804	
Interest on Debt			
Education			
Interest on Notes	$ 11,072		
Total Education		11,072	
Total General Purpose School Fund			$ 13,302,180
School Federal Projects Fund			
Instruction			
Regular Instruction Program			
Teachers	$ 249,685		
Educational Assistants	68,889		
Non-certified Substitute Teachers	3,572		
Social Security	18,662		
State Retirement	21,993		
Medical Insurance	27,878		
Employer Medicare	4,364		
Instructional Supplies and Materials	36,790		
Regular Instruction Equipment	232,780		
Total Regular Instruction Program		$ 664,613	
Special Education Program			
Teachers	$ 4,945		
Educational Assistants	390,689		
Other Salaries and Wages	18,754		
Non-certified Substitute Teachers	9,844		
Social Security	26,109		
State Retirement	34,547		
Employer Medicare	6,265		
Contracts with Private Agencies	30,979		
Other Contracted Services	10,709		
Instructional Supplies and Materials	39,426		
Special Education Equipment	30,068		
Total Special Education Program		602,335	

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)				
Instruction (Cont.)				
Vocational Education Program				
Instructional Supplies and Materials	$	3,844		
Vocational Instruction Equipment		24,064		
Total Vocational Education Program			$	27,908
Support Services				
Other Student Support				
Other Salaries and Wages	$	10,632		
Social Security		43		
State Retirement		44		
Employer Medicare		154		
Evaluation and Testing		1,346		
Travel		9,825		
Other Contracted Services		561		
Other Supplies and Materials		2,713		
In Service/Staff Development		20,870		
Other Equipment		27,182		
Total Other Student Support				73,370
Regular Instruction Program				
Supervisor/Director	$	46,677		
Clerical Personnel		12,000		
Other Salaries and Wages		50,600		
In-Service Training		15,505		
Non-certified Substitute Teachers		3,075		
Social Security		7,203		
State Retirement		7,642		
Employer Medicare		1,690		
Communication		510		
Consultants		25,354		
Maintenance and Repair Services - Equipment		750		
Travel		152,577		
Contracts for Substitute Teachers - Non-certified		1,368		
Other Contracted Services		193,179		
Instructional Supplies and Materials		2,343		
Library Books/Media		800		
Other Supplies and Materials		32,696		
In Service/Staff Development		85,275		
Other Charges		4,793		
Other Equipment		43,917		
Total Regular Instruction Program				687,954

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)			
Support Services (Cont.)			
Special Education Program			
Psychological Personnel	$ 25,000		
Secretary(ies)	22,656		
Clerical Personnel	16,250		
Social Security	3,709		
State Retirement	5,263		
Medical Insurance	1,962		
Employer Medicare	867		
Travel	8,810		
In Service/Staff Development	20,547		
Total Special Education Program		$ 105,064	
Vocational Education Program			
Travel	$ 2,000		
Total Vocational Education Program		2,000	
Transportation			
Bus Drivers	$ 950		
Other Salaries and Wages	25,884		
Social Security	1,664		
State Retirement	1,417		
Employer Medicare	389		
Contracts with Parents	12,679		
Transportation Equipment	72,000		
Total Transportation		114,983	
Total School Federal Projects Fund			$ 2,278,227
Central Cafeteria Fund			
Operation of Non-Instructional Services			
Food Service			
Supervisor/Director	$ 26,827		
Cafeteria Personnel	316,544		
Social Security	21,123		
State Retirement	26,176		
Unemployment Compensation	220		
Employer Medicare	4,941		
Communication	2,268		
Maintenance and Repair Services - Equipment	27,677		
Travel	1,217		

(Continued)

Exhibit J-8

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

Central Cafeteria Fund (Cont.)			
Operation of Non-Instructional Services (Cont.)			
Food Service (Cont.)			
Other Contracted Services	$ 7,824		
Food Preparation Supplies	51,334		
Food Supplies	510,622		
Office Supplies	7,346		
Uniforms	2,261		
Other Supplies and Materials	6,096		
In Service/Staff Development	4,535		
Other Charges	7,413		
Food Service Equipment	41,117		
Total Food Service		$ 1,065,541	
Community Services			
Supervisor/Director	$ 5,205		
Other Salaries and Wages	18,778		
Social Security	1,487		
State Retirement	2,038		
Employer Medicare	348		
Communication	124		
Travel	3,537		
Food Preparation Supplies	1,847		
Food Supplies	29,713		
Office Supplies	906		
In Service/Staff Development	394		
Food Service Equipment	370		
Total Community Services		64,747	
Total Central Cafeteria Fund			$ 1,130,288
Education Debt Service Fund			
Principal on Debt			
Education			
Principal on Bonds	$ 450,000		
Total Education		$ 450,000	
Interest on Debt			
Education			
Interest on Bonds	$ 435,445		
Total Education		435,445	

(Continued)

Exhibit J-8

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

Education Debt Service Fund (Cont.)			
Other Debt Service			
Education			
Fiscal Agent Charges	$ 2,358		
Trustee's Commission	5,679		
Other Debt Service	6,253		
Total Education		$ 14,290	
Total Education Debt Service Fund			$ 899,735
Total Governmental Funds - Bledsoe County School Department			$ 17,610,430

Exhibit J-9

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

	Cities - Sales Tax Fund
Cash Receipts	
Local Option Sales Tax	$ 168,967
Cash Disbursements	
Remittance of Revenues Collected	$ 167,277
Trustee's Commission	1,690
Total Cash Disbursements	$ 168,967
Excess of Cash Receipts Over (Under) Cash Disbursements	$ 0
Cash Balance, July 1, 2009	0
Cash Balance, June 30, 2010	$ 0

SINGLE AUDIT SECTION

STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
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

September 29, 2010

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

To the County Mayor and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bledsoe County, Tennessee, as of and for the year ended June 30, 2010, which collectively comprise Bledsoe County's basic financial statements and have issued our report thereon dated September 29, 2010. Our report on the aggregate discretely presented component units was qualified due to not including the financial statements of the Bledsoe County Emergency Communications District and the Bledsoe County Nursing Home, which were not available from other auditors as of the date of this report. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Bledsoe County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Bledsoe County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Bledsoe County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses: 10.01 and 10.05.

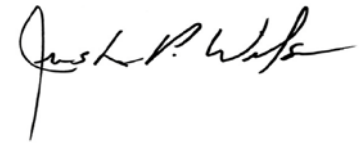
A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a significant deficiency: 10.06.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bledsoe County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and are described in the accompanying Schedule of Findings and Questioned Costs as items 10.02, 10.03, 10.04, and 10.07.

This report is intended solely for the information and use of management, the county mayor, County Commission, road superintendent, director of schools, Board of Education, others within Bledsoe County, 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

September 29, 2010

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

To the County Mayor and Board of County Commissioners:

Compliance

We have audited the compliance of Bledsoe County with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2010. Bledsoe County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Bledsoe County's management. Our responsibility is to express an opinion on Bledsoe County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Bledsoe County's compliance with those requirements and performing

such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Bledsoe County's compliance with those requirements.

In our opinion, Bledsoe County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

The management of Bledsoe County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Bledsoe County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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 Bledsoe County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bledsoe County as of and for the year ended June 30, 2010, and have issued our report thereon dated September 29, 2010. Our report on the aggregate discretely presented component units was qualified due to not including the financial statements of the Bledsoe County Emergency Communications District and the Bledsoe County Nursing Home, which were not available from other auditors as of the date of this report. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise Bledsoe County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial

statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management, the county mayor, County Commission, road superintendent, director of schools, Board of Education, others within Bledsoe County, 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,

Justin P. Wilson
Comptroller of the Treasury

JPW/sb

Bledsoe 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:			
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	$ 55,382 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	196,441
National School Lunch Program	10.555	N/A	527,043 (3)
Child Nutrition Discretionary Grants Limited Availability, Recovery Act	10.579	N/A	10,780
Passed-through State Department of Human Services:			
Child Nutrition Cluster:			
Summer Food Service Program for Children	10.559	HQ9 ACX	61,349
Total U.S. Department of Agriculture			$ 850,995
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Home Investment Partnerships Program	14.239	HM -08-03	$ 209,886
Total U.S. Department of Housing and Urban Development			$ 209,886
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention Allocation to States	16.540	(2)	$ 33,000
Total U.S. Department of Justice:			$ 33,000
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
State and Community Highway Safety	20.600	Z-09214266-00	$ 1,416
Total U.S. Department of Transportation			$ 1,416
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	(2)	$ 64,466
Passed-through State Department of Education:			
Title I Cluster:			
Title I Grants to Local Education Agencies	84.010	N/A	592,309
Title I Grants to Local Education Agencies, Recovery Act	84.389	N/A	223,694
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	527,133
Special Education - Preschool Grants	84.173	N/A	25,832
Special Education - Grants to States, Recovery Act	84.391	N/A	302,741
Special Education - Preschool Grants, Recovery Act	84.392	N/A	5,599
Career and Technical Education - Basic Grants to States	84.048	N/A	41,078
Safe and Drug-free Schools and Communities - State Grants	84.186	(2)	8,219
Educational Technology State Grants Cluster:			
Education Technology State Grants	84.318	(2)	6,002
Education Technology State Grants, Recovery Act	84.386	(2)	14,760
Rural Education	84.358	N/A	48,748
Improving Teacher Quality State Grants	84.367	N/A	143,162
State Fiscal Stabilization Fund Cluster:			
State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	N/A	344,200
State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	84.397	N/A	166,238
Passed-through State Department of Human Services:			
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	(2)	14,396
Passed-through Tennessee Center for Civic Learning and Engagement:			
Funds for the Improvement of Education	84.215	N/A	368,741
Total U.S. Department of Education			$ 2,897,318

(Continued)

Bledsoe 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:			
Passed-through State Department of Health:			
Immunization Grants	93.268	Z-10-222128	$ 12,913
Total U.S. Department of Health			$ 12,913
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Homeland Security Grant Program	97.067	GG-08-24428-00	$ 8,847
Total U.S. Department of Homeland Security			$ 8,847
Total Expenditures of Federal Awards			$ 4,014,375
State Grants		Contract Number	
Adult Basic Education - State Department of Education	N/A	(2)	$ 21,488
Adult Basic Education/Dislocated Workers - State Department of Labor and Workforce Development	N/A	(2)	66,029
Litter Program - State Department of Transportation	N/A	Z-10-220304-00	27,009
Early Childhood Education - State Department of Education	N/A	(2)	410,123
Energy Efficient Schools Initiative - State Department of Education	N/A	(2)	40,005
Internet Connectivity - State Department of Education	N/A	(2)	1,252
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	5,496
Health Access Community Initiative Project - State Department of Health	N/A	GG-10-29352-00	58,924
Youth Services Program - State Commission on Children and Youth	N/A	GG-10-29768	9,000
Local Health Services - State Department of Health	N/A	Z-10-222128-00	4,372
Library Grant - State Library and Archives	N/A	(2)	3,000
Waste Tire Grant - State Department of Environment and Conservation	N/A	Z-08-212940-02	2,300
Total State Grants			$ 648,998

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

(1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
(2) Information not available.
(3) Total for CFDA No. 10.555 is $582,425.

Bledsoe 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 Annual Financial Report for Bledsoe County, Tennessee, for the year ended June 30, 2009, which have not been corrected.

OFFICE OF COUNTY MAYOR

Finding Number	Page Number	Subject
09.01	184	The Ambulance Service Fund required material audit adjustments for proper financial statement presentation

OTHER FINDINGS

Finding Number	Page Number	Subject
09.05	186	Duties were not segregated adequately at the Ambulance Service and in the Offices of Road Superintendent; County Clerk; Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; Register; and Sheriff
09.06	187	The general sessions judge also served as county attorney, school board attorney, and delinquent tax attorney, contrary to opinions issued by the state Attorney General's Office

BLEDSOE COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2010

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the aggregate discretely presented component units is qualified. Our report on the governmental activities, each major fund, and the aggregate remaining fund information is unqualified.

2. The audit of the financial statements of Bledsoe County disclosed significant deficiencies in internal control. Two of these deficiencies were considered to be material weaknesses.

3. The audit disclosed no instances of noncompliance that are material to the financial statements of Bledsoe County.

4. The audit disclosed no significant deficiencies in internal control over major programs.

5. An unqualified opinion was issued on compliance for major programs.

6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.

7. The Child Nutrition Cluster: School Breakfast Program, National School Lunch Program, and Summer Food Service Program for Children (CFDA Nos. 10.553, 10.555, and 10.559); the Title I Cluster: Title I Grants to Local Educational Agencies and Title I Grants to Local Educational Agencies, Recovery Act (CFDA Nos. 84.010 and 84.389); the Special Education Cluster: Special Education – Grants to States, Special Education – Preschool Grants Special Education – Grants to States, Recovery Act, and Special Education – Preschool Grants, Recovery Act (CFDA Nos. 84.027, 84.173, 84.391, and 84.392), the Fund for the Improvement of Education (CFDA No. 84.215); and the State Fiscal Stabilization Cluster: State Fiscal Stabilization Funds (SFSF) – Education State Grants, Recovery Act and State Fiscal Stabilization Funds (SFSF) – Governmental 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. Bledsoe County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response; however, management did not provide responses for inclusion in this report.

OFFICE OF COUNTY MAYOR

FINDING 10.01 **THE AMBULANCE SERVICE FUND REQUIRED MATERIAL AUDIT ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT PRESENTATION**
(Internal Control – Material Weakness Under Government Auditing Standards)

At June 30, 2010, certain general ledger account balances in the Ambulance Service Fund were not materially correct, and audit adjustments were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require Bledsoe County to have adequate internal controls over the maintenance of its accounting records. This material audit adjustment was required because the county's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the county has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. This deficiency can be attributed to the failure of management to correct the finding noted in the prior-years' audit reports. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

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

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 10.02 **THE OFFICE HAD DEFICIENCIES IN COMPUTER SYSTEM BACKUP PROCEDURES**
(Noncompliance Under Government Auditing Standards)

System backups were not regularly stored off-site. 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 should be copied daily to storage media, and media more than one week old should 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, all backup data could be destroyed, resulting in costly delays in generating and recording information accounted for through the automated process. Proper system backup procedures were implemented when this was brought to the official's attention.

RECOMMENDATION

Management should ensure backups are rotated off-site on a routine basis.

OFFICE OF CLERK AND MASTER

FINDING 10.03 **THE OFFICE HAD DEFICIENCIES IN COMPUTER SYSTEM BACKUP PROCEDURES**
(Noncompliance Under Government Auditing Standards)

System backups were not regularly stored off-site. 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 should be copied daily to storage media, and media more than one week old should 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, all backup data could be destroyed, resulting in costly delays in generating and recording information accounted for through the automated process.

RECOMMENDATION

Backups should be rotated off-site on a weekly basis. Some possibilities for an off-site storage location would be another county office building with a fireproof vault or a safe-deposit box at a local bank.

OFFICE OF SHERIFF

FINDING 10.04 **CONFISCATED VEHICLES WERE SOLD WITHOUT A DISPOSITION FROM THE DEPARTMENT OF SAFETY RELEASING THE VEHICLES**
(Noncompliance Under Government Auditing Standards)

On April 24, 2010, the Bledsoe County Sheriff's Department conducted an auction of confiscated vehicles. The Sheriff's Department did not obtain an order of compromise and settlement from the state Department of Safety awarding the vehicles to the county as required by Section 53-11-201(b)(1), Tennessee Code Annotated.

RECOMMENDATION

The Sheriff's Department should ensure that all confiscated vehicles have an order of compromise and settlement from the state Department of Safety prior to public sale as required by state statute.

OTHER FINDINGS AND RECOMMENDATIONS

FINDING 10.05 **BLEDSOE COUNTY HAS A MATERIAL RECURRING AUDIT FINDING**
(Internal Control – Material Weakness Under Government Auditing Standards)

Bledsoe County has a material audit finding that has been reported in its annual financial reports for three or more consecutive years. The recurring material finding is listed below:

Finding Numbers	Description
10.01, 09.01, 08.02	The Ambulance Service Fund required material audit adjustments for proper financial statement presentation

The recurring nature of the above-noted finding indicates that management is either unwilling or unable to address the deficiency. The Local Government Modernization Act of 2005 in Section 9-3-405, Tennessee Code Annotated (TCA), encourages local governments to consider establishing an Audit Committee and further provides that the Comptroller may require an Audit Committee be established in any local government that (1) is in noncompliance with the accounting and financial reporting standards required by the Governmental Accounting Standards Board, or (2) has recurring findings from the annual audit for three or more consecutive years as determined by the Comptroller to be a material weakness in internal control or material noncompliance under Government Auditing Standards. The responsibilities and duties of an Audit Committee are to address financial and other reporting practices, internal control, compliance with laws and regulations, and ethics.

RECOMMENDATION

Bledsoe County should establish an Audit Committee to address financial and other reporting practices, internal control, compliance with laws and regulations, and ethics. This Audit Committee should provide management with guidance to correct all reported material weaknesses in internal control and material noncompliance. If these findings continue to recur Bledsoe County may be required to establish an Audit Committee in accordance with provisions of Section 9-3-405, TCA,

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FINDING 10.06 **DUTIES WERE NOT SEGREGATED ADEQUATELY AT THE AMBULANCE SERVICE AND IN THE OFFICES OF ROAD SUPERINTENDENT; COUNTY CLERK; CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK; CLERK AND MASTER; REGISTER; AND SHERIFF**
(Internal Control – Significant Deficiency Under Government Auditing Standards)

Duties were not segregated adequately among the officials and employees at the Ambulance Service and in the Offices of Road Superintendent; County Clerk; Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; Register; and Sheriff. Officials and employees responsible for maintaining accounting records were also involved in receipting, depositing, and/or disbursing funds. Accounting standards provide that internal controls be designed to give reasonable assurance of the reliability of financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

Officials should segregate duties to the extent possible using available resources.

FINDING 10.07 **THE GENERAL SESSIONS JUDGE ALSO SERVED AS COUNTY ATTORNEY, SCHOOL BOARD ATTORNEY, AND DELINQUENT TAX ATTORNEY, CONTRARY TO OPINIONS ISSUED BY THE STATE ATTORNEY GENERAL'S OFFICE**
(Noncompliance Under Government Auditing Standards)

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

RECOMMENDATION

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

BEST PRACTICE

A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING HAS NOT BEEN ADOPTED

Bledsoe County does not have a central system of accounting, budgeting, and purchasing. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the County Commission resulting in decentralization and some duplication of effort. The Division of County Audit strongly believes that the adoption of a central system of accounting, budgeting, and purchasing is a best practice that would significantly improve accountability and the quality of services provided to the citizens of Bledsoe County. Therefore, we recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs for federal programs.

BLEDSOE COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2010

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