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



FOR THE YEAR ENDED JUNE 30, 2011



COMPREHENSIVE ANNUAL FINANCIAL REPORT
BEDFORD COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2011

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF COUNTY AUDIT
JAMES R. ARNETTE
Director

JEFF BAILEY, CPA, CGFM, CFE
Audit Manager

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Auditor 4

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MICHAEL GUNCKEL
JACOB KENNEDY
State Auditors

ROBERT DANIEL, CPA
Finance Director
Bedford County, Tennessee

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

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Audit Highlights

Comprehensive Annual Financial Report
Bedford County, Tennessee
For the Year Ended June 30, 2011

Scope

We have audited the basic financial statements of Bedford County as of and for the year ended June 30, 2011.

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICE OF COUNTY MAYOR

- ◆ The Offices of Zoning and Building Inspections and Animal Control did not deposit some funds within three days of collection.
- ◆ The Ambulance Service and the Office of Probation Services had deficiencies in computer system backup procedures.
- ◆ The Office of Zoning and Building Inspections did not review its software audit logs.

OFFICE OF HIGHWAY SUPERINTENDENT

- ◆ Highway/Public Works Fund appropriations exceeded estimated available funding.

OFFICE OF DIRECTOR OF SOLID WASTE AUTHORITY

- ◆ Solid Waste/Sanitation Fund appropriations exceeded estimated available funding.
-

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

- ◆ Multiple employees operated from the same cash drawer.
-

OFFICE OF CLERK AND MASTER

- ◆ The office did not review its software audit logs.
-

OFFICE OF SHERIFF

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

OFFICES OF ZONING AND BUILDING INSPECTIONS, JUVENILE DETENTION, CIRCUIT AND GENERAL SESSIONS COURTS CLERK, AND SHERIFF

- ◆ Duties were not segregated adequately.

INTRODUCTORY SECTION



BEDFORD COUNTY, TENNESSEE

Letter of Transmittal

November 10, 2011

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

The Comprehensive Annual Financial Report of Bedford County, Tennessee, for the year ended June 30, 2011, is hereby submitted as required by state statutes. These statutes require that all local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by the State of Tennessee's Comptroller of the Treasury, Division of County Audit, or by independent public accountants within six months of the close of each fiscal year. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Bedford County, Tennessee. This report was prepared by the county's Finance Department in conjunction with the above state agency.

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

The goal of the independent audit was to provide reasonable assurance that the financial statements of Bedford County, Tennessee, for the fiscal year ended June 30, 2011, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The financial statements of Bedford County, Tennessee, have been audited by the State of Tennessee's Comptroller of the Treasury, Division of County Audit. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion on the financial statements of Bedford County, Tennessee, for the fiscal year ended June 30, 2011, that are fairly presented in accordance with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

Profile of the Government

Bedford County was established on December 4, 1807, by Public Act of the State of Tennessee. The county is named after Thomas Bedford, Jr., an American Revolutionary War hero. One odd fact about Bedford County is that, if the state senate journal is accurate, in the rush of business to pass the bill to create the county, the state senate failed to read and adopt the bill on three readings on three separate days, which was required by state constitutional provisions to create a Tennessee county. Bedford County is in the southern middle part of the state and borders Rutherford, Lincoln, Coffee, Moore, and Marshall counties. The county has a land mass of approximately 303,148 acres (474 square miles) and serves an estimated population of 45,058.

Bedford County operates as a political subdivision of the state as provided by the Tennessee Constitution. Bedford County, as a political subdivision of the state, is subject to control by the Tennessee General Assembly, and the county has no authority except that expressly given by state statutes. Bedford County is empowered to levy a property tax on both real and personal properties located within its boundaries.

Bedford County operates under a County Mayor – County Commission form of government as provided by state statutes. The Bedford County Commission consists of an 18-member board elected in nine districts within the county. Policymaking and legislative authority is

vested in the Bedford County Commission. The County Commission is responsible for various tasks, including but not limited to, adopting the annual budget, setting the property tax levy, appointing various boards and committees, and passing local resolutions. The county mayor is popularly elected for a four-year term and is the county's manager and chief financial officer. The County Mayor is responsible for carrying out policies and resolutions of the County Commission, overseeing the day-to-day operations of the government, and appointing or recommending for appointment various department heads. In addition, the County Mayor serves as chairperson of the County Commission and as a member of most committees.

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

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

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

ECONOMIC CONDITION

Local Economy

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

As of September 2011, Bedford County had an estimated labor force of 23,370 with 20,890 employed resulting in a 10.6 percent unemployment rate. Bedford County's unemployment rate is slightly above the state average of 9.8 percent.

Our largest manufacturing employers include Tyson Foods, Calsonic North America, Sanford, Cebal America, and Wal-Mart Distribution Center. We are the home to the new Middle Tennessee Education Center (a partnership between Middle Tennessee State University and Motlow State Community College), a 60-bed hospital and two nursing homes with 237 beds.

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

SMW Automotive and Gold River Feed Products have opened new plants in Shelbyville and created 204 new jobs. There are plans to build a recharging hub for electric cars in Shelbyville. A new Waffle House has been completed, and site plans have been approved for a Microtel Hotel. Jostens has announced it will move the manufacture of diploma covers from its Topeka, Kansas, facility to Shelbyville, which will create about 83 jobs. GM has announced the restarting of assembly operations at the General Motors Company plant in Spring Hill, Tennessee. The impact cannot be determined at this time, but when the plant was at its peak, it had a definite impact on growth in the northwestern portion of the county.

According to the 2000 federal census, Bedford County had a population of 37,586. This is an increase of more than 19 percent since the 1990 census. Bedford County's current population is estimated at 45,058 according to the 2010 census.

Major Initiatives

Bedford County unveiled an updated ten-year master growth plan and capital projects program in 2005 that was based on assumptions that the county's student population would grow 52.5 percent over the ten-year period. It is estimated that this growth will require approximately \$79,775,809 in additional funding over the next ten years to add two additions to existing schools and to build three new elementary, one middle, and one high school. Bedford County has currently completed the first phase of a major educational capital project. The first phase included an addition to Shelbyville Central High School, a new elementary school (Learning Way), and a new Community High School. The

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

Long-term Financial Planning and Relevant Financial Policies

At June 30, 2011, unassigned fund balance in the General Fund totaled \$4,678,463, which represents 27.9 percent of the General Fund's current-year expenditures and exceeds the amount set by policy (three percent of current-year expenditures). The excess is available to cover revenue shortfalls, unanticipated expenditures, and to ensure stable tax rates.

To better serve the needs of the commission and the public, the commission adopted a fund balance policy in the General Debt Service Fund. The policy requires a minimum of three percent of expenditures.

The General Debt Service Fund policy requires revenues meet the actual debt requirements. Additionally, the policy of the county requires that at the beginning of each fiscal year, the county will maintain an adequate amount in cash or investments in the debt service fund that will meet cash flow needs.

The Bedford County Commission and the Bedford County Financial Management Committee have adopted a county Debt Policy.

Awards and Acknowledgments

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

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the county for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2010. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

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

The preparation of this report could not have been possible without the efficient and dedicated service of the entire Department of Finance. They are: Lori Schuler, Pat Thomas,

Denice Reese, Joyce Glover, Mary Anna Mitchell, Sherrie Armstrong, Collette Bales, Melissa Brannon, and Paulette Arnold. I would also like to thank the staff of the county's Information Technology Department for keeping our accounting system operational. Credit should also be given to the county mayor and governing body for their interest and support in planning and conducting the operations of Bedford County government in a responsible and progressive manner and maintaining the highest standards of professionalism in the management of Bedford County.

Sincerely,

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

Robert Daniel, CPA, CGFM
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Bedford County
Tennessee

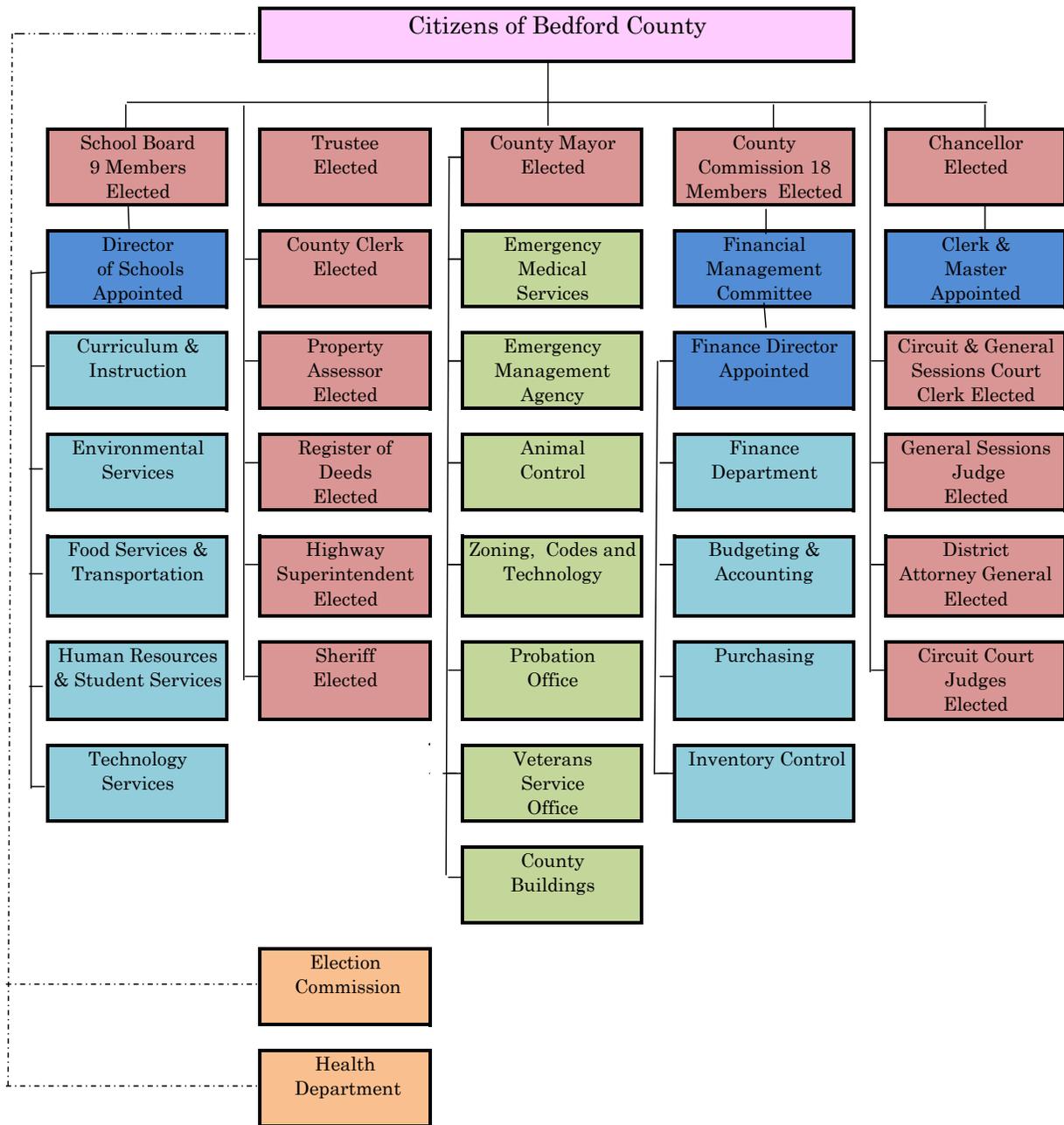
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

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



President

Executive Director



Bedford County Officials

June 30, 2011

Officials

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

Board of County Commissioners

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

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

Financial Management Committee

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

Janice Brothers
Bobby Vannatta
J.D. Wilson

Audit Committee

Joe Tillet, Jr., Chairman
Virgil Johnson
Sheila Roark

Bailey Little
Bob Garner

(Continued)

Bedford County Officials (Cont.)

Board of Education

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

Andrea Anderson
Chad Graham
Leonard Singleton
Glenn Forsee

Solid Waste Authority Board of Directors

William Lewis, Chairman
Robert McAnally
Bobby Vannatta
Lee Roy Cunningham
David Gordon

Jean Harrison
Harry Layne
Eugene Ray, County Mayor
Venson Hawkins

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

November 10, 2011

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

To the County Mayor and County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bedford County, Tennessee, as of and for the year ended June 30, 2011, which collectively comprise Bedford County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Bedford County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented Emergency Communications District of Bedford County, which represent one percent of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors, whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Emergency Communications District of Bedford County is based on the report of other auditors.

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

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bedford County, Tennessee, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2011, on our consideration of Bedford County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

As described in Note V.B., Bedford County has adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which became effective for the year ended June 30, 2011.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 24 through 35 and the budgetary comparison, pension, and other postemployment benefits information on pages 92 through 99 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Bedford County's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Bedford County School Department and the Bedford County Solid Waste Authority (discretely presented component units), miscellaneous schedules and the statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Bedford County School Department and the

Bedford County Solid Waste Authority (discretely presented component units), and the miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Very truly yours,

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

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

Bedford County, Tennessee
Management's Discussion and Analysis
For the Year Ended June 30, 2011

As management for Bedford County, Tennessee, we offer readers of the financial statements for Bedford County, Tennessee, this narrative overview and analysis of the financial activities of the Bedford County government for the year ended June 30, 2011. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The liabilities of Bedford County government exceeded its assets at the close of the most recent fiscal year by \$22,985,879 (net assets). Of this amount, \$64,896,000 is debt that is attributable to the Bedford County Board of Education and \$189,983 is debt that is attributable to the Bedford County Solid Waste Authority.
- From yearly activity, the government's total net assets increased by \$3,620,497.
- As of the close of the current fiscal year, the governmental funds of Bedford County reported combined ending fund balances of \$16,691,122, a decrease of \$1,283,786 in comparison with the prior year. The majority of this decrease can be attributed to increases in capital expenses, fuel, medical and food costs. The total fund balance included \$4,678,463 of unassigned fund balance that is available for spending at the government's discretion.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$4,678,463, or 27.9 percent of total General Fund expenditures.
- The total debt of Bedford County decreased by \$5,212,665 or 6.7 percent during the current fiscal year.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

Proprietary funds. Bedford County maintains one proprietary fund, an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The county used an enterprise fund to account for its nursing home until it was leased to Christian Care Center of Bedford County, a private company. The basic proprietary fund financial statements can be found on Exhibits D-1 and D-2 of this report. This fund was closed during the year.

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

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

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

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

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Bedford County, liabilities exceeded assets by \$22,985,879 at the close of the fiscal year. The Constitution for the State of Tennessee only allows the local legislative body authorization to issue debt. Therefore, whenever the Bedford County Board of Education requires additional money to fund school construction and equipment, the related debt must be issued by the Bedford County government. As of June 30, 2011, Bedford County had outstanding debt totaling \$64,896,000 for capital purposes of the Bedford County Board of Education, but the capital assets are reported in the financial statements of the Bedford County Board of Education. Bedford County has incurred the related liability significantly decreasing its unrestricted net assets without a corresponding increase in the county's capital assets.

BEDFORD COUNTY'S Net Assets

	Governmental Activities		Business-type Activities		Total	
	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11
Current and Other Assets	\$ 30,477,932	\$ 29,353,177	\$ 190,679	\$ 0	\$ 30,668,611	\$ 29,353,177
Capital Assets	29,667,675	30,834,102	1,047,850	0	30,715,525	30,834,102
Total Assets	\$ 60,145,607	\$ 60,187,279	\$ 1,238,529	\$ 0	\$ 61,384,136	\$ 60,187,279
Long-term Liabilities	\$ 78,235,271	\$ 73,083,475	\$ 0	\$ 0	\$ 78,235,271	\$ 73,083,475
Other Liabilities	9,673,608	10,089,683	28,422	0	9,702,030	10,089,683
Total Liabilities	\$ 87,908,879	\$ 83,173,158	\$ 28,422	\$ 0	\$ 87,937,301	\$ 83,173,158
Net Assets:						
Invested in Capital Assets, Net of Related Debt	\$ 21,777,268	\$ 23,918,548	\$ 0	\$ 0	\$ 21,777,268	\$ 23,918,548
Invested in Capital Assets Restricted	0	0	1,047,850	0	1,047,850	0
Unrestricted	7,604,590	6,192,578	0	0	7,604,590	6,192,578
	(57,145,130)	(53,097,005)	162,257	0	(56,982,873)	(53,097,005)
Total Net Assets	\$ (27,763,272)	\$ (22,985,879)	\$ 1,210,107	\$ 0	\$ (26,553,165)	\$ (22,985,879)

By far, the largest portion of Bedford County's net assets totaling \$23,918,548 reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. Bedford County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Bedford County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the net assets of Bedford County totaling \$6,192,578 represents resources that are subject to external restrictions on how they may be used. Any balance remaining may be used to meet the government's ongoing obligations to citizens and creditors.

Bedford County's Changes in Net Assets

Governmental activities. Governmental activities increased Bedford County government's net assets by \$3,620,497. Key elements of this increase are as follows:

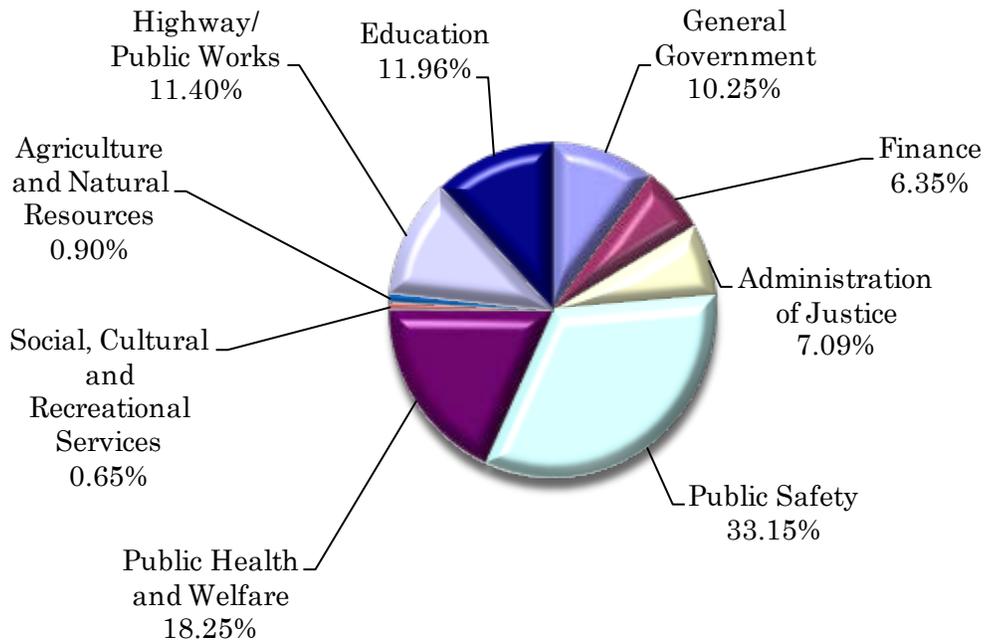
BEDFORD COUNTY'S Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11
Revenues:						
Program Revenues:						
Charges for Services	\$ 6,801,259	\$ 5,639,817	\$ 517,163	\$ 0	\$ 7,318,422	\$ 5,639,817
Operating Grants and Contributions	3,838,749	3,805,231	0	0	3,838,749	3,805,231
Capital Grants and Contributions	191,388	698,513	0	0	191,388	698,513
General Revenues:						
Property Taxes	9,790,424	9,731,369	0	0	9,790,424	9,731,369
Local Option Sales Taxes	4,809,429	5,142,959	0	0	4,809,429	5,142,959
Other Taxes	1,372,638	1,161,823	0	0	1,372,638	1,161,823
Grants and Contributions Not Restricted to Specific Programs	830,886	698,542	0	0	830,886	698,542
Unrestricted Investment Earnings	375,462	336,696	60	0	375,522	336,696
Miscellaneous	534,805	401,887	449	0	535,254	401,887
Total Revenues	\$ 28,545,040	\$ 27,616,837	\$ 517,672	\$ 0	\$ 29,062,712	\$ 27,616,837
Expenses:						
General Government	\$ 2,267,967	\$ 2,458,580	\$ 0	\$ 0	\$ 2,267,967	\$ 2,458,580
Finance	1,557,134	1,522,871	0	0	1,557,134	1,522,871
Administration of Justice	1,615,942	1,700,803	0	0	1,615,942	1,700,803
Public Safety	7,739,326	7,954,991	0	0	7,739,326	7,954,991
Public Health and Welfare	4,233,405	4,380,157	0	0	4,233,405	4,380,157
Social, Cultural, and Recreational Services	163,391	156,662	0	0	163,391	156,662
Agriculture and Natural Resources	251,793	216,955	0	0	251,793	216,955
Other Operations	0	0	0	0	0	0
Highway/Public Works	2,331,309	2,736,615	0	0	2,331,309	2,736,615
Education(Payment to CU)	3,037,040	2,868,706	0	0	3,037,040	2,868,706
Interest on Long-term Debt	0	0	0	0	0	0
Other Debt Service	0	0	0	0	0	0
Nursing Home	0	0	1,122,149	0	1,122,149	0
Total Expenses	\$ 23,197,307	\$ 23,996,340	\$ 1,122,149	\$ 0	\$ 24,319,456	\$ 23,996,340
Transfers	\$ 0	\$ 1,210,107	\$ 0	\$ (1,210,107)	\$ 0	\$ 0
Increase (Decrease) in Net Assets	5,347,733	3,620,497	(604,477)	0	4,743,256	3,620,497
Prior-period Adjustment	(86,002)	(53,211)	0	0	(86,002)	(53,211)
Net Assets, July 1	(33,025,003)	(27,763,272)	1,814,584	1,210,107	(31,210,419)	(26,553,165)
Net Assets, June 30	\$ (27,763,272)	\$ (22,985,879)	\$ 1,210,107	\$ 0	\$ (26,553,165)	\$ (22,985,879)

Governmental Program Expenses

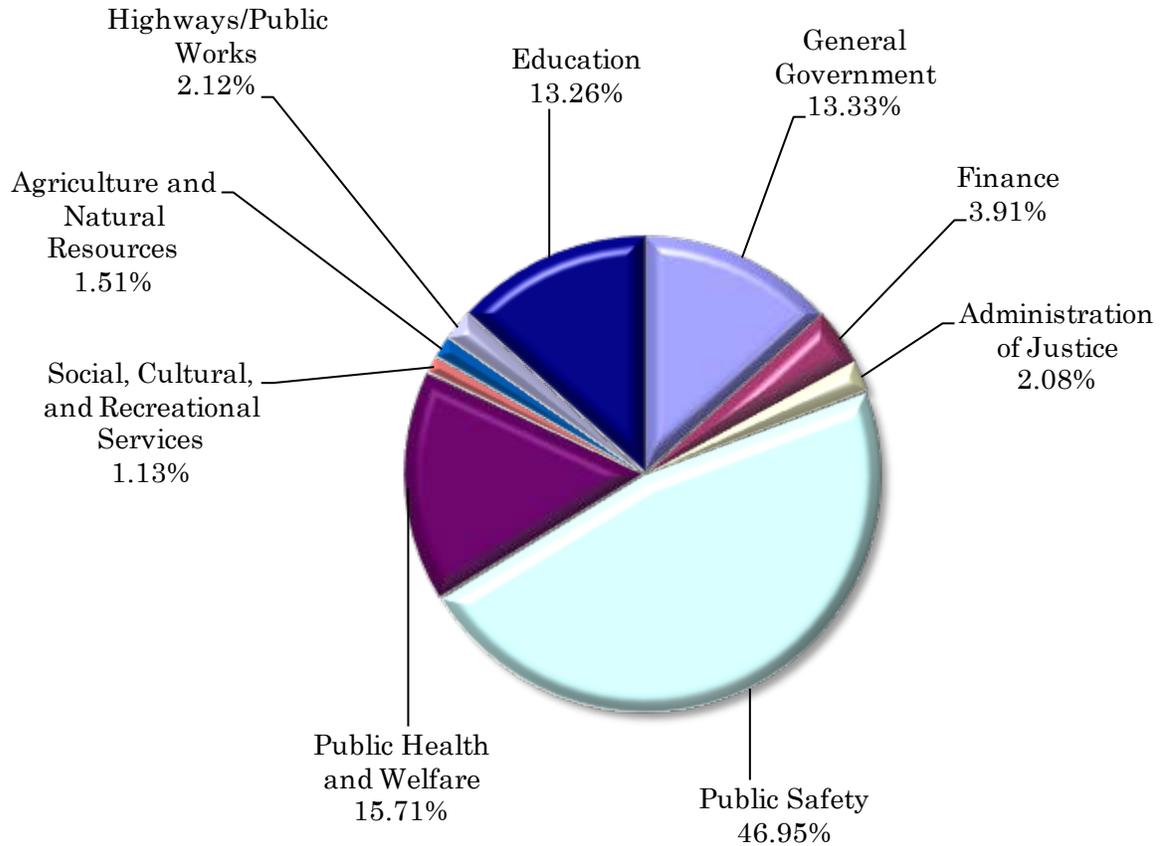
Public Safety expenses of \$7,954,991 are the largest expenses of Bedford County, the primary government, consisting of 33.15 percent of total expenses. Of this amount, \$1,280,113 was recovered from charges for services and \$170,267 from operating grants and contributions. For additional details, see illustrations below.

Expenses by Governmental Activity



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

Net Cost by Governmental Activity



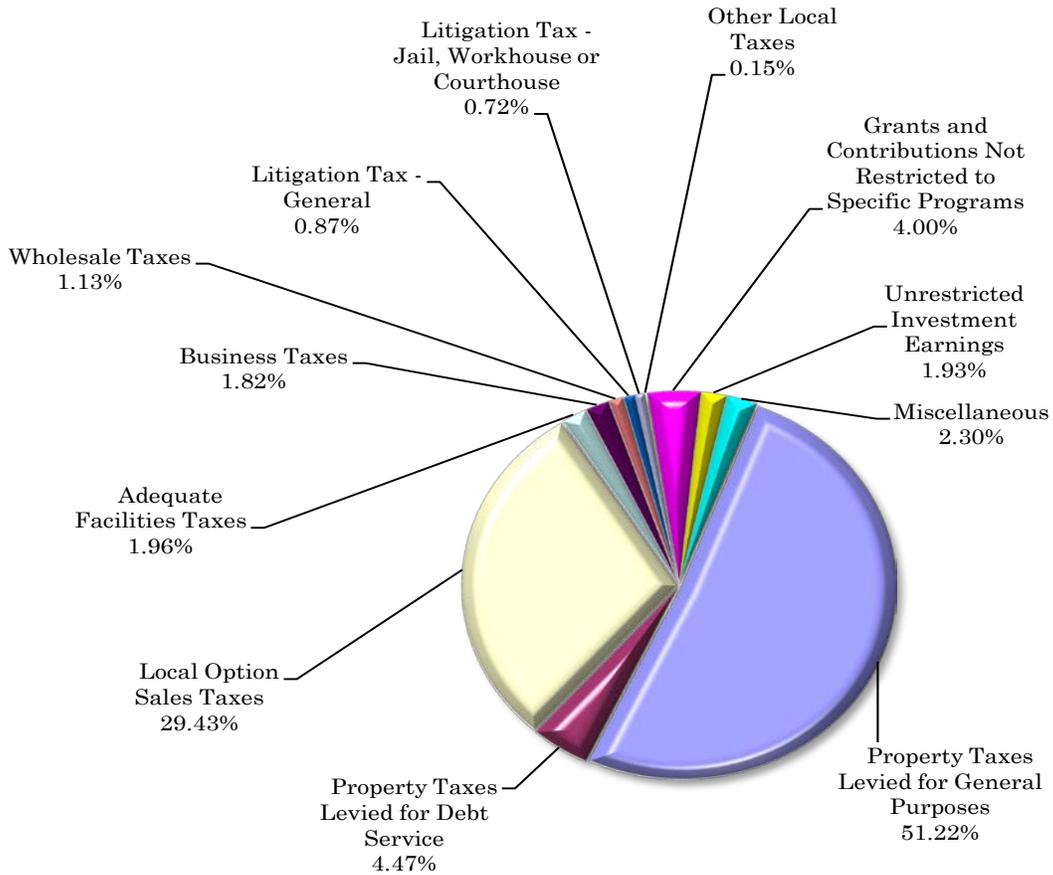
Revenues on the government-wide Statement of Activities are broken into two major categories: program and general revenues.

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

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

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

General Revenues



Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, Bedford County's governmental funds reported combined ending fund balances of \$16,691,122, a decrease of \$1,283,786, in comparison with the prior year. Most of this total amount consists of \$4,678,463 of unassigned fund balance, which is available for spending at the government's discretion, \$6,190,717 of assigned fund balance for capital projects and \$4,369,249 of committed fund balance. The remainder of fund balance is restricted to indicate that it is not available for new spending because it has already been constrained for a variety of other restricted purposes totaling \$1,452,693.

The General Fund is the chief operating fund of Bedford County government. At the end of the current fiscal year, unassigned fund balance was \$4,678,463, while total fund balance reached \$11,638,712. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 27.9 percent of total General Fund expenditures, while total fund balance represents 69.5 percent of that same amount. The General Fund's balance decreased by \$49,546 during the current fiscal year. The original budget for the General Fund reflected an anticipated decrease in undesignated fund balance of \$1,970,197.

The General Debt Service Fund has a total fund balance of \$3,595,256. The decrease in fund balance during the current year in the General Debt Service Fund totaled \$1,149,974. This decrease was primarily from decreased investment income.

General Fund Budgetary Highlights

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

Net Change in Budget - Amended Over (Under) Original

	2010	2011
General Government	\$ 79,292	\$ 89,089
Finance	5,704	77,886
Administration of Justice	492	46,322
Public Safety	831,692	602,247
Public Health and Welfare	1,061,517	988,213
Social, Cultural, and Recreational Services	6,729	0
Agriculture and Natural Resources	50,449	(158)
Other Operations	116,354	45,698
Capital Projects	150,500	3,500
Total	<u>\$ 2,302,729</u>	<u>\$ 1,852,797</u>

The largest increase to the original budget was noted in Public Health and Welfare. This was the result of a contribution to the Solid Waste Authority. The increase in General Government was the result on an increase in technology costs. The increase in Finance was due to reclassifying a position. The increase in Administration of Justice was due to an increase in the General Sessions Court Judge's salary and an increase in technology costs. The increase in Public Safety was due to an increase in fuel medical and food costs. The increase in Other Operations resulted from an increase in employee benefits costs.

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

	2010	2011
General Government	\$ 212,920	\$ 271,371
Finance	159,309	257,549
Administration of Justice	123,684	118,461
Public Safety	721,052	451,455
Public Health and Welfare	315,960	271,593
Agriculture and Natural Resources	36,639	13,121
Other Operations	44,338	36,335
Capital Projects	132,482	10,246
Total	<u>\$ 1,746,384</u>	<u>\$ 1,430,131</u>

At the close of the fiscal year, actual expenditures and encumbrances were \$1,430,131 less than budgetary estimates. Most of the unspent appropriation is in the personnel and benefit line items. The county typically budgets all positions as being filled for the entire year. Because of turnovers, appropriations are normally left unspent in those cost categories. Since Public Safety and Public Health and Welfare have most of the full-time employment, these functions typically will have more unspent appropriations than the other functions.

Capital Assets and Debt Administration

Capital assets. Bedford County's investment in capital assets for its governmental funds as of June 30, 2011, totaled \$30,834,102, (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, other capital assets (includes equipment), and infrastructure (roads, highways, and bridges). The increase in the governmental funds investment in capital assets for the current fiscal year totaled \$1,166,427, which represents a 3.9 percent increase over the prior year.

	Governmental Activities		Business-type Activities		Total	
	2010	2011	2010	2011	2010	2011
Land	\$ 1,075,718	\$ 1,225,867	\$ 150,149	\$ 0	\$ 1,225,867	\$ 1,225,867
Construction in Progress	0	131,642	0	0	0	131,642
Buildings and Improvements	7,768,954	8,487,890	532,259	0	8,301,213	8,487,890
Other Capital Assets	2,433,170	2,241,485	365,442	0	2,798,612	2,241,485
Infrastructure	18,389,833	18,747,218	0	0	18,389,833	18,747,218
Total	<u>\$ 29,667,675</u>	<u>\$ 30,834,102</u>	<u>\$ 1,047,850</u>	<u>\$ 0</u>	<u>\$ 30,715,525</u>	<u>\$ 30,834,102</u>

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

Long-term debt. At the end of the current fiscal year, Bedford County government had total bonded debt outstanding of \$65,265,000. All debt is backed by the full faith and credit of the government.

Bedford County, Tennessee
Outstanding Debt
As of June 30, 2011

	Governmental Activities	
	2010	2011
General Obligation Bonds	\$ 68,385,000	\$ 65,265,000
Notes Payable	5,153,163	3,518,498
Other Debt Payable	3,759,000	3,301,000
Total	\$ 77,297,163	\$ 72,084,498

Bedford County’s total debt decreased by \$5,212,665 (6.7 percent) during the current fiscal year.

Currently, state statutes do not limit the amount of general obligation debt a government entity may issue. Bedford County’s bond rating from Moody’s Investor Services was affirmed at Aa3 in October, 2011.

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

Economic Factors and Next Year’s Budget and Rates

Bedford County adopted a budget for the fiscal year ending June 30, 2012, on June 28, 2011. Many factors were considered when adopting this budget, including an increased unemployment rate, a slowdown in the housing market, which affects several revenue items including excess fees from the register of deeds, development tax, building related permit fees, and a decrease in local option sales tax collections.

At the end of the 2010-11 fiscal year, unassigned fund balance in the General Fund was \$4,678,463. Unassigned fund balance in the General Fund as of June 30, 2011, is estimated to be 26.4 percent of appropriations.

The committed fund balance in the General Debt Service Fund also decreased to \$3,595,256. Of this amount, \$1,474,358 has been appropriated for spending in the 2011-2012 fiscal year. The committed fund balance in the General Debt Service Fund as of June 30, 2011, is estimated to be 48.6 percent of budgeted debt service expenditures.

Fund	2010 Tax Rate	Change	2011 Tax Rate
General	\$ 1.11	\$ 0.00	\$ 1.11
Highway/Public Works	0.04	0.00	0.04
General Purpose School	1.02	0.00	1.02
General Debt Service	0.10	0.00	0.10
Total County Property Tax	\$ 2.27	\$ 0.00	\$ 2.27

Request for Information

This financial report is designed to provide a general overview of the Bedford County government's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Bedford County Director of Finance, 200 Dover Street, Suite 102, Shelbyville, TN 37160.

BASIC FINANCIAL STATEMENTS

Exhibit A

Bedford County, Tennessee
Statement of Net Assets
June 30, 2011

	Primary Governmental Activities	Component Units				
		Bedford				
		Bedford County School Department	County Solid Waste Authority	Emergency Communications District		
Cash	\$ 255	\$ 5,936	\$ 73,236	\$	270,055	
Equity in Pooled Cash and Investments	15,627,616	12,666,007	0	0	0	
Inventories	0	154,382	0	0	0	
Accounts Receivable	1,877,640	34,203	5,028	46,242	0	
Allowance for Uncollectibles	(1,058,364)	0	0	0	0	
Due from Other Governments	1,968,433	1,333,994	0	0	0	
Due from Component Units	77,053	0	0	0	0	
Property Taxes Receivable	10,628,414	8,672,787	0	0	0	
Allowance for Uncollectible Property Taxes	(545,412)	(445,056)	0	0	0	
Prepaid Items	0	0	0	32,709	0	
Deferred Charges - Debt Issuance Costs	777,542	0	0	0	0	
Restricted Assets	0	0	0	0	100	
Capital Assets:						
Assets Not Depreciated:						
Land	1,225,867	2,785,691	10,200	0	0	
Construction in Progress	131,642	0	0	0	0	
Assets Net of Accumulated Depreciation:						
Buildings and Improvements	8,487,890	92,461,205	174,949	218,814	0	
Other Capital Assets	2,241,485	3,876,925	607,070	633,820	0	
Infrastructure	18,747,218	0	0	0	0	
Total Assets	\$ 60,187,279	\$ 121,546,074	\$ 870,483	\$ 1,201,740		

(Continued)

Exhibit A

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

	Primary Governmental Activities	Component Units			
		Bedford County School Department	Bedford County Solid Waste Authority	Emergency Communications District	
\$	314,233	\$ 428,317	\$ 27,342	\$ 4,841	
	600	0	0	0	
	210,435	0	0	0	
	933	1,045,485	5,178	1,438	
	0	64,667	0	12,386	
	9,563,482	7,803,802	0	0	
	5,463,569	0	12,817	117,904	
	<u>67,619,906</u>	<u>371,655</u>	<u>3,208</u>	<u>30,704</u>	
	<u>\$ 83,173,158</u>	<u>\$ 9,713,926</u>	<u>\$ 48,545</u>	<u>\$ 167,273</u>	

LIABILITIES

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

(Continued)

Exhibit A

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

	Primary Governmental Activities	Component Units			
		Bedford County School Department	Bedford County Solid Waste Authority	Bedford County Emergency Communications District	
Invested in Capital Assets, Net of Related Debt	\$ 23,918,548	\$ 0	\$ 0	\$ 0	\$ 704,026
Invested in Capital Assets Restricted for:	0	99,123,821	792,219	0	0
Debt Service	3,942,982	0	0	0	0
Central Cafeteria	0	1,636,724	0	0	0
Education	0	1,155,369	0	0	0
Highway	993,638	0	0	0	0
Administration of Justice	544,654	0	0	0	0
Nursing Home Projects	524,396	0	0	0	0
School Federal Projects	0	477,273	0	0	0
Extended School Program	0	136,096	0	0	0
Capital Projects	90,074	0	0	0	0
Public Health and Welfare	83,085	0	0	0	0
Other Purposes	13,749	0	0	0	0
Unrestricted	(53,097,005)	9,302,865	29,719	330,441	
Total Net Assets (Deficit)	\$ (22,985,879)	\$ 111,832,148	\$ 821,938	\$ 1,034,467	

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

Exhibit B

Bedford County, Tennessee
Statement of Activities
For the Year Ended June 30, 2011

Net (Expense) Revenue and Changes in Net Assets

Functions/Programs	Program Revenues					Component Units		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total	Bedford County School Department	Bedford County Solid Waste Authority	Emergency Communications District
Primary Government:								
Governmental Activities:								
General Government	\$ 2,458,580	\$ 569,304	\$ 42,259	\$ 0	\$ (1,847,017)	\$ 0	\$ 0	\$ 0
Finance	1,522,871	981,784	0	0	(541,087)	0	0	0
Administration of Justice	1,700,803	1,403,878	9,070	0	(287,855)	0	0	0
Public Safety	7,954,991	1,280,113	170,267	0	(6,504,611)	0	0	0
Public Health and Welfare	4,380,157	1,377,502	484,359	341,492	(2,176,804)	0	0	0
Social, Cultural, and Recreational Services	156,662	0	0	0	(156,662)	0	0	0
Agriculture and Natural Resources	216,955	7,800	0	0	(209,155)	0	0	0
Highways/Public Works	2,736,615	19,436	2,066,926	357,021	(293,232)	0	0	0
Education	2,868,706	0	1,032,350	0	(1,836,356)	0	0	0
Total Governmental Activities	\$ 23,996,340	\$ 5,639,817	\$ 3,805,231	\$ 698,513	\$ (13,852,779)	\$ 0	\$ 0	\$ 0
Business-type Activities:								
Nursing Home	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Business-type Activities	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Primary Government	\$ 23,996,340	\$ 5,639,817	\$ 3,805,231	\$ 698,513	\$ (13,852,779)	\$ 0	\$ 0	\$ 0
Component Units:								
Bedford County School Department	\$ 61,487,565	\$ 1,753,479	\$ 8,502,993	\$ 71,571	\$ 0	\$ (51,179,522)	\$ 0	\$ 0
Bedford County Solid Waste Authority	1,006,579	0	1,113,868	0	0	0	107,289	0
Emergency Communications District	600,809	557,169	0	0	0	0	0	(43,640)
Total Component Units	\$ 63,094,953	\$ 2,290,648	\$ 9,616,861	\$ 71,571	\$ 0	\$ (51,179,522)	\$ 107,289	\$ (43,640)

(Continued)

Exhibit B

Bedford County, Tennessee
Statement of Activities (Cont.)

Net (Expense) Revenue and Changes in Net Assets

Functions/Programs	Program Revenues			Component Units								
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Bedford			Emergency Communications District				
					Governmental Activities	Primary Governmental Business-type Activities	Total		Bedford County School Department	Bedford County Solid Waste Authority	Bedford County Emergency Communications District	
General Revenues:												
Taxes:												
Property Taxes Levied for General Purposes			\$ 8,950,534	\$ 8,950,534								
Property Taxes Levied for Debt Service			780,835	780,835								
Local Option Sales Taxes			5,142,959	5,142,959								
Adequate Facilities Tax			342,536	342,536								
Business Tax			317,681	317,681								
Wholesale Beer Tax			197,564	197,564								
Litigation Tax - General			152,194	152,194								
Litigation Tax - Jail, Workhouse, or Courthouse			126,385	126,385								
Mineral Severance Tax			109,964	109,964								
Other Local Taxes			25,463	25,463								
Grants and Contributions Not Restricted to Specific Programs			698,542	698,542								
Unrestricted Investment Earnings			336,696	336,696								
Miscellaneous			291,923	291,923								
Loss on Disposal of Capital Assets			0	0								
Total General Revenues			\$ 17,473,276	\$ 17,473,276								
Transfers			\$ 1,210,107	\$ (1,210,107)								
Change in Net Assets			\$ 4,830,604	\$ (1,210,107)								
Net Assets (Deficit), July 1, 2010			(27,763,272)	1,210,107								
Prior-period Adjustment			(53,211)	0								
Net Assets (Deficit), June 30, 2011			\$ (22,985,879)	\$ 0								
			\$ 48,739,981	\$ 0								
			\$ 0	\$ 0								
			\$ (2,439,541)	\$ 107,289								
			114,271,689	714,649								
			0	0								
			\$ 111,832,148	\$ 821,938								
			\$ 1,034,467									

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

Exhibit C-1

Bedford County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2011

	Major Funds			Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Other Governmental Funds	
<u>ASSETS</u>					
Cash	\$ 255	\$ 0	\$ 0	\$ 0	\$ 255
Equity in Pooled Cash and Investments	11,249,165	673,654	3,013,865	690,932	15,627,616
Accounts Receivable	1,790,176	331	86,633	500	1,877,640
Allowance for Uncollectibles	(1,056,636)	0	(1,728)	0	(1,058,364)
Due from Other Governments	703,701	391,297	852,066	21,369	1,968,433
Due from Other Funds	10,753	0	122,589	0	133,342
Due from Component Units	77,053	0	0	0	77,053
Property Taxes Receivable	9,425,385	340,109	862,920	0	10,628,414
Allowance for Uncollectible Property Taxes	(479,991)	(17,453)	(47,968)	0	(545,412)
Total Assets	\$ 21,719,861	\$ 1,387,938	\$ 4,888,377	\$ 712,801	\$ 28,708,977
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 195,079	\$ 83,884	\$ 0	\$ 35,270	\$ 314,233
Accrued Payroll	600	0	0	0	600
Payroll Deductions Payable	0	933	0	0	933
Due to Other Funds	122,589	10,753	0	0	133,342
Deferred Revenue - Current Property Taxes	8,492,372	306,031	765,079	0	9,563,482
Deferred Revenue - Delinquent Property Taxes	418,436	15,355	46,066	0	479,857
Other Deferred Revenues	852,073	191,359	481,976	0	1,525,408
Total Liabilities	\$ 10,081,149	\$ 608,315	\$ 1,293,121	\$ 35,270	\$ 12,017,855
<u>Fund Balances</u>					
Restricted:					
Restricted for General Government	\$ 4,743	\$ 0	\$ 0	\$ 0	\$ 4,743
Restricted for Finance	4,884	0	0	0	4,884
Restricted for Administration of Justice	544,654	0	0	0	544,654
Restricted for Public Safety	1,061	0	0	34,643	35,704
Restricted for Public Health and Welfare	83,085	0	0	0	83,085
Restricted for Highways/Public Works	0	779,623	0	0	779,623
Committed:					
Committed for General Government	31,672	0	0	0	31,672
Committed for Finance	10,673	0	0	0	10,673
Committed for Administration of Justice	13,173	0	0	0	13,173
Committed for Public Safety	57,957	0	0	0	57,957
Committed for Public Health and Welfare	14,164	0	0	524,396	538,560
Committed for Agriculture and Natural Resources	116	0	0	28,418	28,534
Committed for Other Operations	3,350	0	0	0	3,350
Committed for Debt Service	0	0	3,595,256	0	3,595,256
Committed for Capital Projects	0	0	0	90,074	90,074
Assigned:					
Assigned for Capital Projects	6,190,717	0	0	0	6,190,717
Unassigned	4,678,463	0	0	0	4,678,463
Total Fund Balances	\$ 11,638,712	\$ 779,623	\$ 3,595,256	\$ 677,531	\$ 16,691,122
Total Liabilities and Fund Balances	\$ 21,719,861	\$ 1,387,938	\$ 4,888,377	\$ 712,801	\$ 28,708,977

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

Exhibit C-2

Bedford County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Assets
June 30, 2011

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$	16,691,122
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	1,225,867	
Add: construction in progress		131,642	
Add: buildings and improvements net of accumulated depreciation		8,487,890	
Add: other capital assets net of accumulated depreciation		2,241,485	
Add: infrastructure net of accumulated depreciation		<u>18,747,218</u>	30,834,102
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: notes payable	\$	(3,518,498)	
Less: other loans payable		(3,301,000)	
Less: bonds payable		(65,265,000)	
Add: deferred amount on refunding		30,119	
Add: deferred charges - debt issuance costs		777,542	
Less: compensated absences payable		(264,169)	
Less: other postemployment benefits liability		(318,160)	
Less: accrued interest on bonds and notes		(210,435)	
Less: other deferred revenue - premium on debt		<u>(446,767)</u>	(72,516,368)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>2,005,265</u>
Net assets (deficit) of governmental activities (Exhibit A)		\$	<u>(22,985,879)</u>

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

Exhibit C-3

Bedford County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2011

	Major Funds			Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Other Governmental Funds	
<u>Revenues</u>					
Local Taxes	\$ 10,162,481	\$ 435,607	\$ 6,059,591	\$ 0	\$ 16,657,679
Licenses and Permits	110,558	0	0	0	110,558
Fines, Forfeitures, and Penalties	307,499	0	0	16,134	323,633
Charges for Current Services	1,820,265	0	0	1,205	1,821,470
Other Local Revenues	490,546	18,068	470,292	274,189	1,253,095
Fees Received from County Officials	1,812,097	0	0	0	1,812,097
State of Tennessee	1,874,690	2,242,972	0	0	4,117,662
Federal Government	123,603	199,978	0	341,492	665,073
Other Governments and Citizens Groups	2,000	10,037	1,032,350	0	1,044,387
Total Revenues	\$ 16,703,739	\$ 2,906,662	\$ 7,562,233	\$ 633,020	\$ 27,805,654
<u>Expenditures</u>					
Current:					
General Government	\$ 1,330,518	\$ 0	\$ 0	\$ 0	\$ 1,330,518
Finance	1,550,513	0	0	54	1,550,567
Administration of Justice	1,694,880	0	0	1,151	1,696,031
Public Safety	7,361,684	0	0	17,583	7,379,267
Public Health and Welfare	3,731,750	0	0	189,983	3,921,733
Social, Cultural, and Recreational Services	156,662	0	0	0	156,662
Agriculture and Natural Resources	194,713	0	0	11,597	206,310
Other Operations	722,411	7,000	0	60,555	789,966
Highways	0	2,986,847	0	0	2,986,847
Capital Outlay	0	0	0	469,943	469,943
Debt Service:					
Principal on Debt	0	0	5,512,665	0	5,512,665
Interest on Debt	0	0	3,104,068	0	3,104,068
Other Debt Service	0	0	95,474	0	95,474
Capital Projects	10,154	0	0	341,492	351,646
Total Expenditures	\$ 16,753,285	\$ 2,993,847	\$ 8,712,207	\$ 1,092,358	\$ 29,551,697
Excess (Deficiency) of Revenues Over Expenditures	\$ (49,546)	\$ (87,185)	\$ (1,149,974)	\$ (459,338)	\$ (1,746,043)
<u>Other Financing Sources (Uses)</u>					
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 300,000	\$ 300,000
Transfers In	0	0	0	162,257	162,257
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 462,257	\$ 462,257
Net Change in Fund Balances	\$ (49,546)	\$ (87,185)	\$ (1,149,974)	\$ 2,919	\$ (1,283,786)
Fund Balance, July 1, 2010	11,688,258	866,808	4,745,230	674,612	17,974,908
Fund Balance, June 30, 2011	\$ 11,638,712	\$ 779,623	\$ 3,595,256	\$ 677,531	\$ 16,691,122

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

Exhibit C-4

Bedford County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Year Ended June 30, 2011

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

Net change in fund balances - total governmental funds (Exhibit C-3)		\$ (1,283,786)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current-period	\$ 1,602,588	
Add: transfer of capital assets from Nursing Home	1,047,850	
Less: current-year depreciation expense	<u>(1,430,800)</u>	1,219,638
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2011	\$ 2,005,265	
Less: deferred delinquent property taxes and other deferred June 30, 2010	<u>(2,231,775)</u>	(226,510)
(3) The issuance of long-term debt (e.g., bonds, notes, and other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:		
Less: note proceeds	\$ (300,000)	
Add: change in premium on debt issuances	37,693	
Less: change in deferred debt issuance costs	(42,370)	
Add: principal payments on bonds	3,120,000	
Add: principal payments on notes	1,934,665	
Add: principal payments on other loans	458,000	
Less: change in deferred amount on refunding debt	<u>(10,320)</u>	5,197,668
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 11,836	
Change in compensated absences payable	27,149	
Change in other postemployment benefits liability	<u>(115,391)</u>	(76,406)
Change in net assets of governmental activities (Exhibit B)		<u>\$ 4,830,604</u>

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

Exhibit D-1

Bedford County, Tennessee
Statement of Revenues, Expenses, and
Changes in Net Assets
Proprietary Fund
For the Year Ended June 30, 2011

	<u>Major Fund</u> <u>Business-type</u> <u>Activities -</u> <u>Enterprise Fund</u> <u>Bedford</u> <u>County</u> <u>Nursing</u> <u>Home</u>
<u>Operating Revenues</u>	
Total Operating Revenues	\$ 0
	<u>\$ 0</u>
<u>Operating Expenses</u>	
Total Operating Expenses	\$ 0
Operating Income (Loss)	<u>\$ 0</u>
<u>Nonoperating Revenues (Expenses)</u>	
Total Nonoperating Revenues (Expenses)	\$ 0
	<u>\$ 0</u>
Income before Transfer	\$ 0
Transfer to Primary Government	<u>(1,210,107)</u>
Change in Net Assets	\$ (1,210,107)
Net Assets, July 1, 2010	<u>1,210,107</u>
Nets Assets, June 30, 2011	<u><u>\$ 0</u></u>

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

Exhibit D-2

Bedford County, Tennessee
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2011

	<u>Major Fund</u> <u>Business-type</u> <u>Activities -</u> <u>Enterprise Fund</u> <u>Bedford</u> <u>County</u> <u>Nursing</u> <u>Home</u>
<u>Cash Flows from Operating Activities</u>	
Other Receipts	\$ 95,759
Other Payments	(271,426)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (175,667)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Transfers to Other Funds	\$ (162,257)
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ (162,257)</u>
Net Increase (Decrease) in Cash	\$ (337,924)
Cash, July 1, 2010	<u>337,924</u>
Cash, June 30, 2011	<u>\$ 0</u>
<u>Reconciliation of Operating Income (Loss)</u> <u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ 0
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	41,672
(Increase) Decrease in Due from Other Funds	45,163
(Increase) Decrease in Third-party Payor Settlements	8,924
Increase (Decrease) in Accounts Payable	(19,863)
Increase (Decrease) in Due to State of Tennessee	(8,559)
Increase (Decrease) in Due to Other Funds	(243,004)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (175,667)</u>

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

Exhibit E

Bedford County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2011

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,076,108
Accounts Receivable	2,828
Due from Other Governments	<u>598,169</u>
Total Assets	<u>\$ 1,677,105</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 598,169
Due to Litigants, Heirs, and Others	<u>1,078,936</u>
Total Liabilities	<u>\$ 1,677,105</u>

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

BEDFORD COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

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

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

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

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

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

Administrative Office:

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

B. Government-wide and Fund Financial Statements

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

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

Bedford County issues all debt for the discretely presented Bedford County School Department and the Bedford County Solid Waste Authority. No debt issues were contributed by the county to the School Department during the

year ended June 30, 2011. Net debt issues totaling \$189,983 were contributed by the county to the Solid Waste Authority during the year ended June 30, 2011.

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

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

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

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

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

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

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

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

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

Bedford County reports the following major governmental funds:

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

Highway/Public Works Fund – This special revenue fund accounts for transactions of the county’s Highway Department. Local and state gasoline/fuel taxes are the foundational revenues of this fund.

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

Bedford County reports the following major proprietary fund:

Nursing Home Fund – This fund was previously used to provide nursing care to the citizens of Bedford County. During the year, this fund was closed, and subsequent transactions related to the nursing home have been accounted for in a special revenue fund.

Additionally, Bedford County reports the following fund type:

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

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

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

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

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

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

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

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

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

It is the county’s policy that restricted amounts would be reduced first followed by unrestricted amounts when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available. Also, it is the county’s policy that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used.

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

2. Receivables and Payables

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

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

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also

defer revenue recognition in connection with resources that have been received, but not yet earned.

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

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

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

3. Inventories

Inventories of the discretely presented School Department are recorded at cost, determined on the first-in, first-out method. Inventories are offset in the nonspendable fund balance account in governmental funds.

4. Capital Assets

Primary Government and Discretely Presented School Department

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$10,000 or more (\$25,000 infrastructure) and an estimated

useful life of more than three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

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

Discretely Presented Bedford County Solid Waste Authority

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

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

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

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

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

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

5. Compensated Absences

Primary Government and the Discretely Presented Solid Waste Authority

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

Discretely Presented Bedford County School Department

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

6. Long-term Obligations

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

In the fund financial statements, governmental funds recognize debt premiums and discounts, as well as debt issuance costs, during the

current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

7. Net Assets

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

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

As of June 30, 2011, Bedford County had \$64,896,000 in outstanding debt for capital purposes for the discretely presented Bedford County School Department and \$189,983 in outstanding debt for capital purposes for the discretely presented Bedford County Solid Waste Authority. These debts are liabilities of Bedford County, but the capital assets acquired are reported in the financial statements of the School Department and the Solid Waste Authority. Therefore, Bedford County has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county's capital assets.

In the fund financial statements, governmental funds report fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in these funds can be spent. These classifications may consist of the following:

Nonspendable Fund Balance – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – includes amounts that have constraints placed on the use of the resources that are either (a) externally imposed by creditors, grantors, contributors or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the County Commission, the county's highest level of decision-making authority, the Board of Education, the School Department's highest level of decision-making authority, and the Solid Waste Authority Board of Directors, the Solid Waste Authority's highest level of decision-making authority.

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The county's finance director, the Board of Education, and the Solid Waste Authority are authorized bodies to make assignments.

Unassigned Fund Balance – the residual classification of the General and General Purpose School funds. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General and General Purpose School funds.

8. **Prior-period Adjustment**

Capital assets were restated \$53,211 from the prior year because capital assets obtained from the Nursing Home (proprietary fund) did not meet the county's capital asset recognition policy.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Bedford County School Department

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

Discretely Presented Bedford County Solid Waste Authority

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

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

Primary Government

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

Discretely Presented Bedford County School Department

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

Discretely Presented Bedford County Solid Waste Authority

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

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

At June 30, 2011, the Bedford County School Department reported the following significant encumbrances:

<u>Funds</u>	<u>Description</u>	<u>Amount</u>
School Department		
Major Fund:		
General Purpose School	School Renovation and Computers	\$ 273,337

B. Appropriations Exceeded Estimated Available Funds

The budget and subsequent amendments submitted to and approved by the County Commission for the Highway/Public Works Fund and the Solid Waste/Sanitation Fund resulted in appropriations exceeding estimated funding by \$105,834 and \$70,476, respectively.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

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

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

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make

investments in the State Treasurer's Investment Pool and in repurchase agreements. Repurchase agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

The county had no pooled and nonpooled investments as of June 30, 2011.

B. Capital Assets

Capital assets activity for the year ended June 30, 2011, was as follows:

Primary Government

Governmental Activities:

	* Restated			
	Balance			Balance
	7-1-10	Increases	Decreases	6-30-11
Capital Assets Not Depreciated:				
Land	\$ 1,225,867	\$ 0	\$ 0	\$ 1,225,867
Construction in Progress	0	131,642	0	131,642
Total Capital Assets Not Depreciated	\$ 1,225,867	\$ 131,642	\$ 0	\$ 1,357,509
Capital Assets Depreciated:				
Buildings and Improvements	\$ 14,301,587	\$ 339,152	\$ 0	\$ 14,640,739
Other Capital Assets	6,660,391	189,054	(47,355)	6,802,090
Roads and Bridges	23,233,888	942,740	0	24,176,628
Total Capital Assets Depreciated	\$ 44,195,866	\$ 1,470,946	\$ (47,355)	\$ 45,619,457
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 5,781,688	\$ 371,161	\$ 0	\$ 6,152,849
Other Capital Assets	4,133,676	474,284	(47,355)	4,560,605
Roads and Bridges	4,844,055	585,355	0	5,429,410
Total Accumulated Depreciation	\$ 14,759,419	\$ 1,430,800	\$ (47,355)	\$ 16,142,864

Governmental Activities (Cont.):

	* Restated			
	Balance			Balance
	7-1-10	Increases	Decreases	6-30-11
Total Capital Assets				
Depreciated, Net	\$ 29,436,447	\$ 40,146	\$ 0	\$ 29,476,593
Governmental Activities				
Capital Assets, Net	\$ 30,662,314	\$ 171,788	\$ 0	\$ 30,834,102

*See footnote I.D.8. for prior-period adjustment and footnote IV.C for one time transfer of capital assets from the Nursing Home.

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

Governmental Activities:

General Government	\$ 56,781
Public Safety	391,556
Public Health and Welfare	324,081
Agriculture and Natural Resources	10,645
Highway/Public Works	<u>647,737</u>
 Total Depreciation Expense - Governmental Activities	 <u>\$ 1,430,800</u>

Discretely Presented Bedford County School Department

Governmental Activities:

	Balance			Balance
	7-1-10	Increases		6-30-11
Capital Assets Not				
Depreciated:				
Land	\$ 2,785,691	\$ 0		\$ 2,785,691
Total Capital Assets				
Not Depreciated	\$ 2,785,691	\$ 0		\$ 2,785,691
Capital Assets				
Depreciated:				
Buildings and				
Improvements	\$ 117,858,386	\$ 201,048		\$ 118,059,434
Other Capital Assets	7,841,705	604,293		8,445,998
Total Capital Assets				
Depreciated	\$ 125,700,091	\$ 805,341		\$ 126,505,432

Governmental Activities (Cont.):

	Balance 7-1-10	Increases	Balance 6-30-11
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 22,725,300	\$ 2,872,929	\$ 25,598,229
Other Capital Assets	3,945,189	623,884	4,569,073
Total Accumulated Depreciation	<u>\$ 26,670,489</u>	<u>\$ 3,496,813</u>	<u>\$ 30,167,302</u>
Total Capital Assets Depreciated, Net	<u>\$ 99,029,602</u>	<u>\$ (2,691,472)</u>	<u>\$ 96,338,130</u>
Governmental Activities Capital Assets, Net	<u>\$ 101,815,293</u>	<u>\$ (2,691,472)</u>	<u>\$ 99,123,821</u>

The discretely presented School Department had no capital asset decreases during the year.

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

Governmental Activities:

Instruction	\$ 2,927,605
Support Services	534,240
Operation of Non-Instructional Services	<u>34,968</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 3,496,813</u>

Discretely Presented Bedford County Solid Waste Authority

Governmental Activities:

	Balance 7-1-10	Increases	Balance 6-30-11
Capital Assets Not Depreciated:			
Land	\$ 10,200	\$ 0	\$ 10,200
Total Capital Assets Not Depreciated	<u>\$ 10,200</u>	<u>\$ 0</u>	<u>\$ 10,200</u>

Governmental Activities (Cont.):

	Balance 7-1-10	Increases	Balance 6-30-11
Capital Assets			
Depreciated:			
Buildings and			
Improvements	\$ 298,246	\$ 0	\$ 298,246
Other Capital Assets	836,343	189,983	1,026,326
Total Capital Assets			
Depreciated	\$ 1,134,589	\$ 189,983	\$ 1,324,572
Less Accumulated			
Depreciation For:			
Buildings and			
Improvements	\$ 116,202	\$ 7,095	\$ 123,297
Other Capital Assets	381,241	38,015	419,256
Total Accumulated			
Depreciation	\$ 497,443	\$ 45,110	\$ 542,553
Total Capital Assets			
Depreciated, Net	\$ 637,146	\$ 144,873	\$ 782,019
Governmental Activities			
Capital Assets, Net	\$ 647,346	\$ 144,873	\$ 792,219

The discretely presented Solid Waste Authority had no capital asset decreases during the year.

Depreciation expense of \$45,110 was charged to the convenience center function of the authority.

C. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2011, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General Debt Service	General	\$ 122,589
General	Highway/Public Works	10,753
Discretely Presented School		
Department:		
General Purpose School	Nonmajor governmental	24,274

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

Due to/from Primary Government and Component Unit:

Receivable Fund	Payable Fund	Amount
Primary Government: General	Component Units: Emergency Communications District	\$ 12,386
General	School Department: General Purpose School	47,279
General	Central Cafeteria	17,388

Interfund Transfers:

Interfund transfers for the year ended June 30, 2011, consisted of the following amounts:

Primary Government

Transfer Out	Transfer In Nonmajor Governmental Fund
Nursing Home (enterprise fund)	\$ 162,257

Discretely Presented Bedford County School Department

Transfers Out	Transfers In	
	General Purpose School Fund	School Federal Projects Fund
General Purpose School Fund	\$ 0	\$ 100,000
School Federal Projects Fund	3,192	0
Totals	<u>\$ 3,192</u>	<u>\$ 100,000</u>

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

The Nursing Home Fund (proprietary fund) made a one-time transfer of \$1,047,850 of capital assets to the county and a \$162,257 cash transfer to the Nursing Home Projects (capital projects fund) to close the Nursing Home Fund.

D. Long-term Debt

Primary Government

General Obligation Bonds, Notes, and Other Loans

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

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, and other loans outstanding were issued for original terms of up to 30 years for bonds, up to ten years for notes, and up to 20 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds, notes, and other loans included in long-term debt as of June 30, 2011, will be retired from the General Debt Service Fund.

General obligation bonds, capital outlay notes, and other loans outstanding as of June 30, 2011, for governmental activities are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-11
General Obligation Bonds	2 to 5%	\$ 68,790,000	\$ 60,145,000
General Obligation Bonds - Refunding	2 to 4.55	8,565,000	5,120,000
Capital Outlay Notes	2.7 to 4.14	8,743,000	3,518,498
Other Loans	variable	8,000,000	3,301,000

In prior years, Bedford County entered into a loan agreement with the Montgomery County Public Building Authority. This loan agreement provided for the authority to make \$8,000,000 available for loan to Bedford County on an as-needed basis for various renovation and construction projects. Bedford County had borrowed the entire amount of the loan. The loan is repayable at an interest rate that is a tax-exempt variable rate determined by the remarketing agent daily or weekly, depending on the particular program. In addition, the county pays various other fees (trustee,

letter of credit, and debt remarketing) in connection with this loan. At June 30, 2011, the variable interest rate was .46 percent, and other fees totaled approximately .25 percent (letter of credit), .08 percent (remarketing), and \$85 per month (trustee) of the outstanding loan principal.

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2011, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Notes		
	Principal	Interest	Total
2012	\$ 1,738,360	\$ 118,441	\$ 1,856,801
2013	1,310,185	58,216	1,368,401
2014	220,953	15,859	236,812
2015	189,000	8,077	197,077
2016	60,000	1,620	61,620
Total	<u>\$ 3,518,498</u>	<u>\$ 202,213</u>	<u>\$ 3,720,711</u>

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2012	\$ 482,000	\$ 15,302	\$ 11,913	\$ 509,215
2013	508,000	13,068	10,323	531,391
2014	534,000	10,713	8,646	553,359
2015	562,000	8,238	6,884	577,122
2016	592,000	5,632	5,030	602,662
2017	623,000	2,888	2,991	628,879
Total	<u>\$ 3,301,000</u>	<u>\$ 55,841</u>	<u>\$ 45,787</u>	<u>\$ 3,402,628</u>

Year Ending June 30	Bonds		
	Principal	Interest	Total
2012	\$ 3,230,000	\$ 2,788,836	\$ 6,018,836
2013	3,350,000	2,661,312	6,011,312
2014	3,470,000	2,526,851	5,996,851
2015	2,950,000	2,386,597	5,336,597
2016	3,070,000	2,269,884	5,339,884
2017-2021	13,150,000	9,680,940	22,830,940
2022-2026	12,525,000	6,895,633	19,420,633
2027-2031	9,595,000	4,445,462	14,040,462
2032-2036	11,345,000	2,156,400	13,501,400
2037	2,580,000	116,099	2,696,099
Total	<u>\$ 65,265,000</u>	<u>\$ 35,928,014</u>	<u>\$ 101,193,014</u>

There is \$3,595,256 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$1,448, based on the 2010 federal census. Debt per capita, including bonds, notes, and other loans, totaled \$1,600, based on the 2010 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2011, was as follows:

Governmental Activities:

	Bonds	Notes	Other Loans
Balance, July 1, 2010	\$ 68,385,000	\$ 5,153,163	\$ 3,759,000
Additions	0	300,000	0
Deductions	(3,120,000)	(1,934,665)	(458,000)
Balance, June 30, 2011	\$ 65,265,000	\$ 3,518,498	\$ 3,301,000
Balance Due Within One Year	\$ 3,230,000	\$ 1,738,360	\$ 482,000

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2010	\$ 291,318	\$ 202,769
Additions	464,721	137,482
Deductions	(491,870)	(22,091)
Balance, June 30, 2011	\$ 264,169	\$ 318,160
Balance Due Within One Year	\$ 13,209	\$ 0

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2011	\$ 72,666,827
Less: Balance Due Within One Year	(5,463,569)
Add: Unamortized Premium on Debt	446,767
Less: Deferred Amount on Refunding	(30,119)
	\$ 67,619,906
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	\$ 67,619,906

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

Discretely Presented Bedford County School Department

Changes in Long-term Liabilities

Long-term liability activity for the discretely presented Bedford County School Department for the year ended June 30, 2011, was as follows:

Governmental Activities:

	<u>Other Postemployment Benefits</u>
Balance, July 1, 2010	\$ 318,761
Additions	445,758
Deductions	<u>(392,864)</u>
Balance, June 30, 2011	<u>\$ 371,655</u>
Balance Due Within One Year	<u>\$ 0</u>

Discretely Presented Bedford County Solid Waste Authority

Changes in Long-term Liabilities

Long-term liability activity for the discretely presented Bedford County Solid Waste Authority for the year ended June 30, 2011, was as follows:

Governmental Activities:

	<u>Compensated Absences</u>	<u>Other Postemployment Benefits</u>
Balance, July 1, 2010	\$ 13,426	\$ 1,687
Additions	15,703	2,625
Deductions	<u>(16,312)</u>	<u>(1,104)</u>
Balance, June 30, 2011	<u>\$ 12,817</u>	<u>\$ 3,208</u>
Balance Due Within One Year	<u>\$ 12,817</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2011	\$	16,025
Less: Balance Due Within One Year		<u>(12,817)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	\$	<u>3,208</u>

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

The State of Tennessee pays health insurance premiums for retired employees on-behalf of Bedford County. These payments are made by the state to the Medicare Supplement Plan. This plan is administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Medicare Supplement Plan for the year ended June 30, 2011, were \$2,298. The county has recognized these on-behalf payments as revenues and expenditures in the General Fund.

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Bedford County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2011, were \$110,419 and \$31,704, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

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

TN-RMT provides for it to be self-sustaining through member premiums.

Bedford County and the Discretely Presented Bedford County Solid Waste Authority

Employee Health Insurance

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

Discretely Presented Bedford County School Department

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

B. Accounting Change

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* became effective for the year ended June 30, 2011.

GASB Statement No. 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. These classifications include nonspendable, restricted, committed, assigned, and unassigned and are based on the relative strength of the constraints that control how specific amounts can be spent. Also, Statement No. 54 clarified the definitions of the General Fund and the special revenue, capital projects, debt service, and permanent fund types. Bedford County, the Bedford County School Department, and the Bedford County Solid Waste Authority have implemented provisions of this statement in the financial statements of this report for their governmental funds.

C. Related-party Transactions

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

D. Subsequent Event

Superintendent of Schools Ed Gray resigned June 30, 2011, and was succeeded by Ray Butrum effective July 1, 2011.

E. Contingent Liabilities

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

On December 12, 2006, the Bedford County Commission authorized a contribution of \$1 million to the Argie Cooper Public Library. This contribution is contingent upon the library entering into a binding construction contract in an amount not less than \$3 million and the library receiving funds (including the county's contribution) sufficient to complete the project. On June 14, 2011, the Bedford County Commission extended the pledge for an additional three-year term.

F. Change in Administration

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

G. Joint Ventures

Primary Government

The Argie Cooper Public Library is jointly owned by Bedford County and the City of Shelbyville and operates under Tennessee state law and the rules and regulations of the Highland Rim Regional Library. The library is governed by a voluntary 14-member board of directors, seven appointed by the county and seven by the city. Bedford County has control over budgeting and financing of the joint venture only to the extent of representation by the seven board members appointed. Bedford County contributed \$131,962 to the operations of the library during the year ended June 30, 2011. As discussed in Note V.E. above, the Bedford County Commission has authorized a contribution of \$1 million to the Argie Cooper Public Library. This contribution is contingent upon the library entering into a binding

construction contract in an amount not less than \$3,000,000 and the library receiving funds (including the county's contribution) sufficient to complete the project.

The Joint Economic Development Board is a joint venture between Bedford County and the cities of Bell Buckle, Normandy, Shelbyville, and Wartrace. The board comprises the city mayor or city manager, if so designated by the city's governing board of each member's municipality, the Bedford County mayor, three members of the City of Shelbyville Industrial Development Board, two residents of the unincorporated area of Bedford County, and a private citizen who owns greenbelt property. The purpose of the board is to foster communication and facilitate economic and community development between and among governmental entities, industry, and private citizens. The cities and county will provide the majority of funding for the board based on the percentage of their population compared to the total census of the county. Bedford County did not contribute to the Joint Economic Development Board for the year ended June 30, 2011.

The Seventeenth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Seventeenth Judicial District, Marshall, Lincoln, Moore, and Bedford counties, and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors, including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within the judicial district. Bedford County did not contribute to the DTF for the year ended June 30, 2011.

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

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

Administrative Offices:

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

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

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

Discretely Presented Bedford County School Department

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

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

Administrative Office:

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

H. Jointly Governed Organization

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

I. Retirement Commitments

1. **Tennessee Consolidated Retirement System (TCRS)**

Plan Description

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

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

Funding Policy

Bedford County requires employees to contribute five percent of their earnable compensation to the plan. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2011, was 6.27 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2011, the county's annual pension cost of \$978,307 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2009, 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 2.5 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 ten-year period. The county's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2009, was six 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
6-30-11	\$978,307	100%	\$0
6-30-10	811,046	100	0
6-30-09	866,701	100	0

Funded Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the plan was 89.49 percent funded. The actuarial accrued liability for benefits was \$38 million, and the actuarial value of assets was \$34 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$4 million. The covered payroll (annual payroll of active employees covered by the plan) was \$14 million, and the ratio of the UAAL to the covered payroll was 28.13 percent.

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

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

SCHOOL TEACHERS

Plan Description

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

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

Funding Policy

Most teachers are required by state statute to contribute five percent of their salary 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, 2011, was 9.05 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, 2011, 2010, and 2009, were \$2,367,708, \$1,663,814, and \$1,590,979, respectively, equal to the required contributions for each year.

2. Deferred Compensation

Bedford County offers its employees a deferred compensation plan established pursuant to IRC Section 457. All costs of administering and funding this program is the responsibility of plan participants. The Section 401(k) and Section 457 plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Sections 457 establishes participation, contribution, and withdrawal provisions for the plan.

J. Other Postemployment Benefits (OPEB)

Plan Description

Bedford County and the Bedford County Solid Waste Authority participate in the state-administered Local Government Group Insurance Plan for healthcare benefits. The Bedford County School Department participates in the state-administered Local Education Group Insurance Plan for healthcare benefits. For accounting purposes, the plans are agent multiple-employer defined benefit OPEB plans. Benefits are established and amended by an insurance committee created by Section 8-27-302, *Tennessee Code Annotated (TCA)*, for local education employees, and Section 8-27-207, *TCA* for local governments. In previous fiscal years, prior to reaching the age of 65, all members had the option of choosing a preferred provider organization (PPO), point of service (POS), or health maintenance organization (HMO) plan for healthcare benefits. However, as of January 1, 2010, the insurance plan structure was changed and as a result all members now have the option of choosing between the standard or partnership preferred provider organization (PPO) 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://tennessee.gov/finance/act/cafr.html>.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants.

Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop their own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants; however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 members in the Medicare Supplement Plan. Retirees' contributions vary depending on the insurance options they select, ranging from \$337 to \$1,492 per month. Bedford County, the Bedford County Solid Waste Authority, and the Bedford County School Department recognized expenditures of \$22,091, \$1,104, and \$392,864, respectively, for postemployment health care during the year ended June 30, 2011.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	(County) Local Government Group Plan	(SWA) Local Government Group Plan
ARC	\$ 445,000	\$ 137,000	\$ 2,622
Interest on the NPO	14,344	9,125	76
Adjustment to the ARC	(13,586)	(8,643)	(73)
Annual OPEB cost	\$ 445,758	\$ 137,482	\$ 2,625
Amount of contribution	(392,864)	(22,091)	(1,104)
Increase/decrease in NPO	\$ 52,894	\$ 115,391	\$ 1,521
Net OPEB obligation, 7-1-10	318,761	202,769	1,687
Net OPEB obligation, 6-30-11	<u>\$ 371,655</u>	<u>\$ 318,160</u>	<u>\$ 3,208</u>

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-09	Local Education Group	\$ 426,000	47 %	\$ 224,694
6-30-10	"	426,534	78	318,761
6-30-11	"	445,758	88	371,655
6-30-09	Local Government Group (County)	132,000	25	98,428
6-30-10	"	132,234	21	202,769
6-30-11	"	137,482	16	318,160
6-30-09	Local Government Group (SWA)	1,907	58	807
6-30-10	"	1,909	54	1,687
6-30-11	"	2,625	42	3,208

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2010, was as follows:
(dollars in thousands)

	Local Education Group Plan	(County) Local Government Group Plan
Actuarial valuation date	7-1-10	7-1-10
Actuarial accrued liability (AAL)	\$ 4,199	\$ 1,665
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 4,199	\$ 1,665
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 30,807	\$ 9,594
UAAL as a % of covered payroll	14%	17%
		(SWA) Local Government Group Plan
Actuarial valuation date		7-1-10
Actuarial accrued liability (AAL)		\$ 17
Actuarial value of plan assets		\$ 0
Unfunded actuarial accrued liability (UAAL)		\$ 17
Actuarial value of assets as a % of the AAL		0%
Covered payroll (active plan members)		\$ 297
UAAL as a % of covered payroll		5%

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, 2010, actuarial valuation for the Local Education Plan, the projected unit credit actuarial cost method was used and the actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of ten percent for fiscal year 2011. The trend will decrease to 9.5 percent in fiscal year 2012 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. The annual healthcare cost trend rate for the Local Government Plan was ten percent for fiscal year 2011. The trend will decrease to 9.5 percent in fiscal year 2012 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. Both rates include a three percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with June 30, 2008.

K. Office of Central Accounting, Budgeting, and Purchasing

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

L. Purchasing Laws

Office of Director of Finance

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

Office of Solid Waste Authority

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

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

A. Summary of Significant Accounting Policies

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

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

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

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

At June 30, 2011, there was a payable to Bedford County by the district of \$12,386. The district did not engage in any activities that were subject to the approval of Bedford County.

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

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

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

The accounting and financial reporting treatment applied to the district is determined by its measurement focus. The transactions of the district are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the Statements of Net Assets. Net assets (i.e., total assets net of total liabilities) are segregated into invested in capital assets, net of related debt; restricted for debt service; and unrestricted components. As of June 30, 2011, the district had an outstanding balance on a capital lease, amounts due the primary government, and accounts payable for vendor services.

Budgetary Law and Practice – The treasurer of the district files an annual budget with the mayor of Bedford County in accordance with *TCA*, Title 7, Chapter 86, Part 1. Every March, the treasurer presents a preliminary

budget to the board of directors. The budget is then discussed and amended as necessary for approval by the board.

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

Capital Assets – Capital assets are stated at cost or estimated historical cost if actual cost is not available and depreciated five years for vehicles; five to ten years for office furniture and fixtures, communications equipment, and other capital assets; and seven to 40 years for buildings and improvements by the straight-line method of depreciation. The district defines capital assets as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Maintenance and repairs are charged to operations when incurred. Major renewals and betterments are capitalized. When items of property are sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is included as nonoperating revenue or loss.

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

Cash Flow – Cash and Cash Equivalents – The district presents its cash flow statement using the direct method. For purposes of cash flow presentation, the district considers cash in operating bank accounts, cash on hand, and certificates of deposit with an original maturity of 90 days or less to be cash and cash equivalents. At June 30, 2011, the district did not hold any certificates of deposit.

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

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

district's policy to apply those expenses to restricted net assets to the extent such are available and then to unrestricted net assets.

B. Cash and Cash Equivalents

The district is authorized to make investments in bonds, notes or treasury bills of the United States, Federal Land Bank bonds, Federal Home Loan Bank notes and bonds, Federal National Mortgage Association notes and debentures, banks for cooperative debentures, or any of its other agencies, or obligations guaranteed as to principal and interest by the United States or any of its agencies with a maturity not greater than one year, or in the pooled investment fund established under Tennessee law. During the year ended June 30, 2011, the board of directors chose to limit the investment of funds to deposits at banks.

Cash – At June 30, 2011, the carrying amount of cash deposits was \$270,055, and the bank balance was \$291,356. At June 30, 2011, the entire bank balance was covered by federal depository insurance or by collateral held in the Tennessee Bank Collateral Pool. The Tennessee Bank Collateral Pool is a multiple financial institution collateral pool to which member financial institutions holding public funds pledge collateral securities. In the event any member financial institution fails, the entire collateral pool becomes available to satisfy the claims of governmental entities. The pool also has the ability to make additional assessments on a pro-rata basis to the members of the pool if the value of collateral is inadequate to cover a loss.

<u>Cash Accounts</u>	<u>Interest Rate</u>	<u>June 30, 2011</u>	
		<u>Carrying Amount</u>	<u>Bank Balance</u>
Regions Bank checking	N/A	\$ 194,637	\$ 215,938
Regions Bank money market	.2%	75,418	75,418
Total		<u>\$ 270,055</u>	<u>\$ 291,356</u>

C. Accounts Receivable

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

The following is the detail of the receivables at June 30, 2011:

AT&T	\$ 17,604
Charter Fiberlink	4,601
United Telephone	4,119
Others	3,617
Tennessee Emergency Communications Board	<u>16,301</u>
Total	<u><u>\$ 46,242</u></u>

D. Capital Assets

Capital assets are summarized as follows:

	Balance 7-1-10	Increases	Decreases	Balance 6-30-11
Capital Assets Being Depreciated:				
Building and Improvements	\$ 228,379	\$ 12,925	\$ (5,072)	\$ 236,232
Furniture and Fixtures	90,343	0	(155)	90,188
Office Equipment	75,117	16,334	(25,595)	65,856
Communications Equipment	1,169,956	1,238	(323,623)	847,571
Vehicle	45,149	0	0	45,149
Other Capital Assets	143,564	0	0	143,564
Total Capital Assets Depreciated	<u>\$ 1,752,508</u>	<u>\$ 30,497</u>	<u>\$ (354,445)</u>	<u>\$ 1,428,560</u>
Less Accumulated Depreciation For:				
Building and Improvements	\$ 10,858	\$ 7,138	\$ (578)	\$ 17,418
Furniture and Fixtures	24,921	8,961	(94)	33,788
Office Equipment	45,659	7,226	(22,869)	30,016
Communications Equipment	625,834	84,395	(322,294)	387,935
Vehicle	20,724	5,747	0	26,471
Other Capital Assets	69,815	10,483	0	80,298
Total Accumulated Depreciation	<u>\$ 797,811</u>	<u>\$ 123,950</u>	<u>\$ (345,835)</u>	<u>\$ 575,926</u>
Total Capital Assets Depreciated, Net	<u><u>\$ 954,697</u></u>	<u><u>\$ (93,453)</u></u>	<u><u>\$ (8,610)</u></u>	<u><u>\$ 852,634</u></u>

E. Risk Management

The district is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The district is covered under insurance

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

F. Accounts Payable

Accounts payable includes amounts due vendors totaling \$4,841 at June 30, 2011.

G. Capital Lease Obligations

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

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

Assets:	
Communication Equipment	\$ 604,591
Less: Accumulated Depreciation	<u>(216,645)</u>
Total, Net	<u><u>\$ 387,946</u></u>

The future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2011, are as follows:

Year Ending	
<u>June 30</u>	
2012	\$ 124,140
2013	<u>31,035</u>
Total Minimum Lease Payments	\$ 155,175
Less: Amount Representing Interest	<u>(6,567)</u>
Present Value of Minimum Lease Payments	<u><u>\$ 148,608</u></u>

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

H. Long-term Debt

Long-term liability activity for capital leases for the year ended June 30, 2011, was as follows:

Balance 7-1-10	Payments	Balance 6-30-11	Due Within One Year
\$ 259,056	\$ 110,448	\$ 148,608	\$ 117,904

I. Related-party Transactions

Bedford County provides administrative and dispatch employees and certain services to the district. The expenses, which are primarily salaries, employee benefits, and services, are billed to the district on an “as needed” basis. Amounts paid to Bedford County for fiscal year 2011 totaled \$167,081.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

Bedford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 10,162,481	\$ 0	\$ 0	\$ 10,162,481	\$ 9,439,227	\$ 9,439,227	\$ 723,254
Licenses and Permits	110,558	0	0	110,558	142,000	142,100	(31,542)
Fines, Forfeitures, and Penalties	307,499	0	0	307,499	520,790	520,790	(213,291)
Charges for Current Services	1,820,265	0	0	1,820,265	1,510,400	1,561,998	258,267
Other Local Revenues	490,546	0	0	490,546	508,000	654,593	(164,047)
Fees Received from County Officials	1,812,097	0	0	1,812,097	1,925,200	1,925,200	(113,103)
State of Tennessee	1,874,690	0	0	1,874,690	1,190,260	1,241,760	632,930
Federal Government	123,603	0	0	123,603	188,971	382,562	(258,959)
Other Governments and Citizens Groups	2,000	0	0	2,000	0	2,000	0
Total Revenues	\$ 16,703,739	\$ 0	\$ 0	\$ 16,703,739	\$ 15,424,848	\$ 15,870,230	\$ 833,509

Expenditures

<u>General Government</u>							
County Commission	\$ 98,499	(280)	\$ 0	\$ 98,219	\$ 113,077	\$ 113,077	\$ 14,858
Board of Equalization	4,320	0	0	4,320	8,000	8,000	3,680
Beer Board	300	0	0	300	1,000	1,000	700
Budget and Finance Committee	2,967	0	0	2,967	3,075	3,075	108
County Mayor/Executive	194,095	0	684	194,779	260,549	261,035	66,256
County Attorney	40,000	0	0	40,000	40,000	40,000	0
Election Commission	199,277	0	1,836	201,113	215,888	239,588	38,475
Register of Deeds	284,737	(8,000)	535	277,272	289,202	289,582	12,310
Planning	116,817	(165)	94	116,746	73,568	127,249	10,503
Codes Compliance	52,502	0	3,571	56,073	60,079	59,446	3,373
County Buildings	337,004	(1,200)	24,951	360,755	470,388	481,863	121,108

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original		
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance</u>							
Accounting and Budgeting	\$	(7,016)	5,483	\$ 459,683	\$ 524,779	\$ 594,439	\$ 134,756
Property Assessor's Office	331,721	(4,600)	4,090	331,211	361,705	361,705	30,494
Reappraisal Program	95,115	(393)	400	95,122	104,718	104,718	9,596
County Trustee's Office	287,704	0	700	288,404	360,628	363,030	74,626
County Clerk's Office	374,757	(296)	0	374,461	376,714	382,538	8,077
<u>Administration of Justice</u>							
Circuit Court	471,231	(162)	2,079	473,148	523,729	524,490	51,342
General Sessions Court	215,975	0	0	215,975	197,061	217,715	1,740
Chancery Court	258,716	(1,600)	10,935	268,051	282,322	300,822	32,771
Juvenile Court	202,804	(135)	0	202,669	218,794	215,673	13,004
Judicial Commissioners	171,094	0	160	171,254	168,462	171,730	476
Other Administration of Justice	96,834	0	0	96,834	112,637	112,637	15,803
Probation Services	278,226	0	0	278,226	275,291	281,551	3,325
<u>Public Safety</u>							
Sheriff's Department	2,375,406	(15,127)	8,278	2,368,557	2,350,181	2,427,723	59,166
Traffic Control	29,568	0	0	29,568	27,848	29,571	3
Jail	1,923,094	(1,946)	8,342	1,929,490	1,812,143	1,960,567	31,077
Workhouse	892,802	(729)	1,134	893,207	891,160	907,205	13,998
Juvenile Services	487,915	(5,500)	500	482,915	536,498	512,798	29,883
Other Emergency Management	1,279,039	(11,565)	39,704	1,307,178	1,075,674	1,427,887	120,709
County Coroner/Medical Examiner	20,000	0	0	20,000	20,000	20,000	0
Other Public Safety	353,860	0	0	353,860	520,479	550,479	196,619
<u>Public Health and Welfare</u>							
Local Health Center	429,209	(8,747)	5,044	425,506	535,720	560,720	135,214

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Public Health and Welfare (Cont.)</u>							
Rabies and Animal Control	\$ 173,008	\$ 0	1,128	\$ 174,136	\$ 174,348	\$ 200,893	\$ 26,757
Ambulance/Emergency Medical Services	2,044,294	(6,115)	7,992	2,046,171	2,097,689	2,149,357	103,186
Other Local Health Services	68,604	0	0	68,604	44,440	74,440	5,836
Regional Mental Health Center	12,900	0	0	12,900	12,900	12,900	0
Appropriation to State	54,000	0	0	54,000	54,000	54,000	0
General Welfare Assistance	94,735	0	0	94,735	95,335	95,335	600
Sanitation Management	855,000	0	0	855,000	0	855,000	0
<u>Social, Cultural, and Recreational Services</u>							
Adult Activities	9,500	0	0	9,500	9,500	9,500	0
Senior Citizens Assistance	15,200	0	0	15,200	15,200	15,200	0
Libraries	131,962	0	0	131,962	131,962	131,962	0
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	107,772	0	40	107,812	119,230	119,072	11,260
Soil Conservation	30,400	0	0	30,400	30,400	30,400	0
Other Agriculture and Natural Resources	56,541	(25)	75	56,591	58,452	58,452	1,861
<u>Other Operations</u>							
Tourism	3,948	0	0	3,948	3,948	3,948	0
Veterans' Services	26,413	0	0	26,413	29,009	29,009	2,596
Other Charges	186,638	0	0	186,638	181,202	186,702	64
Contributions to Other Agencies	105,528	0	0	105,528	112,000	112,000	6,472
Employee Benefits	44,287	0	0	44,287	0	44,298	11
Miscellaneous	355,597	0	250	355,847	387,139	383,039	27,192
<u>Capital Projects</u>							
Other General Government Projects	10,154	0	3,100	13,254	20,000	23,500	10,246
Total Expenditures	\$ 16,753,285	\$ (73,601)	\$ 131,105	\$ 16,810,789	\$ 16,388,123	\$ 18,240,920	\$ 1,430,131

(Continued)

Exhibit F-1

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Excess (Deficiency) of Revenues Over Expenditures	\$ (49,546) \$	73,601 \$	(131,105) \$	(107,050) \$	(963,275) \$	(2,370,690) \$	2,263,640
<u>Other Financing Sources (Uses)</u>							
Transfers In	0 \$	0 \$	0 \$	0 \$	67,001 \$	67,001 \$	(67,001)
Transfers Out	0	0	0	0	(1,073,923)	(218,923)	218,923
Total Other Financing Sources (Uses)	0 \$	0 \$	0 \$	0 \$	(1,006,922) \$	(151,922) \$	151,922
Net Change in Fund Balance	\$ (49,546) \$	73,601 \$	(131,105) \$	(107,050) \$	(1,970,197) \$	(2,522,612) \$	2,415,562
Fund Balance, July 1, 2010	11,688,258	(73,601)	0	11,614,657	8,772,810	8,772,810	2,841,847
Fund Balance, June 30, 2011	\$ 11,638,712 \$	0 \$	(131,105) \$	11,507,607 \$	6,802,613 \$	6,250,198 \$	5,257,409

Exhibit F-2

Bedford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 435,607	\$ 0	\$ 0	\$ 435,607	\$ 439,350	\$ 444,350	\$ (8,743)
Charges for Current Services	0	0	0	0	1,250	1,250	(1,250)
Other Local Revenues	18,068	0	0	18,068	23,000	23,000	(4,932)
State of Tennessee	2,242,972	0	0	2,242,972	2,140,000	2,140,000	102,972
Federal Government	199,978	0	0	199,978	0	150,000	49,978
Other Governments and Citizens Groups	10,037	0	0	10,037	129,000	129,000	(118,963)
Total Revenues	\$ 2,906,662	\$ 0	\$ 0	\$ 2,906,662	\$ 2,732,600	\$ 2,887,600	\$ 19,062
Expenditures							
Other Operations							
Contributions to Other Agencies	\$ 7,000	\$ 0	\$ 0	\$ 7,000	\$ 7,000	\$ 7,000	\$ 0
Highways							
Administration	191,129	(1,300)	0	189,829	199,330	220,714	30,885
Highway and Bridge Maintenance	980,348	(2,120)	900	979,128	1,205,995	1,166,995	187,867
Operation and Maintenance of Equipment	383,923	(5,855)	22,550	400,618	414,554	464,554	63,936
Litter and Trash Collection	52,955	(800)	0	52,155	58,051	68,051	15,896
Other Charges	96,035	(254)	80	95,861	117,800	117,800	21,939
Employee Benefits	281,491	0	0	281,491	316,128	321,128	39,637
Capital Outlay	1,000,966	(4,000)	23,151	1,020,117	487,000	1,054,000	33,883
Total Expenditures	\$ 2,993,847	\$ (14,329)	\$ 46,681	\$ 3,026,199	\$ 2,805,858	\$ 3,420,242	\$ 394,043
Excess (Deficiency) of Revenues Over Expenditures	\$ (87,185)	\$ 14,329	\$ (46,681)	\$ (119,537)	\$ (73,258)	\$ (532,642)	\$ 413,105
Other Financing Sources (Uses)							
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,000	\$ 5,000	\$ (5,000)
Transfers Out	0	0	0	0	(19,384)	0	0
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (14,384)	\$ 5,000	\$ (5,000)
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ (87,185)	\$ 14,329	\$ (46,681)	\$ (119,537)	\$ (87,642)	\$ (527,642)	\$ 408,105
Fund Balance, July 1, 2010	866,808	(14,329)	0	852,479	330,323	421,808	430,671
Fund Balance, June 30, 2011	\$ 779,623	\$ 0	\$ (46,681)	\$ 732,942	\$ 242,681	\$ (105,834)	\$ 838,776

Exhibit F-3

Bedford County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government, Discretely Presented Bedford County School Department,
and Discretely Presented Bedford County Solid Waste Authority
June 30, 2011

(Dollar amounts in thousands)

Plan	Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Primary Government, School Department, and Solid Waste Authority	7-1-07	\$ 33,805	\$ 34,633	\$ 828	97.61 %	\$ 12,583	6.58 %
"	7-1-09	34,356	38,393	4,037	89.49	14,351	28.13

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

Exhibit F-4

Bedford County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government, Discretely Presented Bedford County School Department,
and Discretely Presented Bedford County Solid Waste Authority
June 30, 2011

(Dollar amounts in thousands)

Plans	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)
<u>PRIMARY GOVERNMENT</u>							
Local Government Group	7-1-07	\$ 0	\$ 305	305	0 %	\$ 8,043	4 %
"	7-1-09	0	1,622	1,622	0	9,129	18
"	7-1-10	0	1,665	1,665	0	9,594	17
<u>DISCRETELY PRESENTED BEDFORD COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	7-1-07	0	4,222	4,222	0	28,187	15
"	7-1-09	0	4,040	4,040	0	31,598	13
"	7-1-10	0	4,199	4,199	0	30,807	14
<u>DISCRETELY PRESENTED BEDFORD COUNTY SOLID WASTE AUTHORITY</u>							
Local Government Group	7-1-07	0	13	13	0	311	4
"	7-1-09	0	13	13	0	321	4
"	7-1-10	0	17	17	0	297	5

BEDFORD COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2011

A. BUDGETARY INFORMATION

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

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

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

B. Appropriations Exceeded Estimated Available Funds

The budget and subsequent amendments submitted to and approved by the County Commission for the Highway/Public Works Fund resulted in appropriations exceeding estimated funding by \$105,834.

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

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

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

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

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

Capital Projects Funds

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

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

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

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

Exhibit G-1

	Special Revenue Funds			Capital Projects Funds				Total Nonmajor Governmental Funds
	Drug Control	Agriculture Center	Total	General Capital Projects	Community Development/ Industrial Park	Nursing Home Projects	Total	
\$	34,643	27,918	62,561	118,774	6,570	503,027	628,371	690,932
	0	500	500	0	0	0	0	500
	0	0	0	0	0	21,369	21,369	21,369
\$	34,643	28,418	63,061	118,774	6,570	524,396	649,740	712,801

ASSETS

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

LIABILITIES AND FUND BALANCES

Liabilities
 Accounts Payable
 Total Liabilities

\$	0	0	0	28,700	6,570	0	0	35,270
\$	0	0	0	28,700	6,570	0	0	35,270

Fund Balances

Restricted:
 Restricted for Public Safety
 Committed:
 Committed for Public Health and Welfare
 Committed for Agriculture and Natural Resources
 Committed for Capital Projects
 Total Fund Balances

\$	34,643	0	34,643	0	0	0	0	34,643
	0	0	0	0	0	524,396	524,396	524,396
	0	28,418	28,418	0	0	0	0	28,418
	0	0	0	90,074	0	0	90,074	90,074
\$	34,643	28,418	63,061	90,074	0	524,396	614,470	677,531

Total Liabilities and Fund Balances

\$	34,643	28,418	63,061	118,774	6,570	524,396	649,740	712,801
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Exhibit G-2

Bedford County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2011

	Special Revenue Funds				Capital Projects Funds				Total Nonmajor Governmental Funds
	Drug Control	Agriculture Center	Constitu- tional Officers - Fees	Total	General Capital Projects	Community Development/ Industrial Park	Nursing Home Projects	Total	
<u>Revenues</u>									
Fines, Forfeitures, and Penalties	\$ 16,134	\$ 0	\$ 0	\$ 16,134	\$ 0	\$ 0	\$ 0	\$ 0	\$ 16,134
Charges for Current Services	0	0	1,205	1,205	0	0	0	0	1,205
Other Local Revenues	3,366	9,200	0	12,566	0	0	261,623	261,623	274,189
Federal Government	0	0	0	0	0	341,492	0	341,492	341,492
Total Revenues	\$ 19,500	\$ 9,200	\$ 1,205	\$ 29,905	\$ 0	\$ 341,492	\$ 261,623	\$ 603,115	\$ 633,020
<u>Expenditures</u>									
<u>Current:</u>									
Finance	\$ 0	\$ 0	\$ 54	\$ 54	\$ 0	\$ 0	\$ 0	\$ 0	\$ 54
Administration of Justice	0	0	1,151	1,151	0	0	0	0	1,151
Public Safety	17,583	0	0	17,583	0	0	0	0	17,583
Public Health and Welfare	0	0	0	0	189,983	0	0	189,983	189,983
Agriculture and Natural Resources	0	11,597	0	11,597	0	0	0	0	11,597
Other Operations	140	0	0	140	0	0	60,415	60,415	60,555
Capital Outlay	0	0	0	0	469,943	0	0	469,943	469,943
Capital Projects	0	0	0	0	0	341,492	0	341,492	341,492
Total Expenditures	\$ 17,723	\$ 11,597	\$ 1,205	\$ 30,525	\$ 659,926	\$ 341,492	\$ 60,415	\$ 1,061,833	\$ 1,092,358
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,777	\$ (2,397)	\$ 0	\$ (620)	\$ (659,926)	\$ 0	\$ 201,208	\$ (458,718)	\$ (459,338)
<u>Other Financing Sources (Uses)</u>									
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 300,000	\$ 0	\$ 0	\$ 300,000	\$ 300,000
Transfers In	0	0	0	0	0	0	162,257	162,257	162,257
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 300,000	\$ 0	\$ 162,257	\$ 462,257	\$ 462,257
Net Change in Fund Balances	\$ 1,777	\$ (2,397)	\$ 0	\$ (620)	\$ (359,926)	\$ 0	\$ 363,465	\$ 3,539	\$ 2,919
Fund Balance, July 1, 2010	32,866	30,815	0	63,681	450,000	0	160,931	610,931	674,612
Fund Balance, June 30, 2011	\$ 34,643	\$ 28,418	\$ 0	\$ 63,061	\$ 90,074	\$ 0	\$ 524,396	\$ 614,470	\$ 677,531

Exhibit G-3

Bedford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Drug Control Fund
For the Year Ended June 30, 2011

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Fines, Forfeitures, and Penalties	\$ 16,134	\$ 0	\$ 16,134	\$ 31,500	\$ 31,500	\$ (15,366)
Other Local Revenues	3,366	0	3,366	8,000	8,000	(4,634)
Total Revenues	\$ 19,500	\$ 0	\$ 19,500	\$ 39,500	\$ 39,500	\$ (20,000)
<u>Expenditures</u>						
Public Safety						
Drug Enforcement	\$ 17,583	\$ 100	\$ 17,683	\$ 15,000	\$ 23,310	\$ 5,627
Other Operations						
Miscellaneous	140	0	140	0	200	60
Total Expenditures	\$ 17,723	\$ 100	\$ 17,823	\$ 15,000	\$ 23,510	\$ 5,687
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,777	\$ (100)	\$ 1,677	\$ 24,500	\$ 15,990	\$ (14,313)
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ 1,777	\$ (100)	\$ 1,677	\$ 24,500	\$ 15,990	\$ (14,313)
	32,866	0	32,866	10,314	10,314	22,552
Fund Balance, June 30, 2011	\$ 34,643	\$ (100)	\$ 34,543	\$ 34,814	\$ 26,304	\$ 8,239

Exhibit G-4

Bedford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Agriculture Center Fund
For the Year Ended June 30, 2011

	Actual (GAAP Basis)	Less:		Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		7/1/2010	Encumbrances			Original	Final	
<u>Revenues</u>								
Other Local Revenues	\$ 9,200	\$ 0	\$ 0	\$ 0	\$ 9,200	\$ 4,000	\$ 5,550	\$ 3,650
Total Revenues	\$ 9,200	\$ 0	\$ 0	\$ 0	\$ 9,200	\$ 4,000	\$ 5,550	\$ 3,650
<u>Expenditures</u>								
<u>Agriculture and Natural Resources</u>								
Other Agriculture and Natural Resources	\$ 11,597	\$ (1,200)	\$ 1,750	\$ 1,750	\$ 12,147	\$ 18,600	\$ 20,150	\$ 8,003
Total Expenditures	\$ 11,597	\$ (1,200)	\$ 1,750	\$ 1,750	\$ 12,147	\$ 18,600	\$ 20,150	\$ 8,003
Excess (Deficiency) of Revenues Over Expenditures	\$ (2,397)	\$ 1,200	\$ (1,750)	\$ (1,750)	\$ (2,947)	\$ (14,600)	\$ (14,600)	\$ 11,653
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ 30,815	\$ 1,200	\$ (1,750)	\$ 0	\$ 29,615	\$ 24,593	\$ 24,593	\$ 5,022
Fund Balance, June 30, 2011	\$ 28,418	\$ 0	\$ (1,750)	\$ 0	\$ 26,668	\$ 9,993	\$ 9,993	\$ 16,675

Major Governmental Fund

General Debt Service Fund

The General Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Exhibit H

Bedford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 6,059,591	\$ 5,201,824	\$ 5,201,824	\$ 857,767
Other Local Revenues	470,292	883,513	883,513	(413,221)
State of Tennessee	0	3,500	3,500	(3,500)
Other Governments and Citizens Groups	1,032,350	0	1,032,350	0
Total Revenues	<u>\$ 7,562,233</u>	<u>\$ 6,088,837</u>	<u>\$ 7,121,187</u>	<u>\$ 441,046</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 674,006	\$ 695,268	\$ 674,006	\$ 0
Highways and Streets	416,137	0	416,137	0
Education	4,422,522	3,483,683	4,423,682	1,160
<u>Interest on Debt</u>				
General Government	262,165	416,443	271,450	9,285
Highways and Streets	35,672	0	35,672	0
Education	2,806,231	2,816,136	2,908,392	102,161
<u>Other Debt Service</u>				
General Government	78,096	208,500	95,141	17,045
Education	17,378	20,000	20,000	2,622
Total Expenditures	<u>\$ 8,712,207</u>	<u>\$ 7,640,030</u>	<u>\$ 8,844,480</u>	<u>\$ 132,273</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,149,974)</u>	<u>\$ (1,551,193)</u>	<u>\$ (1,723,293)</u>	<u>\$ 573,319</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 218,923	\$ 218,923	\$ (218,923)
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 218,923</u>	<u>\$ 218,923</u>	<u>\$ (218,923)</u>
Net Change in Fund Balance	\$ (1,149,974)	\$ (1,332,270)	\$ (1,504,370)	\$ 354,396
Fund Balance, July 1, 2010	4,745,230	4,841,503	4,745,230	0
Fund Balance, June 30, 2011	<u>\$ 3,595,256</u>	<u>\$ 3,509,233</u>	<u>\$ 3,240,860</u>	<u>\$ 354,396</u>

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

Exhibit I-1

Bedford County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2011

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,076,108	\$ 1,076,108
Accounts Receivable	0	2,828	2,828
Due from Other Governments	598,169	0	598,169
Total Assets	<u>\$ 598,169</u>	<u>\$ 1,078,936</u>	<u>\$ 1,677,105</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 598,169	\$ 0	\$ 598,169
Due to Litigants, Heirs, and Others	0	1,078,936	1,078,936
Total Liabilities	<u>\$ 598,169</u>	<u>\$ 1,078,936</u>	<u>\$ 1,677,105</u>

Exhibit I-2

Bedford County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2011

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 3,278,919	\$ 3,278,919	\$ 0
Due from Other Governments	521,535	598,169	521,535	598,169
Total Assets	\$ 521,535	\$ 3,877,088	\$ 3,800,454	\$ 598,169
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 521,535	\$ 3,877,088	\$ 3,800,454	\$ 598,169
Total Liabilities	\$ 521,535	\$ 3,877,088	\$ 3,800,454	\$ 598,169
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,371,773	\$ 8,444,201	\$ 8,739,866	\$ 1,076,108
Accounts Receivable	1,894	2,828	1,894	2,828
Total Assets	\$ 1,373,667	\$ 8,447,029	\$ 8,741,760	\$ 1,078,936
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,373,667	\$ 8,447,029	\$ 8,741,760	\$ 1,078,936
Total Liabilities	\$ 1,373,667	\$ 8,447,029	\$ 8,741,760	\$ 1,078,936
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,371,773	\$ 8,444,201	\$ 8,739,866	\$ 1,076,108
Equity in Pooled Cash and Investments	0	3,278,919	3,278,919	0
Accounts Receivable	1,894	2,828	1,894	2,828
Due from Other Governments	521,535	598,169	521,535	598,169
Total Assets	\$ 1,895,202	\$ 12,324,117	\$ 12,542,214	\$ 1,677,105
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 521,535	\$ 3,877,088	\$ 3,800,454	\$ 598,169
Due to Litigants, Heirs, and Others	1,373,667	8,447,029	8,741,760	1,078,936
Total Liabilities	\$ 1,895,202	\$ 12,324,117	\$ 12,542,214	\$ 1,677,105

Bedford County School Department

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

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

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

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

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

Exhibit J-1

Bedford County, Tennessee
Statement of Activities
Discretely Presented Bedford County School Department
For the Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets Total Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 39,130,996	\$ 338,133	\$ 5,005,666	\$ 71,571	\$ (33,715,626)
Support Services	18,094,057	274,237	483,895	0	(17,335,925)
Operation of Non-Instructional Services	4,262,512	1,121,109	3,013,432	0	(127,971)
Total Governmental Activities	\$ 61,487,565	\$ 1,733,479	\$ 8,502,993	\$ 71,571	\$ (51,179,522)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes				\$ 7,941,311	
Local Option Sales Taxes				1,888,559	
Other Local Taxes				2,435	
Grants and Contributions Not Restricted to Specific Programs				38,654,298	
Unrestricted Investment Earnings				1,870	
Miscellaneous				251,508	
Total General Revenues				\$ 48,739,981	
Change in Net Assets				\$	(2,439,541)
Net Assets, July 1, 2010					114,271,689
Net Assets, June 30, 2011				\$	111,832,148

Exhibit J-2

Bedford County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Bedford County School Department
June 30, 2011

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>School</u>	<u>Funds</u>	
			<u>Other</u>	
	<u>Purpose</u>	<u>Federal</u>	<u>Govern-</u>	<u>Govern-</u>
	<u>School</u>	<u>Projects</u>	<u>mental</u>	<u>mental</u>
			<u>Funds</u>	<u>Funds</u>
<u>ASSETS</u>				
Cash	\$ 300	\$ 0	\$ 5,636	\$ 5,936
Equity in Pooled Cash and Investments	10,293,528	723,102	1,649,377	12,666,007
Inventories	0	0	154,382	154,382
Accounts Receivable	6,339	1,643	26,221	34,203
Due from Other Governments	1,246,323	87,671	0	1,333,994
Due from Other Funds	24,274	0	0	24,274
Property Taxes Receivable	8,672,787	0	0	8,672,787
Allowance for Uncollectible Property Taxes	(445,056)	0	0	(445,056)
Total Assets	\$ 19,798,495	\$ 812,416	\$ 1,835,616	\$ 22,446,527
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 195,872	\$ 231,866	\$ 579	\$ 428,317
Payroll Deductions Payable	921,653	103,277	20,555	1,045,485
Due to Other Funds	0	0	24,274	24,274
Due to Primary Government	47,279	0	17,388	64,667
Deferred Revenue - Current Property Taxes	7,803,802	0	0	7,803,802
Deferred Revenue - Delinquent Property Taxes	391,564	0	0	391,564
Other Deferred Revenues	158,743	19,630	0	178,373
Total Liabilities	\$ 9,518,913	\$ 354,773	\$ 62,796	\$ 9,936,482
<u>Fund Balances</u>				
Nonspendable:				
Inventory	\$ 0	\$ 0	\$ 154,382	\$ 154,382
Restricted:				
Restricted for Education	213,477	357,643	1,482,342	2,053,462
Committed:				
Committed for Education	941,892	100,000	136,096	1,177,988
Unassigned	9,124,213	0	0	9,124,213
Total Fund Balances	\$ 10,279,582	\$ 457,643	\$ 1,772,820	\$ 12,510,045
Total Liabilities and Fund Balances	\$ 19,798,495	\$ 812,416	\$ 1,835,616	\$ 22,446,527

Exhibit J-3

Bedford County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Assets
Discretely Presented Bedford County School Department
June 30, 2011

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

Total fund balances - balance sheet - governmental funds (Exhibit J-2)		\$	12,510,045
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	2,785,691	
Add: buildings and improvements net of accumulated depreciation		92,461,205	
Add: other capital assets net of accumulated depreciation		<u>3,876,925</u>	99,123,821
(2) Long-term liabilities are not due and payable in the current-period and therefore are not reported in the governmental funds.			
Less: other postemployment benefits liability			(371,655)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			
			<u>569,937</u>
Net assets of governmental activities (Exhibit A)		\$	<u><u>111,832,148</u></u>

Exhibit J-4

Bedford County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Bedford County School Department
For the Year Ended June 30, 2011

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>School</u>	<u>Funds</u>	
			<u>Other</u>	
	<u>Purpose</u>	<u>Federal</u>	<u>Govern-</u>	<u>Governmental</u>
	<u>School</u>	<u>Projects</u>	<u>mental</u>	<u>Funds</u>
			<u>Funds</u>	<u>Funds</u>
<u>Revenues</u>				
Local Taxes	\$ 10,181,119	\$ 0	\$ 0	\$ 10,181,119
Licenses and Permits	2,274	0	0	2,274
Charges for Current Services	118,230	0	1,440,562	1,558,792
Other Local Revenues	433,955	945	1,915	436,815
State of Tennessee	36,409,178	0	0	36,409,178
Federal Government	503,141	7,068,854	2,752,690	10,324,685
Total Revenues	<u>\$ 47,647,897</u>	<u>\$ 7,069,799</u>	<u>\$ 4,195,167</u>	<u>\$ 58,912,863</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 31,342,657	\$ 5,058,104	\$ 0	\$ 36,400,761
Support Services	16,001,233	1,740,240	27,800	17,769,273
Operation of Non-Instructional Services	156,465	0	4,071,079	4,227,544
Capital Outlay	345,621	0	0	345,621
Total Expenditures	<u>\$ 47,845,976</u>	<u>\$ 6,798,344</u>	<u>\$ 4,098,879</u>	<u>\$ 58,743,199</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>\$ (198,079)</u>	<u>\$ 271,455</u>	<u>\$ 96,288</u>	<u>\$ 169,664</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 3,192	\$ 100,000	\$ 0	\$ 103,192
Transfers Out	(100,000)	(3,192)	0	(103,192)
Total Other Financing Sources (Uses)	<u>\$ (96,808)</u>	<u>\$ 96,808</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Change in Fund Balances				
Fund Balance, July 1, 2010	<u>\$ 10,574,469</u>	<u>\$ 89,380</u>	<u>\$ 1,676,532</u>	<u>\$ 12,340,381</u>
Fund Balance, June 30, 2011	<u>\$ 10,279,582</u>	<u>\$ 457,643</u>	<u>\$ 1,772,820</u>	<u>\$ 12,510,045</u>

Exhibit J-5

Bedford County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
Discretely Presented Bedford County School Department
For the Year Ended June 30, 2011

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

Net change in fund balances - total governmental funds (Exhibit J-4)		\$	169,664
(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		\$	805,341
Less: current-year depreciation expense			<u>(3,496,813)</u>
			(2,691,472)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Add: deferred delinquent property taxes and other deferred June 30, 2011		\$	569,937
Less: deferred delinquent property taxes and other deferred June 30, 2010			<u>(434,776)</u>
			135,161
(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in other postemployment benefits liability			<u>(52,894)</u>
Change in net assets of governmental activities (Exhibit B)		\$	<u><u>(2,439,541)</u></u>

Exhibit J-6

Bedford County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Bedford County School Department
June 30, 2011

	<u>Special Revenue Funds</u>		Total
	Central	Extended	Nonmajor
	Cafeteria	School	Governmental
		Program	Funds
<u>ASSETS</u>			
Cash	\$ 5,036	\$ 600	\$ 5,636
Equity in Pooled Cash and Investments	1,528,016	121,361	1,649,377
Inventories	154,382	0	154,382
Accounts Receivable	12,086	14,135	26,221
Total Assets	<u>\$ 1,699,520</u>	<u>\$ 136,096</u>	<u>\$ 1,835,616</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 579	\$ 0	\$ 579
Payroll Deductions Payable	20,555	0	20,555
Due to Other Funds	24,274	0	24,274
Due to Primary Government	17,388	0	17,388
Total Liabilities	<u>\$ 62,796</u>	<u>\$ 0</u>	<u>\$ 62,796</u>
<u>Fund Balances</u>			
Nonspendable:			
Inventory	\$ 154,382	\$ 0	\$ 154,382
Restricted:			
Restricted for Education	1,482,342	0	1,482,342
Committed:			
Committed for Education	0	136,096	136,096
Total Fund Balances	<u>\$ 1,636,724</u>	<u>\$ 136,096</u>	<u>\$ 1,772,820</u>
Total Liabilities and Fund Balances	<u>\$ 1,699,520</u>	<u>\$ 136,096</u>	<u>\$ 1,835,616</u>

Exhibit J-7

Bedford County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Bedford County School Department
For the Year Ended June 30, 2011

	<u>Special Revenue Funds</u>		Total
	Central	Extended	Nonmajor
	Cafeteria	School	Governmental
		Program	Funds
<u>Revenues</u>			
Charges for Current Services	\$ 1,105,019	\$ 335,543	\$ 1,440,562
Other Local Revenues	1,894	21	1,915
Federal Government	2,752,690	0	2,752,690
Total Revenues	<u>\$ 3,859,603</u>	<u>\$ 335,564</u>	<u>\$ 4,195,167</u>
<u>Expenditures</u>			
Current:			
Support Services	\$ 25,000	\$ 2,800	\$ 27,800
Operation of Non-Instructional Services	3,752,939	318,140	4,071,079
Total Expenditures	<u>\$ 3,777,939</u>	<u>\$ 320,940</u>	<u>\$ 4,098,879</u>
Excess (Deficiency) of Revenues			
Over Expenditures	<u>\$ 81,664</u>	<u>\$ 14,624</u>	<u>\$ 96,288</u>
Net Change in Fund Balances	\$ 81,664	\$ 14,624	\$ 96,288
Fund Balance, July 1, 2010	<u>1,555,060</u>	<u>121,472</u>	<u>1,676,532</u>
Fund Balance, June 30, 2011	<u>\$ 1,636,724</u>	<u>\$ 136,096</u>	<u>\$ 1,772,820</u>

Exhibit J-8

Bedford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Bedford County School Department
General Purpose School Fund
For the Year Ended June 30, 2011

	Actual (GAAP Basis)	Less:		Add:	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Encumbrances 7/1/2010	Encumbrances 6/30/2011			Original	Final	
<u>Revenues</u>								
Local Taxes	\$ 10,181,119	\$ 0	\$ 0	\$ 10,181,119	\$ 9,303,001	\$ 9,368,001	\$ 813,118	
Licenses and Permits	2,274	0	0	2,274	3,000	3,000	(726)	
Charges for Current Services	118,230	0	0	118,230	91,260	133,560	(15,330)	
Other Local Revenues	433,955	0	0	433,955	26,687	424,325	9,630	
State of Tennessee	36,409,178	0	0	36,409,178	37,061,291	37,922,998	(1,513,820)	
Federal Government	503,141	0	0	503,141	305,000	477,150	25,991	
Total Revenues	\$ 47,647,897	\$ 0	\$ 0	\$ 47,647,897	\$ 46,790,239	\$ 48,329,034	\$ (681,137)	
<u>Expenditures</u>								
<u>Instruction</u>								
Regular Instruction Program	\$ 26,955,639	\$ (96,512)	\$ 600,561	\$ 27,459,688	\$ 27,319,556	\$ 28,613,357	\$ 1,153,669	
Alternative Instruction Program	435,631	0	9,540	445,171	245,987	453,127	7,956	
Special Education Program	2,720,101	(6,940)	742	2,713,903	2,827,625	2,850,460	136,557	
Vocational Education Program	1,082,547	0	0	1,082,547	1,206,209	1,244,125	161,578	
Adult Education Program	148,739	0	0	148,739	148,841	154,526	5,787	
<u>Support Services</u>								
Attendance	90,756	(43)	0	90,713	89,168	91,621	908	
Health Services	344,372	(1,844)	969	343,497	428,817	510,978	167,481	
Other Student Support	1,188,436	(1,437)	735	1,187,734	1,164,553	1,219,464	31,730	
Regular Instruction Program	1,070,933	(3,283)	2,976	1,070,626	1,260,860	1,211,715	141,089	
Alternative Instruction Program	82,521	0	0	82,521	77,884	82,680	159	
Special Education Program	268,133	(5,609)	5,672	268,196	209,161	273,306	5,110	
Vocational Education Program	25,857	0	0	25,857	27,264	27,478	1,621	
Adult Programs	87,796	0	0	87,796	110,810	110,106	22,310	

(Continued)

Exhibit J-8

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

	Actual (GAAP Basis)	Less:		Add:	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Encumbrances 7/1/2010	Encumbrances 6/30/2011			Original	Final	
<u>Expenditures (Cont.)</u>								
<u>Support Services (Cont.)</u>								
Other Programs	\$ 142,123	\$ 0	\$ 0	\$ 0	142,123	\$ 0	\$ 142,123	\$ 0
Board of Education	586,631	(125)	604	587,110	613,937	655,961	68,851	68,851
Director of Schools	1,262,473	0	0	1,262,473	1,351,794	1,399,903	137,430	137,430
Office of the Principal	2,501,865	(773)	900	2,501,992	2,750,381	2,826,506	324,514	324,514
Human Services/Personnel	101,682	(80)	125	101,727	106,672	107,604	5,877	5,877
Operation of Plant	4,815,249	(6,790)	62,536	4,870,995	5,468,792	5,496,031	625,036	625,036
Maintenance of Plant	1,325,069	(98,401)	73,558	1,300,226	1,428,031	1,446,915	146,689	146,689
Transportation	1,913,722	(3,230)	48,917	1,959,409	2,344,528	2,360,664	401,255	401,255
Central and Other	193,615	0	0	193,615	237,193	241,906	48,291	48,291
<u>Operation of Non-Instructional Services</u>								
Food Service	55,557	0	0	55,557	54,943	55,557	0	0
Community Services	100,908	0	164	101,072	89,898	172,930	71,858	71,858
<u>Capital Outlay</u>								
Regular Capital Outlay	345,621	(165,934)	133,893	313,580	488,525	589,072	275,492	275,492
Total Expenditures	\$ 47,845,976	\$ (391,001)	\$ 941,892	\$ 48,396,867	\$ 50,051,429	\$ 52,338,115	\$ 3,941,248	\$ 3,941,248
Excess (Deficiency) of Revenues Over Expenditures	\$ (198,079)	\$ 391,001	\$ (941,892)	\$ (748,970)	\$ (3,261,190)	\$ (4,009,081)	\$ 3,260,111	\$ 3,260,111
<u>Other Financing Sources (Uses)</u>								
Transfers In	\$ 3,192	\$ 0	\$ 0	\$ 3,192	\$ 8,000	\$ 758,000	\$ (754,808)	\$ (754,808)
Transfers Out	(100,000)	0	0	(100,000)	(31,357)	(100,000)	0	0
Total Other Financing Sources (Uses)	\$ (96,808)	\$ 0	\$ 0	\$ (96,808)	\$ (23,357)	\$ 658,000	\$ (754,808)	\$ (754,808)

(Continued)

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ (294,887) 10,574,469	\$ 391,001 (391,001)	\$ (941,892) 0	\$ (845,778) 10,183,468	\$ (3,284,547) 6,076,070	\$ (3,351,081) 6,284,691	\$ 2,505,303 3,898,777
Fund Balance, June 30, 2011	\$ 10,279,582	\$ 0	\$ (941,892)	\$ 9,337,690	\$ 2,791,523	\$ 2,933,610	\$ 6,404,080

Exhibit J-9

Bedford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Bedford County School Department
School Federal Projects Fund
For the Year Ended June 30, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original		
					Original	Final	
<u>Revenues</u>							
Other Local Revenues	\$ 945	\$ 0	\$ 0	\$ 945	\$ 0	\$ 0	\$ 945
Federal Government	7,068,854	0	0	7,068,854	9,731,773	9,726,948	(2,658,094)
Total Revenues	\$ 7,069,799	\$ 0	\$ 0	\$ 7,069,799	\$ 9,731,773	\$ 9,726,948	\$ (2,657,149)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 3,212,916	\$ (19,917)	\$ 206,795	\$ 3,399,794	\$ 4,866,989	\$ 4,670,418	\$ 1,270,624
Special Education Program	1,741,866	(11,087)	54,217	1,784,996	2,731,888	2,731,888	946,892
Vocational Education Program	103,322	(2,899)	0	100,423	99,718	100,826	403
<u>Support Services</u>							
Health Services	145,913	0	0	145,913	229,978	229,978	84,065
Other Student Support	222,272	(1,623)	2,513	223,162	260,327	269,773	46,611
Regular Instruction Program	565,667	(19,498)	44,677	590,846	771,649	770,125	179,279
Special Education Program	339,757	(409)	12,671	352,019	571,994	571,994	219,975
Vocational Education Program	997	0	0	997	5,200	997	0
Office of the Principal	456	0	0	456	0	187,566	187,110
Transportation	465,178	0	0	465,178	534,616	534,616	69,438
Total Expenditures	\$ 6,798,344	\$ (55,433)	\$ 320,873	\$ 7,063,784	\$ 10,072,359	\$ 10,068,181	\$ 3,004,397
Excess (Deficiency) of Revenues Over Expenditures	\$ 271,455	\$ 55,433	\$ (320,873)	\$ 6,015	\$ (340,586)	\$ (341,233)	\$ 347,248
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 100,000	\$ 0	\$ 0	\$ 100,000	\$ 198,137	\$ 198,137	\$ (98,137)

(Continued)

Exhibit J-9

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Other Financing Sources (Uses) (Cont.)							
Transfers Out	\$ (3,192) \$	0 \$	0 \$	(3,192) \$	(15,786) \$	(15,135) \$	11,943
Total Other Financing Sources (Uses)	\$ 96,808 \$	0 \$	0 \$	96,808 \$	182,351 \$	183,002 \$	(86,194)
Net Change in Fund Balance	\$ 368,263 \$	55,433 \$	(320,873) \$	102,823 \$	(158,235) \$	(158,231) \$	261,054
Fund Balance, July 1, 2010	89,380	(55,433)	0	33,947	158,235	158,235	(124,288)
Fund Balance, June 30, 2011	\$ 457,643 \$	0 \$	(320,873) \$	136,770 \$	0 \$	4 \$	136,766

Exhibit J-10

Bedford County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 Discretely Presented Bedford County School Department
 Central Cafeteria Fund
 For the Year Ended June 30, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 1,105,019	\$ 0	\$ 0	\$ 1,105,019	\$ 1,445,000	\$ 1,445,094	\$ (340,075)
Other Local Revenues	1,894	0	0	1,894	24,000	24,000	(22,106)
Federal Government	2,752,690	0	0	2,752,690	2,490,000	2,855,722	(103,032)
Total Revenues	\$ 3,859,603	\$ 0	\$ 0	\$ 3,859,603	\$ 3,959,000	\$ 4,324,816	\$ (465,213)
<u>Expenditures</u>							
<u>Support Services</u>							
Board of Education	\$ 25,000	\$ 0	\$ 0	\$ 25,000	\$ 25,000	\$ 25,000	\$ 0
Operation of Non-Instructional Services							
Food Service	3,752,939	(39,451)	107,961	3,821,449	4,152,350	4,550,482	729,033
Total Expenditures	\$ 3,777,939	\$ (39,451)	\$ 107,961	\$ 3,846,449	\$ 4,177,350	\$ 4,575,482	\$ 729,033
Excess (Deficiency) of Revenues Over Expenditures	\$ 81,664	\$ 39,451	\$ (107,961)	\$ 13,154	\$ (218,350)	\$ (250,666)	\$ 263,820
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ 0	\$ 0	\$ 0	\$ 0	\$ (17,388)	\$ 0	\$ 0
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (17,388)	\$ 0	\$ 0
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ 81,664	\$ 39,451	\$ (107,961)	\$ 13,154	\$ (235,738)	\$ (250,666)	\$ 263,820
	1,555,060	(39,451)	0	1,515,609	925,511	1,540,132	(24,523)
Fund Balance, June 30, 2011	\$ 1,636,724	\$ 0	\$ (107,961)	\$ 1,528,763	\$ 689,773	\$ 1,289,466	\$ 239,297

Exhibit J-11

Bedford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Bedford County School Department
Extended School Program Fund
For the Year Ended June 30, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 335,543 \$	0 \$	0 \$	335,543 \$	410,086 \$	410,086 \$	(74,543)
Other Local Revenues	21	0	0	21	150	171	(150)
Total Revenues	\$ 335,564 \$	0 \$	0 \$	335,564 \$	410,236 \$	410,257 \$	(74,693)
<u>Expenditures</u>							
<u>Support Services</u>							
Board of Education	\$ 2,800 \$	0 \$	0 \$	2,800 \$	2,800 \$	2,800 \$	0
<u>Operation of Non-Instructional Services</u>							
Community Services	318,140	(969)	8,138	325,309	419,373	422,767	97,458
Total Expenditures	\$ 320,940 \$	(969) \$	8,138 \$	328,109 \$	422,173 \$	425,567 \$	97,458
Excess (Deficiency) of Revenues Over Expenditures	\$ 14,624 \$	969 \$	(8,138) \$	7,455 \$	(11,937) \$	(15,310) \$	22,765
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ 14,624 \$	969 \$	(8,138) \$	7,455 \$	(11,937) \$	(15,310) \$	22,765
	121,472	(969)	0	120,503	107,961	118,099	2,404
Fund Balance, June 30, 2011	\$ 136,096 \$	0 \$	(8,138) \$	127,958 \$	96,024 \$	102,789 \$	25,169

Bedford County Solid Waste Authority

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

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

Exhibit K-1

Bedford County, Tennessee
Balance Sheet - Governmental Fund
Discretely Presented Bedford County Solid Waste Authority
June 30, 2011

	<u>Solid Waste/ Sanitation Fund</u>
<u>ASSETS</u>	
Cash	\$ 73,236
Accounts Receivable	<u>5,028</u>
Total Assets	<u>\$ 78,264</u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 27,342
Payroll Deductions Payable	<u>5,178</u>
Total Liabilities	<u>\$ 32,520</u>
<u>FUND BALANCE</u>	
Fund Balance:	
Committed for Public Health and Welfare	\$ 45,744
Total Fund Balance	<u>\$ 45,744</u>
Total Liabilities and Fund Balance	<u>\$ 78,264</u>

Exhibit K-2

Bedford County, Tennessee
Reconciliation of the Balance Sheet of the Governmental Fund to
the Statement of Net Assets
Discretely Presented Bedford County Solid Waste Authority
June 30, 2011

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

Total fund balances - balance sheet - governmental funds (Exhibit K-1)		\$ 45,744
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 10,200	
Add: buildings and improvements net of accumulated depreciation	174,949	
Add: other capital assets net of accumulated depreciation	<u>607,070</u>	792,219
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: compensated absences payable	\$ (12,817)	
Less: other postemployment benefits liability	<u>(3,208)</u>	<u>(16,025)</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 821,938</u>

Exhibit K-3

Bedford County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Governmental Fund
Discretely Presented Bedford County Solid Waste Authority
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2011

	Actual
<hr/>	
<u>Revenues</u>	
Other Local Revenues	\$ 53,867
State of Tennessee	15,018
Other Governments and Citizens Groups	<u>1,044,983</u>
Total Revenues	<u>\$ 1,113,868</u>
 <u>Expenditures</u>	
<u>Public Health and Welfare</u>	
Convenience Centers	<u>\$ 1,150,540</u>
Total Expenditures	<u>\$ 1,150,540</u>
 Excess (Deficiency) of Revenues Over Expenditures	 <u>\$ (36,672)</u>
 Fund Balance, July 1, 2010	 <u>\$ 82,416</u>
 Fund Balance, June 30, 2011	 <u><u>\$ 45,744</u></u>

Exhibit K-4

Bedford County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of the Governmental Fund to the
Statement of Activities
Discretely Presented Bedford County Solid Waste Authority
For the Year Ended June 30, 2011

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

Net change in fund balances - total governmental funds (Exhibit K-3)	\$	(36,672)
(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	\$ 189,983	
Less: current-year depreciation expense	<u>(45,110)</u>	144,873
(2) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in compensated absences payable	\$ 609	
Change in other postemployment benefits liability	<u>(1,521)</u>	<u>(912)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 107,289</u>

Exhibit K-5

Bedford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Bedford County Solid Waste Authority
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 53,867	\$ 38,000	\$ 38,000	\$ 15,867
State of Tennessee	15,018	30,000	30,000	(14,982)
Other Governments and Citizens Groups	1,044,983	855,000	1,044,983	0
Total Revenues	<u>\$ 1,113,868</u>	<u>\$ 923,000</u>	<u>\$ 1,112,983</u>	<u>\$ 885</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Convenience Centers	\$ 1,150,540	\$ 965,624	\$ 1,211,991	\$ 61,451
Total Expenditures	<u>\$ 1,150,540</u>	<u>\$ 965,624</u>	<u>\$ 1,211,991</u>	<u>\$ 61,451</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (36,672)</u>	<u>\$ (42,624)</u>	<u>\$ (99,008)</u>	<u>\$ 62,336</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 0	\$ 2,500	\$ 2,500	\$ (2,500)
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 2,500</u>	<u>\$ 2,500</u>	<u>\$ (2,500)</u>
Net Change in Fund Balance	\$ (36,672)	\$ (40,124)	\$ (96,508)	\$ 59,836
Fund Balance, July 1, 2010	<u>82,416</u>	<u>48,991</u>	<u>26,032</u>	<u>56,384</u>
Fund Balance, June 30, 2011	<u>\$ 45,744</u>	<u>\$ 8,867</u>	<u>\$ (70,476)</u>	<u>\$ 116,220</u>

MISCELLANEOUS SCHEDULES

Bedford County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, and Bonds
For the Year Ended June 30, 2011

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-10	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-11
NOTES PAYABLE								
<u>Payable through General Debt Service Fund</u>								
Workhouse and Agriculture Center	\$ 870,000	2.75%	8-1-03	7-29-10	\$ 124,406	0	\$ 124,406	0
School Portable Buildings	720,000	4	5-19-06	6-7-11	154,522	0	154,522	0
Highway Paving	2,000,000	4.14	6-15-07	6-15-12	849,835	0	416,137	433,698
EMA Project	193,000	3.94	8-21-08	8-21-13	154,400	0	38,600	115,800
School Project	4,700,000	3.23	9-8-08	6-30-13	2,820,000	0	940,000	1,880,000
Tennessee Vocational Rehabilitation Center	1,100,000	3.75	2-3-05	1-1-15	600,000	0	111,000	489,000
County Projects	450,000	2.84	6-30-10	6-30-13	450,000	0	150,000	300,000
County Projects/Garbage Truck	300,000	2.70	5-23-11	5-23-16	0	300,000	0	300,000
Total Notes Payable					\$ 5,153,163	\$ 300,000	\$ 1,934,665	\$ 3,518,498
OTHER LOANS PAYABLE								
<u>Payable through General Debt Service Fund</u>								
School	8,000,000	variable	5-23-1997	5-25-17	\$ 3,759,000	0	\$ 458,000	\$ 3,301,000
Total Other Loans Payable					\$ 3,759,000	0	\$ 458,000	\$ 3,301,000
BONDS PAYABLE								
<u>Payable through General Debt Service Fund</u>								
General Obligation School Refunding	5,130,000	2 to 4.55	1-15-02	4-1-16	\$ 3,900,000	0	\$ 585,000	\$ 3,315,000
School	14,000,000	2 to 4	6-12-03	6-30-23	10,410,000	0	650,000	9,760,000
School	4,290,000	3.25 to 4.3	4-15-05	4-25-25	3,600,000	0	185,000	3,415,000
General Obligation	6,500,000	3.75	12-14-06	6-30-27	5,800,000	0	250,000	5,550,000
School	44,000,000	4 to 5	6-14-07	4-1-37	42,310,000	0	890,000	41,420,000
General Obligation School Refunding	3,435,000	3 to 4.5	5-7-08	4-1-14	2,365,000	0	560,000	1,805,000
Total Bonds Payable					\$ 68,385,000	0	\$ 3,120,000	\$ 65,265,000

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2012	\$ 1,738,360	\$ 118,441	\$ 1,856,801
2013	1,310,185	58,216	1,368,401
2014	220,953	15,859	236,812
2015	189,000	8,077	197,077
2016	60,000	1,620	61,620
Total	\$ 3,518,498	\$ 202,213	\$ 3,720,711

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2012	\$ 482,000	\$ 15,302	\$ 11,913	\$ 509,215
2013	508,000	13,068	10,323	531,391
2014	534,000	10,713	8,646	553,359
2015	562,000	8,238	6,884	577,122
2016	592,000	5,632	5,030	602,662
2017	623,000	2,888	2,991	628,879
Total	\$ 3,301,000	\$ 55,841	\$ 45,787	\$ 3,402,628

Year Ending June 30	Bonds		
	Principal	Interest	Total
2012	\$ 3,230,000	\$ 2,788,836	\$ 6,018,836
2013	3,350,000	2,661,312	6,011,312
2014	3,470,000	2,526,851	5,996,851
2015	2,950,000	2,386,597	5,336,597
2016	3,070,000	2,269,884	5,339,884
2017	2,435,000	2,138,804	4,573,804
2018	2,520,000	2,035,705	4,555,705
2019	2,630,000	1,939,349	4,569,349
2020	2,725,000	1,837,600	4,562,600
2021	2,840,000	1,729,482	4,569,482
2022	2,960,000	1,613,531	4,573,531
2023	3,080,000	1,489,019	4,569,019
2024	2,175,000	1,359,173	3,534,173
2025	2,265,000	1,265,073	3,530,073
2026	2,045,000	1,168,837	3,213,837
2027	2,130,000	1,072,087	3,202,087
2028	1,745,000	971,275	2,716,275
2029	1,825,000	884,025	2,709,025
2030	1,905,000	801,900	2,706,900
2031	1,990,000	716,175	2,706,175
2032	2,075,000	626,625	2,701,625
2033	2,170,000	533,250	2,703,250
2034	2,265,000	435,600	2,700,600
2035	2,365,000	333,675	2,698,675
2036	2,470,000	227,250	2,697,250
2037	2,580,000	116,099	2,696,099
Total	\$ 65,265,000	\$ 35,928,014	\$ 101,193,014

Bedford County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Bedford County School Department
For the Year Ended June 30, 2011

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
Nursing Home	Nursing Home Projects	Close fund	<u>\$ 162,257</u>
Total Transfers Primary Government			<u>\$ 162,257</u>
<u>DISCRETELY PRESENTED BEDFORD COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School School Federal Projects	School Federal Projects General Purpose School	Operations Indirect costs	\$ 100,000 3,192
Total Transfers Discretely Presented Bedford County School Department			<u>\$ 103,192</u>

Bedford County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government, Discretely Presented Bedford County School Department, and
Discretely Presented Bedford County Solid Waste Authority
For the Year Ended June 30, 2011

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA	\$ 81,254	\$ 50,000	RLI Insurance Company
Highway Superintendent	Section 8-24-102, TCA, and County Commission	91,784 (1)	100,000	Ohio Casualty Insurance Company
Superintendent of Schools	State Board of Education and County Commission	95,000	100,000	RLI Insurance Company
Trustee:				
Peggy Bush (7-1-10 through 8-31-10)	Section 8-24-102, TCA	11,659 (4)	1,400,000	Ohio Casualty Insurance Company
Tonya Davis (9-1-10 through 6-30-11)	Section 8-24-102, TCA	53,295	1,865,700	Auto-Owners (Mutual) Insurance Company
Assessor of Property	Section 8-24-102, TCA	65,704 (5)	10,000	RLI Insurance Company
County Clerk	Section 8-24-102, TCA	63,954	50,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, TCA, and County Commission	84,945 (2)	50,000	"
Clerk and Master	Section 8-24-102, TCA, and Chancery Court Judge	70,349 (3)	50,000	"
Register	Section 8-24-102, TCA	64,954 (4)	25,000	"
Sheriff	Section 8-24-102, TCA	77,384	25,000	"
Finance Director	County Commission	85,000	50,000	"
<u>Other Bonds</u>				
Employee Fidelity - General Government and Discretely Presented Solid Waste Authority			150,000	Tennessee Risk Management Trust
Employee Blanket Bond - Discretely Presented School Department			150,000	"

- (1) Includes salary of \$14,400 paid by the Bedford County Solid Waste Authority, a discretely presented component unit.
- (2) Includes additional ten percent of clerk's salary for overseeing more than one court, \$13,596 received as administrator of the county's driving school, and level three training incentive pay of \$1,000.
- (3) Includes additional ten percent of clerk's salary for overseeing more than one court.
- (4) Includes level-three training incentive pay of \$1,000.
- (5) Includes level-three training incentive pay of \$1,000 and Tennessee certified assessor's pay of \$750.

Bedford County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2011

	Special Revenue Funds					Debt Service Fund			Capital Projects Funds			Total
	General	Drug Control	Agriculture Center	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Community Development/Industrial Park		Nursing Home Projects			
Local Taxes												
County Property Taxes												
Current Property Tax	\$ 7,940,740	\$ 0	\$ 0	\$ 0	\$ 285,228	\$ 713,434	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,939,402	
Trustee's Collections - Prior Year	286,511	0	0	0	11,259	28,133	0	0	0	0	325,903	
Circuit/Clerk & Master Collections - Prior Years	247,807	0	0	0	8,930	22,325	0	0	0	0	279,062	
Interest and Penalty	55,955	0	0	0	2,016	5,040	0	0	0	0	63,011	
Payments in-Lieu-of Taxes - T.V.A.	360,835	0	0	0	13,003	32,508	0	0	0	0	406,346	
Payments in-Lieu-of Taxes - Local Utilities	59,349	0	0	0	2,139	5,347	0	0	0	0	66,835	
Payments in-Lieu-of Taxes - Other	85,132	0	0	0	3,068	7,670	0	0	0	0	95,870	
County Local Option Taxes												
Local Option Sales Tax	217,084	0	0	0	0	4,902,598	0	0	0	0	5,119,682	
Litigation Tax - General	152,194	0	0	0	0	0	0	0	0	0	152,194	
Litigation Tax - Jail, Workroom, or Courthouse	126,385	0	0	0	0	0	0	0	0	0	126,385	
Litigation Tax - Courtroom Security	92,705	0	0	0	0	0	0	0	0	0	92,705	
Business Tax	317,681	0	0	0	0	0	0	0	0	0	317,681	
Mineral Severance Tax	0	0	0	0	109,964	0	0	0	0	0	109,964	
Adequate Facilities/Development Tax	0	0	0	0	0	342,536	0	0	0	0	342,536	
Statutory Local Taxes												
Bank Excise Tax	21,032	0	0	0	0	0	0	0	0	0	21,032	
Wholesale Beer Tax	197,564	0	0	0	0	0	0	0	0	0	197,564	
Interstate Telecommunications Tax	1,471	0	0	0	0	0	0	0	0	0	1,471	
Other Statutory Local Taxes	36	0	0	0	0	0	0	0	0	0	36	
Total Local Taxes	\$ 10,162,481	\$ 0	\$ 0	\$ 0	\$ 435,607	\$ 6,059,591	\$ 0	\$ 0	\$ 0	\$ 0	\$ 16,657,679	
Licenses and Permits												
Licenses												
Cable TV Franchise	16,848	0	0	0	0	0	0	0	0	0	16,848	
Permits												
Beer Permits	2,584	0	0	0	0	0	0	0	0	0	2,584	
Building Permits	67,414	0	0	0	0	0	0	0	0	0	67,414	
Other Permits	23,712	0	0	0	0	0	0	0	0	0	23,712	
Total Licenses and Permits	\$ 110,558	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 110,558	

(Continued)

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

	Special Revenue Funds					Debt Service Fund		Capital Projects Funds			Total
	General	Drug Control	Agriculture Center	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Community Development/ Industrial Park	Nursing Home Projects			
<u>Fines, Forfeitures, and Penalties</u>											
<u>Circuit Court</u>											
Fines	\$ 16,324	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 16,324
Officers Costs	4,056	0	0	0	0	0	0	0	0	0	4,056
Jail Fees	663	0	0	0	0	0	0	0	0	0	663
Data Entry Fee - Circuit Court	176	0	0	0	0	0	0	0	0	0	176
<u>Criminal Court</u>											
Interpreter Fees	10,291	0	0	0	0	0	0	0	0	0	10,291
<u>General Sessions Court</u>											
Fines	61,525	0	0	0	0	0	0	0	0	0	61,525
Officers Costs	57,094	0	0	0	0	0	0	0	0	0	57,094
Game and Fish Fines	610	0	0	0	0	0	0	0	0	0	610
Drug Control Fines	0	13,970	0	0	0	0	0	0	0	0	13,970
Drug Court Fees	1,334	0	0	0	0	0	0	0	0	0	1,334
Jail Fees	13,189	0	0	0	0	0	0	0	0	0	13,189
Data Entry Fee - General Sessions Court	5,242	0	0	0	0	0	0	0	0	0	5,242
<u>Juvenile Court</u>											
Fines	31,109	0	0	0	0	0	0	0	0	0	31,109
Jail Fees	76,769	0	0	0	0	0	0	0	0	0	76,769
<u>Chancery Court</u>											
Officers Costs	2,234	0	0	0	0	0	0	0	0	0	2,234
Data Entry Fee - Chancery Court	4,868	0	0	0	0	0	0	0	0	0	4,868
Courtroom Security Fee	121	0	0	0	0	0	0	0	0	0	121
<u>Other Courts - In-county</u>											
Fines	9,390	0	0	0	0	0	0	0	0	0	9,390
<u>Judicial District Drug Program</u>											
Courtroom Security Fee	54	0	0	0	0	0	0	0	0	0	54
<u>Other Fines, Forfeitures, and Penalties</u>											
Other Fines, Forfeitures, and Penalties	12,450	2,164	0	0	0	0	0	0	0	0	14,614
Total Fines, Forfeitures, and Penalties	\$ 307,499	\$ 16,134	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 323,633

(Continued)

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

	Special Revenue Funds					Debt Service Fund		Capital Projects Funds			Total
	General	Drug Control	Agriculture Center	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Community Development/ Industrial Park	Nursing Home Projects			
<u>Charges for Current Services</u>											
<u>General Service Charges</u>											
Patient Charges	\$ 1,309,025	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,309,025
Work Release Charges for Board	3,545	0	0	0	0	0	0	0	0	0	3,545
Other General Service Charges	33,820	0	0	0	0	0	0	0	0	0	33,820
Service Charges	200	0	0	0	0	0	0	0	0	0	200
<u>Fees</u>											
Copy Fees	331	0	0	0	0	0	0	0	0	0	331
Telephone Commissions	52,103	0	0	0	0	0	0	0	0	0	52,103
Constitutional Officers' Fees and Commissions	0	0	0	342	0	0	0	0	0	0	342
Special Commissioner Fees/Special Master Fees	0	0	0	863	0	0	0	0	0	0	863
Data Processing Fee - Register	12,568	0	0	0	0	0	0	0	0	0	12,568
Probation Fees	390,173	0	0	0	0	0	0	0	0	0	390,173
Data Processing Fee - Sheriff	1,908	0	0	0	0	0	0	0	0	0	1,908
Sexual Offender Registration Fees - Sheriff	1,450	0	0	0	0	0	0	0	0	0	1,450
Data Processing Fee - County Clerk	3,592	0	0	0	0	0	0	0	0	0	3,592
<u>Other Charges for Services</u>											
Other Charges for Services	11,550	0	0	0	0	0	0	0	0	0	11,550
Total Charges for Current Services	\$ 1,820,265	\$ 0	\$ 0	\$ 1,205	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,821,470
<u>Other Local Revenues</u>											
<u>Recurring Items</u>											
Investment Income	0	0	0	0	0	0	0	0	0	0	0
Lease/Rentals	163,589	0	7,800	0	0	0	0	0	0	137	336,696
Sale of Materials and Supplies	0	0	0	0	1,637	0	0	0	0	0	425,122
Commissary Sales	20,749	0	0	0	0	0	0	0	0	0	1,637
Sale of Gasoline	591	0	0	0	7,171	0	0	0	0	0	20,749
Sale of Maps	5,431	0	0	0	0	0	0	0	0	0	7,762
Sale of Animals/Livestock	11,300	0	0	0	0	0	0	0	0	0	5,431
Miscellaneous Refunds	176,609	0	1,400	0	739	0	0	0	0	0	11,300
<u>Nonrecurring Items</u>											
Sale of Equipment	26,699	3,366	0	0	8,521	0	0	0	0	0	60,739
											239,487
											38,586

(Continued)

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

	Special Revenue Funds					Debt Service Fund		Capital Projects Funds			Total
	General	Drug Control	Agriculture Center	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Community Development/ Industrial Park	Nursing Home Projects			
<u>Other Local Revenues (Cont.)</u>											
Nonrecurring Items (Cont.)											
Contributions and Gifts	\$ 80,204	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 80,204
<u>Other Local Revenues</u>	5,374	0	0	0	0	0	0	0	0	0	86,121
Other Local Revenues	\$ 490,546	\$ 3,366	\$ 9,200	\$ 0	\$ 18,068	\$ 470,292	\$ 0	\$ 80,747	\$ 261,623	\$ 1,253,095	
Total Other Local Revenues											
<u>Fees Received from County Officials</u>											
<u>Fees in-Lieu-of Salary</u>											
County Clerk	\$ 381,966	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 381,966
Circuit Court Clerk	107,602	0	0	0	0	0	0	0	0	0	107,602
General Sessions Court Clerk	320,454	0	0	0	0	0	0	0	0	0	320,454
Clerk and Master	229,209	0	0	0	0	0	0	0	0	0	229,209
Register	148,856	0	0	0	0	0	0	0	0	0	148,856
Sheriff	33,800	0	0	0	0	0	0	0	0	0	33,800
Trustee	590,210	0	0	0	0	0	0	0	0	0	590,210
Total Fees Received from County Officials	\$ 1,812,097	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,812,097
<u>State of Tennessee</u>											
<u>General Government Grants</u>											
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,000
On-Behalf Contributions for OPEB	2,298	0	0	0	0	0	0	0	0	0	2,298
Health and Welfare Grants											
Health Department Programs											
Public Works Grants	392,455	0	0	0	0	0	0	0	0	0	392,455
Bridge Program	0	0	0	0	86,765	0	0	0	0	0	86,765
State Aid Program	0	0	0	0	275,331	0	0	0	0	0	275,331
Litter Program	0	0	0	0	30,468	0	0	0	0	0	30,468
<u>Other State Revenues</u>											
Income Tax	208,479	0	0	0	0	0	0	0	0	0	208,479
Beer Tax	18,724	0	0	0	0	0	0	0	0	0	18,724
Alcoholic Beverage Tax	61,945	0	0	0	0	0	0	0	0	0	61,945

(Continued)

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

	Special Revenue Funds					Debt Service Fund		Capital Projects Funds			Total
	General	Drug Control	Agriculture Center	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Community Development/ Industrial Park	Nursing Home Projects			
<u>State of Tennessee (Cont.)</u>											
Other State Revenues (Cont.)											
Mixed Drink Tax	5,223	0	0	0	0	0	0	0	0	0	5,223
Emergency Hospital - Prisoners	70	0	0	0	0	0	0	0	0	0	70
Contracted Prisoner Boarding	1,144,321	0	0	0	0	0	0	0	0	0	1,144,321
Gasoline and Motor Fuel Tax	0	0	0	0	1,820,222	0	0	0	0	0	1,820,222
Petroleum Special Tax	0	0	0	0	30,186	0	0	0	0	0	30,186
Registrar's Salary Supplement	19,259	0	0	0	0	0	0	0	0	0	19,259
State Shared Sales Tax - Cities	2,966	0	0	0	0	0	0	0	0	0	2,966
Other State Revenues	9,950	0	0	0	0	0	0	0	0	0	9,950
Total State of Tennessee	1,874,690	0	0	0	2,242,972	0	0	0	0	0	4,117,662
<u>Federal Government</u>											
<u>Federal Through State</u>											
Community Development	0	0	0	0	0	0	0	341,492	0	0	341,492
Civil Defense Reimbursement	20,484	0	0	0	0	0	0	0	0	0	20,484
Other Federal through State	103,119	0	0	0	0	0	0	0	0	0	103,119
Direct Federal Revenue	0	0	0	0	199,978	0	0	0	0	0	199,978
Other Direct Federal Revenue	0	0	0	0	199,978	0	0	0	0	0	199,978
Total Federal Government	123,603	0	0	0	199,978	0	0	341,492	0	0	665,073
<u>Other Governments and Citizens Groups</u>											
Other Governments	0	0	0	0	0	0	0	0	0	0	0
Paving and Maintenance	0	0	0	0	10,037	0	0	0	0	0	10,037
Contributions	0	0	0	0	0	1,032,350	0	0	0	0	1,032,350
Citizens Groups	2,000	0	0	0	0	0	0	0	0	0	2,000
Donations	2,000	0	0	0	0	0	0	0	0	0	2,000
Total Other Governments and Citizens Groups	2,000	0	0	0	10,037	1,032,350	0	0	0	0	1,044,387
<u>Total</u>	16,703,739	19,500	9,200	1,205	2,906,662	7,562,233	341,492	261,623	27,805,654		

Bedford County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Bedford County School Department
For the Year Ended June 30, 2011

	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 7,273,360	\$ 0	\$ 0	\$ 0	\$ 7,273,360
Trustee's Collections - Prior Year	287,076	0	0	0	287,076
Circuit/Clerk & Master Collections - Prior Years	227,714	0	0	0	227,714
Interest and Penalty	51,983	0	0	0	51,983
Payments in-Lieu-of Taxes - T.V.A.	331,578	0	0	0	331,578
Payments in-Lieu-of Taxes - Local Utilities	54,537	0	0	0	54,537
Payments in-Lieu-of Taxes - Other	78,230	0	0	0	78,230
<u>County Local Option Taxes</u>					
Local Option Sales Tax	1,874,206	0	0	0	1,874,206
<u>Statutory Local Taxes</u>					
Interstate Telecommunications Tax	2,435	0	0	0	2,435
Total Local Taxes	\$ 10,181,119	\$ 0	\$ 0	\$ 0	\$ 10,181,119
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 2,274	\$ 0	\$ 0	\$ 0	\$ 2,274
Total Licenses and Permits	\$ 2,274	\$ 0	\$ 0	\$ 0	\$ 2,274
<u>Charges for Current Services</u>					
<u>Fees</u>					
Copy Fees	\$ 11	\$ 0	\$ 0	\$ 0	\$ 11
<u>Education Charges</u>					
Tuition - Other	0	0	0	335,543	335,543
Lunch Payments - Children	0	0	664,658	0	664,658
Lunch Payments - Adults	0	0	145,130	0	145,130
Income from Breakfast	0	0	195,948	0	195,948
A la carte Sales	0	0	99,283	0	99,283
Receipts from Individual Schools	115,640	0	0	0	115,640
<u>Other Charges for Services</u>					
Other Charges for Services	2,579	0	0	0	2,579
Total Charges for Current Services	\$ 118,230	\$ 0	\$ 1,105,019	\$ 335,543	\$ 1,558,792
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 1,870	\$ 0	\$ 1,870
Lease/Rentals	16,090	0	0	0	16,090
Refund of Telecommunication & Internet Fees (E-Rate)	158,597	0	0	0	158,597
Miscellaneous Refunds	250,518	945	24	21	251,508
<u>Nonrecurring Items</u>					
Contributions and Gifts	8,750	0	0	0	8,750
Total Other Local Revenues	\$ 433,955	\$ 945	\$ 1,894	\$ 21	\$ 436,815
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-Behalf Contributions for OPEB	\$ 142,123	\$ 0	\$ 0	\$ 0	\$ 142,123
<u>State Education Funds</u>					
Basic Education Program	32,011,630	0	0	0	32,011,630
Basic Education Program - ARRA	3,234,371	0	0	0	3,234,371

(Continued)

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

	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Total
<u>State of Tennessee (Cont.)</u>					
<u>State Education Funds (Cont.)</u>					
Early Childhood Education	\$ 349,287	\$ 0	\$ 0	\$ 0	\$ 349,287
School Food Service	41,341	0	0	0	41,341
Driver Education	23,436	0	0	0	23,436
Other State Education Funds	93,543	0	0	0	93,543
Coordinated School Health - ARRA	45,372	0	0	0	45,372
Internet Connectivity - ARRA	23,273	0	0	0	23,273
Career Ladder Program	295,657	0	0	0	295,657
Career Ladder - Extended Contract - ARRA	122,667	0	0	0	122,667
<u>Other State Revenues</u>					
Mixed Drink Tax	5,642	0	0	0	5,642
Safe Schools - ARRA	20,500	0	0	0	20,500
Other State Revenues	336	0	0	0	336
Total State of Tennessee	\$ 36,409,178	\$ 0	\$ 0	\$ 0	\$ 36,409,178
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,901,260	\$ 0	\$ 1,901,260
USDA - Commodities	0	0	217,922	0	217,922
Breakfast	0	0	540,672	0	540,672
USDA - Other	0	0	92,836	0	92,836
Adult Education State Grant Program	135,357	0	0	0	135,357
Vocational Education - Basic Grants to States	0	126,180	0	0	126,180
Title I Grants to Local Education Agencies	0	2,778,695	0	0	2,778,695
Special Education - Grants to States	51,176	2,558,890	0	0	2,610,066
Special Education Preschool Grants	0	59,672	0	0	59,672
English Language Acquisition Grants	0	108,904	0	0	108,904
Safe and Drug-free Schools - State Grants	0	6,132	0	0	6,132
Rural Education	0	72,026	0	0	72,026
Eisenhower Professional Development State Grants	0	219,401	0	0	219,401
Race to the Top - ARRA	0	371,115	0	0	371,115
Other Federal through State	152,757	767,839	0	0	920,596
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	163,851	0	0	0	163,851
Total Federal Government	\$ 503,141	\$ 7,068,854	\$ 2,752,690	\$ 0	\$ 10,324,685
Total	\$ 47,647,897	\$ 7,069,799	\$ 3,859,603	\$ 335,564	\$ 58,912,863

Bedford County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Bedford County Solid Waste Authority
For the Year Ended June 30, 2011

	Solid Waste / Sanitation
<hr/>	
<u>Other Local Revenues</u>	
<u>Recurring Items</u>	
Sale of Recycled Materials	\$ 49,521
Miscellaneous Refunds	36
<u>Nonrecurring Items</u>	
Sale of Equipment	4,310
Total Other Local Revenues	<u>\$ 53,867</u>
<u>State of Tennessee</u>	
<u>General Government Grants</u>	
Solid Waste Grants	\$ 15,018
Total State of Tennessee	<u>\$ 15,018</u>
<u>Other Governments and Citizens Groups</u>	
<u>Other Governments</u>	
Contributions	\$ 1,044,983
Total Other Governments and Citizens Groups	<u>\$ 1,044,983</u>
Total	<u><u>\$ 1,113,868</u></u>

Bedford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2011

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	87,017	
Social Security		5,395	
State Retirement		2,598	
Employer Medicare		1,262	
Advertising		2,227	
Total County Commission			\$ 98,499

Board of Equalization

Board and Committee Members Fees	\$	4,320	
Total Board of Equalization			4,320

Beer Board

Board and Committee Members Fees	\$	300	
Total Beer Board			300

Budget and Finance Committee

Board and Committee Members Fees	\$	2,700	
Social Security		167	
State Retirement		61	
Employer Medicare		39	
Total Budget and Finance Committee			2,967

County Mayor/Executive

County Official/Administrative Officer	\$	81,254	
Data Processing Personnel		27,559	
Secretary(ies)		13,781	
Clerical Personnel		9,746	
Part-time Personnel		13,838	
Longevity Pay		300	
Social Security		8,074	
State Retirement		8,317	
Life Insurance		284	
Medical Insurance		12,669	
Employer Medicare		1,888	
Communication		2,529	
Maintenance Agreements		1,288	
Postal Charges		511	
Travel		653	
Other Contracted Services		6,275	
Office Supplies		2,094	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

County Mayor/Executive (Cont.)

Premiums on Corporate Surety Bonds	\$	296	
Other Charges		383	
Data Processing Equipment		749	
Office Equipment		1,607	
Total County Mayor/Executive			\$ 194,095

County Attorney

County Official/Administrative Officer	\$	40,000	
Total County Attorney			40,000

Election Commission

County Official/Administrative Officer	\$	57,559	
Assistant(s)		27,826	
Custodial Personnel		9,600	
Part-time Personnel		2,754	
Election Commission		3,075	
Election Workers		16,210	
Social Security		6,092	
State Retirement		5,354	
Life Insurance		173	
Medical Insurance		5,453	
Employer Medicare		1,425	
Communication		2,613	
Data Processing Services		2,900	
Dues and Memberships		175	
Maintenance Agreements		7,320	
Postal Charges		5,678	
Printing, Stationery, and Forms		12,791	
Travel		2,392	
Office Supplies		2,432	
Other Supplies and Materials		3,087	
Office Equipment		24,368	
Total Election Commission			199,277

Register of Deeds

County Official/Administrative Officer	\$	63,954	
Assistant(s)		116,775	
Educational Incentive - Official/Admin Officer		1,000	
Longevity Pay		3,950	
Social Security		10,497	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

State Retirement	\$	11,580	
Life Insurance		444	
Medical Insurance		24,287	
Employer Medicare		2,455	
Communication		2,430	
Dues and Memberships		959	
Maintenance Agreements		1,078	
Postal Charges		1,036	
Travel		1,380	
Other Contracted Services		16,000	
Office Supplies		5,822	
Premiums on Corporate Surety Bonds		377	
Other Charges		1,352	
Data Processing Equipment		16,311	
Office Equipment		3,050	
Total Register of Deeds			\$ 284,737

Planning

Part-time Personnel	\$	34,225	
Other Salaries and Wages		43,269	
Board and Committee Members Fees		5,200	
In-Service Training		125	
Social Security		4,633	
State Retirement		1,085	
Life Insurance		124	
Medical Insurance		7,458	
Employer Medicare		1,084	
Contracts with Government Agencies		14,300	
Dues and Memberships		100	
Legal Notices, Recording, and Court Costs		605	
Maintenance and Repair Services - Vehicles		1,165	
Postal Charges		290	
Travel		122	
Office Supplies		1,212	
Other Charges		100	
Office Equipment		1,720	
Total Planning			116,817

Codes Compliance

Longevity Pay	\$	300	
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(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Codes Compliance (Cont.)

Other Salaries and Wages	\$	35,168	
In-Service Training		453	
Social Security		2,128	
State Retirement		2,224	
Life Insurance		87	
Medical Insurance		5,453	
Employer Medicare		498	
Communication		425	
Legal Notices, Recording, and Court Costs		74	
Postal Charges		236	
Travel		1,743	
Gasoline		199	
Office Supplies		1,007	
Office Equipment		2,507	
Total Codes Compliance			\$ 52,502

County Buildings

Custodial Personnel	\$	24,508	
Maintenance Personnel		21,226	
Social Security		2,167	
State Retirement		1,537	
Life Insurance		138	
Medical Insurance		5,453	
Employer Medicare		507	
Communication		4,611	
Maintenance Agreements		450	
Maintenance and Repair Services - Buildings		35,457	
Maintenance and Repair Services - Equipment		3,605	
Pest Control		500	
Custodial Supplies		5,234	
Utilities		109,020	
Other Supplies and Materials		6,313	
Other Charges		12,942	
Building Improvements		100,498	
Office Equipment		898	
Other Equipment		1,940	
Total County Buildings			337,004

(Continued)

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

General Fund (Cont.)

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	85,000	
Accountants/Bookkeepers		190,868	
Clerical Personnel		32,803	
Longevity Pay		11,300	
In-Service Training		2,541	
Social Security		18,795	
State Retirement		19,080	
Life Insurance		729	
Medical Insurance		36,832	
Employer Medicare		4,396	
Communication		15,834	
Data Processing Services		10,842	
Dues and Memberships		1,724	
Postal Charges		4,951	
Travel		387	
Other Contracted Services		2,489	
Data Processing Supplies		2,645	
Office Supplies		9,117	
Other Charges		6,500	
Data Processing Equipment		327	
Office Equipment		4,056	
Total Accounting and Budgeting			\$ 461,216

Property Assessor's Office

County Official/Administrative Officer	\$	63,954
Assistant(s)		29,245
Data Processing Personnel		27,552
Secretary(ies)		28,968
Clerical Personnel		51,977
Educational Incentive - Official/Admin Officer		1,000
Longevity Pay		7,450
Other Salaries and Wages		750
In-Service Training		400
Social Security		12,163
State Retirement		13,161
Life Insurance		523
Medical Insurance		32,715
Employer Medicare		2,844
Communication		1,048
Dues and Memberships		1,505

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Maintenance Agreements	\$	794	
Maintenance and Repair Services - Equipment		5,677	
Postal Charges		1,486	
Rentals		15,780	
Travel		462	
Other Contracted Services		17,700	
Office Supplies		1,723	
Other Charges		1,543	
Data Processing Equipment		6,701	
Motor Vehicles		4,600	
Total Property Assessor's Office			\$ 331,721

Reappraisal Program

Clerical Personnel	\$	21,425	
Longevity Pay		2,000	
Other Salaries and Wages		39,370	
In-Service Training		300	
Social Security		3,775	
State Retirement		2,594	
Life Insurance		130	
Medical Insurance		9,503	
Employer Medicare		883	
Communication		583	
Data Processing Services		4,119	
Postal Charges		6,067	
Printing, Stationery, and Forms		555	
Travel		693	
Office Supplies		796	
Other Charges		2,322	
Total Reappraisal Program			95,115

County Trustee's Office

County Official/Administrative Officer	\$	63,954	
Deputy(ies)		109,866	
Part-time Personnel		5,885	
Educational Incentive - Official/Admin Officer		1,000	
Longevity Pay		6,700	
In-Service Training		1,350	
Social Security		11,205	
State Retirement		10,434	

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Life Insurance	\$	324	
Medical Insurance		21,998	
Employer Medicare		2,621	
Communication		1,573	
Data Processing Services		13,260	
Dues and Memberships		629	
Legal Notices, Recording, and Court Costs		361	
Maintenance Agreements		9,424	
Postal Charges		3,892	
Travel		2,120	
Office Supplies		4,286	
Premiums on Corporate Surety Bonds		8,381	
Other Charges		462	
Office Equipment		7,979	
Total County Trustee's Office			\$ 287,704

County Clerk's Office

County Official/Administrative Officer	\$	63,954	
Deputy(ies)		195,355	
Longevity Pay		9,200	
Social Security		15,762	
State Retirement		16,835	
Life Insurance		643	
Medical Insurance		27,209	
Employer Medicare		3,686	
Communication		2,097	
Dues and Memberships		634	
Maintenance Agreements		11,399	
Postal Charges		12,190	
Travel		1,084	
Office Supplies		7,543	
Premiums on Corporate Surety Bonds		586	
Other Charges		251	
Furniture and Fixtures		629	
Office Equipment		5,700	
Total County Clerk's Office			374,757

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	70,349	
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(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Deputy(ies)	\$	208,076	
Part-time Personnel		6,423	
Educational Incentive - Official/Admin Officer		1,000	
Longevity Pay		11,850	
Other Salaries and Wages		35,090	
Jury and Witness Expense		13,423	
Social Security		20,030	
State Retirement		20,401	
Life Insurance		788	
Medical Insurance		39,758	
Employer Medicare		4,685	
Communication		4,387	
Dues and Memberships		888	
Legal Notices, Recording, and Court Costs		17	
Maintenance Agreements		16,434	
Postal Charges		1,950	
Travel		1,294	
Office Supplies		8,283	
Premiums on Corporate Surety Bonds		296	
Other Charges		1,306	
Office Equipment		4,503	
Total Circuit Court			\$ 471,231

General Sessions Court

Judge(s)	\$	142,436	
Secretary(ies)		32,568	
Longevity Pay		1,650	
Social Security		9,791	
State Retirement		11,076	
Life Insurance		173	
Medical Insurance		10,905	
Employer Medicare		2,530	
Communication		558	
Postal Charges		100	
Rentals		4,000	
Office Supplies		188	
Total General Sessions Court			215,975

Chancery Court

County Official/Administrative Officer	\$	70,349	
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(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Assistant(s)	\$	115,388	
Part-time Personnel		14,144	
Longevity Pay		900	
Social Security		11,776	
State Retirement		11,127	
Life Insurance		393	
Medical Insurance		8,179	
Employer Medicare		2,754	
Communication		1,368	
Data Processing Services		4,615	
Dues and Memberships		1,394	
Maintenance Agreements		1,676	
Postal Charges		1,000	
Office Supplies		6,160	
In Service/Staff Development		952	
Data Processing Equipment		3,250	
Office Equipment		3,291	
Total Chancery Court			\$ 258,716

Juvenile Court

Youth Service Officer(s)	\$	41,138	
Social Workers		69,138	
Salary Supplements		9,000	
Longevity Pay		2,600	
Social Security		7,451	
State Retirement		7,641	
Life Insurance		255	
Medical Insurance		4,998	
Employer Medicare		1,743	
Communication		1,004	
Contracts with Government Agencies		8,300	
Maintenance Agreements		270	
Postal Charges		400	
Rentals		8,000	
Travel		242	
Office Supplies		408	
Other Charges		40,216	
Total Juvenile Court			202,804

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Judicial Commissioners

Deputy(ies)	\$	121,210	
Part-time Personnel		10,492	
Longevity Pay		1,150	
Social Security		7,595	
State Retirement		7,672	
Life Insurance		349	
Medical Insurance		19,774	
Employer Medicare		1,776	
Maintenance Agreements		1,076	
Total Judicial Commissioners			\$ 171,094

Other Administration of Justice

Probation Officer(s)	\$	24,490	
Guidance Personnel		40,972	
Longevity Pay		950	
Social Security		3,981	
State Retirement		3,216	
Life Insurance		149	
Medical Insurance		6,589	
Employer Medicare		931	
Communication		871	
Contracts with Government Agencies		9,675	
Postal Charges		350	
Rentals		4,000	
Travel		229	
Office Supplies		431	
Total Other Administration of Justice			96,834

Probation Services

County Official/Administrative Officer	\$	46,812	
Clerical Personnel		134,712	
Longevity Pay		2,900	
Social Security		10,503	
State Retirement		11,563	
Life Insurance		524	
Medical Insurance		25,008	
Employer Medicare		2,456	
Communication		4,390	
Maintenance Agreements		6,439	
Maintenance and Repair Services - Vehicles		375	

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Probation Services (Cont.)

Postal Charges	\$	968	
Printing, Stationery, and Forms		1,985	
Rentals		16,800	
Gasoline		204	
Office Supplies		5,463	
Other Charges		2,707	
Data Processing Equipment		373	
Office Equipment		4,044	
Total Probation Services			\$ 278,226

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	77,384
Assistant(s)		64,276
Deputy(ies)		502,022
Detective(s)		117,479
Captain(s)		127,212
Sergeant(s)		88,654
Data Processing Personnel		33,675
Salary Supplements		20,157
Dispatchers/Radio Operators		131,353
Secretary(ies)		59,228
Part-time Personnel		8,808
School Resource Officer		214,112
Overtime Pay		67,278
Other Salaries and Wages		48,695
In-Service Training		3,539
Social Security		94,467
State Retirement		91,658
Life Insurance		3,575
Medical Insurance		151,932
Employer Medicare		22,093
Communication		21,681
Dues and Memberships		300
Evaluation and Testing		150
Maintenance Agreements		2,705
Maintenance and Repair Services - Buildings		1,502
Maintenance and Repair Services - Equipment		1,423
Maintenance and Repair Services - Vehicles		36,940
Medical and Dental Services		293

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Postal Charges	\$	2,009	
Travel		3,696	
Other Contracted Services		2,128	
Custodial Supplies		1,467	
Gasoline		152,446	
Office Supplies		6,545	
Tires and Tubes		7,819	
Uniforms		15,892	
Utilities		20,242	
Other Supplies and Materials		9,108	
Premiums on Corporate Surety Bonds		377	
Other Charges		11,609	
Communication Equipment		75	
Law Enforcement Equipment		24,504	
Motor Vehicles		116,408	
Office Equipment		8,490	
Total Sheriff's Department			\$ 2,375,406

Traffic Control

Other Salaries and Wages	\$	25,956	
Social Security		1,609	
State Retirement		1,627	
Employer Medicare		376	
Total Traffic Control			29,568

Jail

Captain(s)	\$	43,317	
Lieutenant(s)		73,089	
Sergeant(s)		100,554	
Data Processing Personnel		64,107	
Guards		517,614	
Maintenance Personnel		32,395	
Overtime Pay		40,041	
In-Service Training		3,325	
Social Security		51,856	
State Retirement		47,388	
Life Insurance		2,326	
Medical Insurance		136,071	
Employer Medicare		12,128	
Communication		10,321	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Maintenance Agreements	\$	13,355	
Maintenance and Repair Services - Buildings		6,514	
Maintenance and Repair Services - Equipment		6,458	
Maintenance and Repair Services - Vehicles		853	
Medical and Dental Services		442,493	
Postal Charges		2,513	
Travel		865	
Other Contracted Services		3,625	
Custodial Supplies		21,825	
Food Supplies		164,155	
Office Supplies		5,728	
Prisoners Clothing		7,926	
Uniforms		5,353	
Utilities		78,610	
Other Supplies and Materials		8,845	
Building Improvements		329	
Office Equipment		8,003	
Other Equipment		11,112	
Total Jail			\$ 1,923,094

Workhouse

Captain(s)	\$	37,161
Sergeant(s)		122,421
Data Processing Personnel		32,482
Guards		297,360
Maintenance Personnel		34,697
Overtime Pay		29,535
Social Security		33,327
State Retirement		32,712
Life Insurance		1,456
Medical Insurance		62,955
Employer Medicare		7,794
Communication		6,796
Maintenance Agreements		394
Maintenance and Repair Services - Buildings		3,051
Maintenance and Repair Services - Equipment		2,701
Postal Charges		726
Travel		224
Other Contracted Services		2,957
Custodial Supplies		15,178

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Workhouse (Cont.)

Food Supplies	\$	103,331	
Office Supplies		4,405	
Prisoners Clothing		3,056	
Uniforms		4,039	
Utilities		45,766	
Other Supplies and Materials		1,797	
Building Improvements		1,867	
Office Equipment		920	
Other Equipment		3,694	
Total Workhouse			\$ 892,802

Juvenile Services

County Official/Administrative Officer	\$	38,916	
Assistant(s)		33,150	
Sergeant(s)		139,453	
Guards		137,504	
Overtime Pay		11,679	
In-Service Training		3,128	
Social Security		21,693	
State Retirement		21,272	
Life Insurance		962	
Medical Insurance		46,762	
Employer Medicare		5,073	
Communication		845	
Maintenance Agreements		816	
Maintenance and Repair Services - Buildings		1,499	
Maintenance and Repair Services - Equipment		729	
Maintenance and Repair Services - Office Equipment		50	
Medical and Dental Services		196	
Postal Charges		132	
Custodial Supplies		3,422	
Food Supplies		6,139	
Instructional Supplies and Materials		97	
Office Supplies		1,140	
Prisoners Clothing		1,849	
Uniforms		1,874	
Utilities		6,133	
Other Supplies and Materials		635	
Office Equipment		2,321	
Other Equipment		446	
Total Juvenile Services			487,915

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management

Assistant(s)	\$	104,842	
Supervisor/Director		104,076	
Captain(s)		132,442	
Lieutenant(s)		75,915	
Secretary(ies)		6,890	
Other Salaries and Wages		315,259	
Social Security		43,269	
State Retirement		43,761	
Life Insurance		1,667	
Medical Insurance		98,932	
Employer Medicare		10,119	
Communication		25,355	
Maintenance Agreements		139	
Maintenance and Repair Services - Buildings		7,419	
Maintenance and Repair Services - Equipment		20,080	
Travel		805	
Other Contracted Services		6,088	
Custodial Supplies		1,912	
Diesel Fuel		25,349	
Gasoline		6,543	
Office Supplies		8,303	
Uniforms		6,222	
Utilities		37,198	
Other Supplies and Materials		9,075	
Liability Insurance		6,917	
Vehicle and Equipment Insurance		10,686	
Workers' Compensation Insurance		27,332	
In Service/Staff Development		14,080	
Other Charges		4,671	
Other Equipment		123,693	
Total Other Emergency Management			\$ 1,279,039

County Coroner/Medical Examiner

Medical Personnel	\$	20,000	
Total County Coroner/Medical Examiner			20,000

Other Public Safety

Dispatchers/Radio Operators	\$	253,155	
Clerical Personnel		30,137	
Overtime Pay		50,033	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Other Public Safety (Cont.)

Other Salaries and Wages	\$ 20,535	
Total Other Public Safety		\$ 353,860

Public Health and Welfare

Local Health Center

Other Salaries and Wages	\$ 281,420	
Social Security	16,915	
State Retirement	16,421	
Life Insurance	925	
Medical Insurance	27,263	
Employer Medicare	3,956	
Communication	8,695	
Janitorial Services	14,700	
Maintenance Agreements	1,006	
Maintenance and Repair Services - Buildings	25,881	
Maintenance and Repair Services - Equipment	125	
Travel	4,838	
Drugs and Medical Supplies	10	
Office Supplies	200	
Utilities	17,168	
Other Supplies and Materials	398	
Other Charges	793	
Other Equipment	8,495	
Total Local Health Center		429,209

Rabies and Animal Control

Assistant(s)	\$ 44,628
Supervisor/Director	29,657
Salary Supplements	950
Longevity Pay	1,050
Overtime Pay	286
In-Service Training	220
Social Security	4,604
State Retirement	4,428
Life Insurance	225
Medical Insurance	9,315
Employer Medicare	1,077
Communication	4,465
Maintenance and Repair Services - Buildings	1,595
Maintenance and Repair Services - Vehicles	765

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

Permits	\$	118	
Animal Food and Supplies		5,948	
Custodial Supplies		3,720	
Data Processing Supplies		1,300	
Drugs and Medical Supplies		19,989	
Gasoline		4,038	
Office Supplies		1,762	
Uniforms		622	
Utilities		10,199	
Other Charges		6,469	
Other Equipment		15,578	
Total Rabies and Animal Control			\$ 173,008

Ambulance/Emergency Medical Services

Supervisor/Director	\$	57,023
Captain(s)		118,566
Medical Personnel		523,158
Salary Supplements		12,655
Mechanic(s)		27,023
Clerical Personnel		65,737
Part-time Personnel		148,383
Longevity Pay		16,800
Overtime Pay		460,046
In-Service Training		7,065
Social Security		85,954
State Retirement		69,308
Life Insurance		2,305
Medical Insurance		112,555
Employer Medicare		20,102
Advertising		120
Communication		14,456
Consultants		320
Dues and Memberships		1,175
Evaluation and Testing		803
Licenses		3,529
Maintenance Agreements		15,620
Maintenance and Repair Services - Buildings		7,142
Maintenance and Repair Services - Equipment		4,045
Maintenance and Repair Services - Office Equipment		1,652
Maintenance and Repair Services - Vehicles		48,151

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Postal Charges	\$	2,439	
Printing, Stationery, and Forms		2,685	
Travel		1,251	
Tuition		6,953	
Disposal Fees		7,041	
Custodial Supplies		2,075	
Data Processing Supplies		1,798	
Diesel Fuel		60,442	
Drugs and Medical Supplies		51,336	
Gasoline		12,505	
Natural Gas		5,311	
Office Supplies		3,589	
Periodicals		398	
Uniforms		14,974	
Utilities		17,439	
Other Charges		3,388	
Building Improvements		850	
Communication Equipment		5,100	
Data Processing Equipment		2,611	
Other Equipment		18,416	
Total Ambulance/Emergency Medical Services			\$ 2,044,294

Other Local Health Services

Contracts with Private Agencies	\$	54,164	
Contributions		14,440	
Total Other Local Health Services			68,604

Regional Mental Health Center

Contributions	\$	12,900	
Total Regional Mental Health Center			12,900

Appropriation to State

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

General Welfare Assistance

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

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Management

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

Social, Cultural, and Recreational Services

Adult Activities

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

Senior Citizens Assistance

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

Libraries

Contributions	\$ 131,962	
Total Libraries		131,962

Agriculture and Natural Resources

Agriculture Extension Service

Salary Supplements	\$ 75,832	
Social Security	3,711	
State Retirement	9,652	
Employer Medicare	1,062	
Communication	5,930	
Maintenance Agreements	984	
Maintenance and Repair Services - Buildings	4,056	
Utilities	6,545	
Total Agriculture Extension Service		107,772

Soil Conservation

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

Other Agriculture and Natural Resources

Maintenance Personnel	\$ 22,032
Overtime Pay	458
Social Security	1,387
State Retirement	1,410
Life Insurance	87
Employer Medicare	324
Communication	830

(Continued)

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Other Agriculture and Natural Resources (Cont.)

Gasoline	\$	3,687	
Utilities		17,286	
Other Supplies and Materials		9,040	
Total Other Agriculture and Natural Resources			\$ 56,541

Other Operations

Tourism

Contributions	\$	3,948	
Total Tourism			3,948

Veterans' Services

Supervisor/Director	\$	11,703	
Truck Drivers		7,140	
Social Security		1,168	
Employer Medicare		273	
Communication		1,227	
Maintenance and Repair Services - Vehicles		300	
Postal Charges		176	
Gasoline		4,387	
Office Supplies		39	
Total Veterans' Services			26,413

Other Charges

Building and Contents Insurance	\$	111,522	
Workers' Compensation Insurance		65,116	
Liability Claims		10,000	
Total Other Charges			186,638

Contributions to Other Agencies

Contributions	\$	102,000	
Dues and Memberships		3,528	
Total Contributions to Other Agencies			105,528

Employee Benefits

Unemployment Compensation	\$	41,989	
On-Behalf Payments to OPEB		2,298	
Total Employee Benefits			44,287

Miscellaneous

Audit Services	\$	11,276	
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(Continued)

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

General Fund (Cont.)

Other Operations (Cont.)

Miscellaneous (Cont.)

Contributions	\$	39,685	
Rentals		27,348	
Other Contracted Services		21,545	
Trustee's Commission		209,361	
Other Charges		46,382	
Total Miscellaneous		<u>344,321</u>	\$ 355,597

Capital Projects

Other General Government Projects

Other Construction	\$	10,154	
Total Other General Government Projects		<u>10,154</u>	<u>10,154</u>

Total General Fund \$ 16,753,285

Drug Control Fund

Public Safety

Drug Enforcement

Confidential Drug Enforcement Payments	\$	5,500	
Other Supplies and Materials		7,894	
Other Charges		3,906	
Law Enforcement Equipment		283	
Total Drug Enforcement		<u>17,583</u>	\$ 17,583

Other Operations

Miscellaneous

Trustee's Commission	\$	140	
Total Miscellaneous		<u>140</u>	<u>140</u>

Total Drug Control Fund 17,723

Agriculture Center Fund

Agriculture and Natural Resources

Other Agriculture and Natural Resources

Other Charges	\$	149	
Maintenance Equipment		7,946	
Other Construction		3,502	
Total Other Agriculture and Natural Resources		<u>11,597</u>	\$ 11,597

Total Agriculture Center Fund 11,597

(Continued)

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

Constitutional Officers - Fees Fund

Finance

County Clerk's Office

Constitutional Officers' Operating Expenses	\$ 54	
Total County Clerk's Office		\$ 54

Administration of Justice

Chancery Court

Special Commissioner Fees/Special Master Fees	\$ 863	
Constitutional Officers' Operating Expenses	288	
Total Chancery Court		<u>1,151</u>

Total Constitutional Officers - Fees Fund \$ 1,205

Highway/Public Works Fund

Other Operations

Contributions to Other Agencies

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

Highways

Administration

County Official/Administrative Officer	\$ 77,384	
Assistant(s)	36,036	
Accountants/Bookkeepers	53,313	
Board and Committee Members Fees	4,600	
Social Security	1,064	
State Retirement	911	
Employer Medicare	249	
Data Processing Services	1,640	
Dues and Memberships	3,219	
Legal Services	2,672	
Legal Notices, Recording, and Court Costs	373	
Postal Charges	942	
Printing, Stationery, and Forms	467	
Travel	104	
Other Contracted Services	7,104	
Office Supplies	<u>1,051</u>	
Total Administration		191,129

Highway and Bridge Maintenance

Foremen	\$ 37,243
Equipment Operators	198,681

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Truck Drivers	\$	245,684	
Laborers		57,206	
Rentals		12,257	
Asphalt - Cold Mix		5,458	
Asphalt - Hot Mix		170,989	
Asphalt - Liquid		73,776	
Crushed Stone		147,605	
Other Road Supplies		3,032	
Pipe		18,282	
Road Signs		8,953	
Small Tools		232	
Wood Products		950	
Total Highway and Bridge Maintenance			\$ 980,348

Operation and Maintenance of Equipment

Mechanic(s)	\$	63,767	
Laborers		66,405	
Diesel Fuel		106,275	
Equipment and Machinery Parts		61,466	
Garage Supplies		7,358	
Gasoline		33,109	
Lubricants		9,184	
Tires and Tubes		26,627	
Other Supplies and Materials		9,732	
Total Operation and Maintenance of Equipment			383,923

Litter and Trash Collection

Other Salaries and Wages	\$	35,654	
Other Charges		17,301	
Total Litter and Trash Collection			52,955

Other Charges

Communication	\$	8,122	
Electricity		9,016	
Natural Gas		3,956	
Premiums on Corporate Surety Bonds		238	
Trustee's Commission		25,833	
Vehicle and Equipment Insurance		42,708	
Other Charges		6,162	
Total Other Charges			96,035

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Employee Benefits

Social Security	\$	63,080	
State Retirement		51,361	
Employee and Dependent Insurance		123,770	
Unemployment Compensation		8,522	
Uniforms		6,737	
Workers' Compensation Insurance		28,021	
Total Employee Benefits			\$ 281,491

Capital Outlay

Engineering Services	\$	13,275	
Bridge Construction		154,463	
Highway Construction		701,204	
Highway Equipment		132,024	
Total Capital Outlay			1,000,966

Total Highway/Public Works Fund \$ 2,993,847

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	250,000	
Principal on Notes		424,006	
Total General Government			\$ 674,006

Highways and Streets

Principal on Notes	\$	416,137	
Total Highways and Streets			416,137

Education

Principal on Bonds	\$	2,870,000	
Principal on Notes		1,094,522	
Principal on Other Loans		458,000	
Total Education			4,422,522

Interest on Debt

General Government

Interest on Bonds	\$	217,499	
Interest on Notes		44,666	
Total General Government			262,165

(Continued)

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

General Debt Service Fund (Cont.)

Interest on Debt (Cont.)

Highways and Streets

Interest on Notes	\$ 35,672	
Total Highways and Streets		\$ 35,672

Education

Interest on Bonds	\$ 2,686,590	
Interest on Notes	98,583	
Interest on Other Loans	21,058	
Total Education		2,806,231

Other Debt Service

General Government

Trustee's Commission	\$ 70,753	
Other Debt Service	7,343	
Total General Government		78,096

Education

Other Debt Service	\$ 17,378	
Total Education		17,378

Total General Debt Service Fund		\$ 8,712,207
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General Capital Projects Fund

Public Health and Welfare

Waste Pickup

Contributions	\$ 189,983	
Total Waste Pickup		\$ 189,983

Capital Outlay

Regular Capital Outlay

Other Charges	\$ 3,530	
Building Improvements	248,995	
Communication Equipment	100,442	
Motor Vehicles	116,976	
Total Regular Capital Outlay		469,943

Total General Capital Projects Fund		659,926
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(Continued)

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

Community Development/Industrial Park Fund

Capital Projects

Public Health and Welfare Projects

Engineering Services

\$ 77,345

Other Capital Outlay

264,147

Total Public Health and Welfare Projects

\$ 341,492

Total Community Development/Industrial Park Fund

\$ 341,492

Nursing Home Projects Fund

Other Operations

Miscellaneous

Other Contracted Services

\$ 9,550

Trustee's Commission

1,200

Other Charges

7,403

Plant Operation Equipment

42,262

Total Miscellaneous

\$ 60,415

Total Nursing Home Projects Fund

60,415

Total Governmental Funds - Primary Government

\$ 29,551,697

Bedford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Bedford County School Department
For the Year Ended June 30, 2011

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 17,374,793	
Career Ladder Program	191,629	
Career Ladder Extended Contracts	70,500	
Salary Supplements	17,270	
Clerical Personnel	60,344	
Educational Assistants	958,480	
Other Salaries and Wages	69,496	
Certified Substitute Teachers	277,780	
Social Security	1,113,250	
State Retirement	1,674,727	
Life Insurance	32,189	
Medical Insurance	2,709,151	
Unemployment Compensation	54,288	
Employer Medicare	206,387	
Maintenance and Repair Services - Equipment	34,944	
Travel	20,003	
Other Contracted Services	93,695	
Instructional Supplies and Materials	329,309	
Textbooks	369,496	
Other Supplies and Materials	32,256	
In Service/Staff Development	47,841	
Other Charges	77,681	
Regular Instruction Equipment	832,190	
Other Capital Outlay	307,940	
Total Regular Instruction Program		\$ 26,955,639

Alternative Instruction Program

Teachers	\$ 228,288	
Career Ladder Program	2,000	
Social Workers	76,678	
Clerical Personnel	12,329	
Educational Assistants	24,086	
Other Salaries and Wages	2,077	
Social Security	20,763	
State Retirement	29,276	
Medical Insurance	34,878	
Employer Medicare	4,856	
Other Equipment	400	
Total Alternative Instruction Program		435,631

(Continued)

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program

Teachers	\$	1,671,228	
Career Ladder Program		14,230	
Career Ladder Extended Contracts		1,000	
Educational Assistants		110,902	
Speech Pathologist		149,964	
Other Salaries and Wages		1,978	
Certified Substitute Teachers		33,590	
Social Security		123,317	
State Retirement		180,831	
Medical Insurance		293,343	
Unemployment Compensation		4,400	
Employer Medicare		28,847	
Other Contracted Services		45,363	
Instructional Supplies and Materials		49,246	
Other Charges		164	
Special Education Equipment		11,698	
Total Special Education Program			\$ 2,720,101

Vocational Education Program

Teachers	\$	809,620	
Career Ladder Program		5,999	
Certified Substitute Teachers		10,485	
Social Security		47,476	
State Retirement		71,107	
Medical Insurance		108,850	
Employer Medicare		11,553	
Maintenance and Repair Services - Equipment		1,503	
Instructional Supplies and Materials		10,406	
Other Charges		2,800	
Vocational Instruction Equipment		2,748	
Total Vocational Education Program			1,082,547

Adult Education Program

Teachers	\$	91,506
Career Ladder Program		1,000
Clerical Personnel		13,598
Social Security		6,303
State Retirement		4,241
Medical Insurance		11,702

(Continued)

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Adult Education Program (Cont.)

Employer Medicare	\$	1,474	
Instructional Supplies and Materials		10,194	
Other Supplies and Materials		721	
Other Equipment		8,000	
Total Adult Education Program			\$ 148,739

Support Services

Attendance

Supervisor/Director	\$	69,982	
Career Ladder Program		1,000	
Social Security		4,336	
State Retirement		6,424	
Medical Insurance		5,662	
Employer Medicare		1,014	
Travel		295	
Other Supplies and Materials		1,167	
Other Charges		876	
Total Attendance			90,756

Health Services

Medical Personnel	\$	233,765	
Other Salaries and Wages		13,105	
Certified Substitute Teachers		654	
Social Security		15,069	
State Retirement		14,768	
Medical Insurance		14,247	
Employer Medicare		3,524	
Travel		5,522	
Other Contracted Services		1,326	
Drugs and Medical Supplies		6,792	
Other Supplies and Materials		32,950	
Other Charges		500	
Health Equipment		2,150	
Total Health Services			344,372

Other Student Support

Career Ladder Program	\$	11,999	
Guidance Personnel		763,228	
Career Ladder Extended Contracts		4,000	

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Other Salaries and Wages	\$	68,693	
Social Security		50,867	
State Retirement		76,736	
Medical Insurance		88,682	
Employer Medicare		11,897	
Evaluation and Testing		112,334	
Total Other Student Support			\$ 1,188,436

Regular Instruction Program

Supervisor/Director	\$	75,084	
Career Ladder Program		14,999	
Career Ladder Extended Contracts		8,000	
Librarians		685,126	
Secretary(ies)		43,425	
Other Salaries and Wages		876	
Social Security		43,654	
State Retirement		64,293	
Medical Insurance		82,035	
Employer Medicare		11,667	
Travel		3,353	
Library Books/Media		35,423	
In Service/Staff Development		2,608	
Other Charges		390	
Total Regular Instruction Program			1,070,933

Alternative Instruction Program

Supervisor/Director	\$	66,293	
Career Ladder Program		1,000	
Social Security		4,145	
State Retirement		6,090	
Medical Insurance		4,023	
Employer Medicare		970	
Total Alternative Instruction Program			82,521

Special Education Program

Supervisor/Director	\$	74,249	
Career Ladder Program		1,000	
Psychological Personnel		49,049	
Secretary(ies)		23,463	

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Other Salaries and Wages	\$	23,174	
Social Security		10,018	
State Retirement		14,125	
Medical Insurance		24,588	
Employer Medicare		2,343	
Travel		3,725	
Other Supplies and Materials		2,676	
In Service/Staff Development		13,256	
Other Charges		4,395	
Other Equipment		22,072	
Total Special Education Program			\$ 268,133

Vocational Education Program

Secretary(ies)	\$	18,026	
Other Salaries and Wages		631	
Social Security		1,056	
State Retirement		1,130	
Medical Insurance		4,000	
Employer Medicare		247	
Travel		767	
Total Vocational Education Program			25,857

Adult Programs

Supervisor/Director	\$	71,788	
Clerical Personnel		854	
Social Security		4,504	
State Retirement		6,497	
Employer Medicare		1,053	
Travel		88	
In Service/Staff Development		3,012	
Total Adult Programs			87,796

Other Programs

On-Behalf Payments to OPEB	\$	142,123	
Total Other Programs			142,123

Board of Education

Secretary to Board	\$	30,100	
Other Salaries and Wages		577	

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Board and Committee Members Fees	\$	22,727	
Social Security		2,974	
State Retirement		1,887	
Medical Insurance		4,000	
Employer Medicare		695	
Audit Services		14,750	
Dues and Memberships		15,586	
Legal Services		11,958	
Travel		14,541	
Other Contracted Services		580	
Trustee's Commission		255,250	
Workers' Compensation Insurance		198,054	
In Service/Staff Development		3,880	
Criminal Investigation of Applicants - TBI		8,340	
Other Charges		732	
Total Board of Education			\$ 586,631

Director of Schools

County Official/Administrative Officer	\$	95,000	
Accountants/Bookkeepers		39,229	
Career Ladder Extended Contracts		1,000	
Clerical Personnel		25,710	
Other Salaries and Wages		887	
Social Security		10,017	
State Retirement		12,760	
Medical Insurance		5,525	
Employer Medicare		2,342	
Communication		29,237	
Contributions		1,032,350	
Postal Charges		4,090	
Travel		3,437	
Premiums on Corporate Surety Bonds		872	
Other Charges		17	
Total Director of Schools			1,262,473

Office of the Principal

Principals	\$	928,917	
Career Ladder Program		23,915	
Accountants/Bookkeepers		91,620	

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Career Ladder Extended Contracts	\$	12,000	
Assistant Principals		600,072	
Secretary(ies)		142,970	
Clerical Personnel		63,278	
Other Salaries and Wages		12,617	
Social Security		110,312	
State Retirement		159,884	
Medical Insurance		223,880	
Employer Medicare		25,801	
Communication		21,872	
Other Supplies and Materials		13,617	
Other Charges		70,992	
Administration Equipment		118	
Total Office of the Principal			\$ 2,501,865

Human Services/Personnel

Supervisor/Director	\$	51,462	
Clerical Personnel		27,378	
Other Salaries and Wages		1,154	
Social Security		4,920	
State Retirement		4,943	
Medical Insurance		5,603	
Employer Medicare		1,151	
Maintenance and Repair Services - Equipment		720	
Travel		2,469	
Office Supplies		1,243	
Other Charges		639	
Total Human Services/Personnel			101,682

Operation of Plant

Supervisor/Director	\$	38,614	
Salary Supplements		4,779	
Custodial Personnel		933,003	
Other Salaries and Wages		16,098	
Social Security		59,772	
State Retirement		52,199	
Medical Insurance		58,875	
Unemployment Compensation		3,854	
Employer Medicare		13,979	

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Maintenance and Repair Services - Equipment	\$	4,238	
Other Contracted Services		337,043	
Custodial Supplies		122,736	
Electricity		2,346,001	
Natural Gas		402,896	
Water and Sewer		217,004	
Other Supplies and Materials		500	
Building and Contents Insurance		185,014	
Other Charges		11,087	
Plant Operation Equipment		7,557	
Total Operation of Plant			\$ 4,815,249

Maintenance of Plant

Salary Supplements	\$	283	
Secretary(ies)		24,989	
Maintenance Personnel		615,457	
Other Salaries and Wages		12,724	
Social Security		38,902	
State Retirement		39,121	
Medical Insurance		47,403	
Employer Medicare		9,098	
Laundry Service		8,306	
Maintenance and Repair Services - Buildings		60,163	
Maintenance and Repair Services - Equipment		130,919	
Maintenance and Repair Services - Vehicles		17,673	
Travel		1,154	
Other Contracted Services		78,981	
Gasoline		27,518	
Other Supplies and Materials		120,404	
Other Charges		23,734	
Maintenance Equipment		68,240	
Total Maintenance of Plant			1,325,069

Transportation

Supervisor/Director	\$	42,541	
Mechanic(s)		90,816	
Bus Drivers		806,343	
Clerical Personnel		26,423	
Other Salaries and Wages		21,931	

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

In-Service Training	\$	395	
Social Security		58,482	
State Retirement		56,741	
Medical Insurance		24,543	
Unemployment Compensation		23	
Employer Medicare		13,866	
Laundry Service		7,735	
Maintenance and Repair Services - Vehicles		1,247	
Medical and Dental Services		6,442	
Travel		1,106	
Other Contracted Services		4,744	
Diesel Fuel		319,457	
Garage Supplies		3,434	
Gasoline		23,780	
Lubricants		6,477	
Tires and Tubes		17,471	
Vehicle Parts		53,403	
Other Supplies and Materials		4,339	
Vehicle and Equipment Insurance		132,335	
Other Charges		16,655	
Transportation Equipment		172,993	
Total Transportation			\$ 1,913,722

Central and Other

Data Processing Personnel	\$	158,217	
Career Ladder Extended Contracts		4,000	
Other Salaries and Wages		1,452	
Social Security		10,066	
State Retirement		12,228	
Medical Insurance		5,298	
Employer Medicare		2,354	
Total Central and Other			193,615

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	39,465	
Social Security		2,447	
State Retirement		3,572	
Medical Insurance		9,499	

(Continued)

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Employer Medicare	\$	572	
Vocational Instruction Equipment		<u>2</u>	
Total Food Service			\$ 55,557

Community Services

Bonus Payments	\$	60,099	
Other Salaries and Wages		173	
Social Security		3,724	
State Retirement		2,601	
Medical Insurance		350	
Employer Medicare		871	
Travel		800	
Food Supplies		8,756	
Other Supplies and Materials		11,685	
Other Charges		6,740	
Other Equipment		<u>5,109</u>	
Total Community Services			100,908

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	345,621	
Total Regular Capital Outlay		<u>345,621</u>	

Total General Purpose School Fund \$ 47,845,976

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	1,530,727	
Educational Assistants		63,100	
Other Salaries and Wages		27,746	
Certified Substitute Teachers		8,870	
Social Security		95,358	
State Retirement		138,378	
Medical Insurance		149,449	
Unemployment Compensation		259	
Employer Medicare		23,004	
Maintenance and Repair Services - Equipment		124	
Other Contracted Services		98,382	

(Continued)

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Regular Instruction Program (Cont.)

Instructional Supplies and Materials	\$	297,826	
Other Supplies and Materials		11,505	
In Service/Staff Development		17,363	
Other Charges		7,654	
Regular Instruction Equipment		743,171	
Total Regular Instruction Program			\$ 3,212,916

Special Education Program

Homebound Teachers	\$	177	
Educational Assistants		508,103	
Speech Pathologist		138,802	
Other Salaries and Wages		31,224	
Social Security		39,454	
State Retirement		41,232	
Life Insurance		1,550	
Medical Insurance		72,618	
Unemployment Compensation		120	
Employer Medicare		9,282	
Contracts with Private Agencies		22,206	
Instructional Supplies and Materials		169,533	
Other Supplies and Materials		10,582	
Other Charges		18,151	
Special Education Equipment		678,832	
Total Special Education Program			1,741,866

Vocational Education Program

Other Salaries and Wages	\$	899	
Life Insurance		681	
Employer Medicare		115	
Other Contracted Services		10,560	
Instructional Supplies and Materials		15,832	
Vocational Instruction Equipment		75,235	
Total Vocational Education Program			103,322

Support Services

Health Services

Medical Personnel	\$	118,517	
Other Salaries and Wages		711	
Social Security		7,137	

(Continued)

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

State Retirement	\$	6,887	
Life Insurance		100	
Medical Insurance		8,611	
Employer Medicare		1,669	
Travel		2,047	
Drugs and Medical Supplies		234	
Total Health Services			\$ 145,913

Other Student Support

Guidance Personnel	\$	80,183	
Other Salaries and Wages		22,879	
Social Security		6,447	
State Retirement		9,256	
Medical Insurance		6,571	
Employer Medicare		1,530	
Evaluation and Testing		45,912	
Travel		25,187	
In Service/Staff Development		600	
Other Charges		18,593	
Other Equipment		5,114	
Total Other Student Support			222,272

Regular Instruction Program

Supervisor/Director	\$	143,968	
Secretary(ies)		18,523	
Social Security		9,235	
State Retirement		14,239	
Medical Insurance		17,542	
Employer Medicare		2,189	
Other Fringe Benefits		854	
Maintenance and Repair Services - Equipment		3,452	
Postal Charges		1,165	
Travel		18,225	
Other Supplies and Materials		5,349	
In Service/Staff Development		325,321	
Other Equipment		5,605	
Total Regular Instruction Program			565,667

(Continued)

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Special Education Program

Psychological Personnel	\$	51,248	
Assessment Personnel		81,231	
Other Salaries and Wages		1,113	
Social Security		7,657	
State Retirement		11,989	
Life Insurance		400	
Medical Insurance		21,530	
Employer Medicare		1,791	
Travel		32,355	
Other Contracted Services		58,895	
In Service/Staff Development		26,807	
Other Charges		13,866	
Other Equipment		30,875	
Total Special Education Program			\$ 339,757

Vocational Education Program

Travel	\$	387	
In Service/Staff Development		610	
Total Vocational Education Program			997

Office of the Principal

Medical Insurance	\$	456	
Total Office of the Principal			456

Transportation

Bus Drivers	\$	188,202	
Other Salaries and Wages		64,241	
Social Security		14,989	
State Retirement		11,255	
Life Insurance		425	
Medical Insurance		3,853	
Unemployment Compensation		2,137	
Employer Medicare		3,624	
Contracts with Parents		164	
Transportation Equipment		176,288	
Total Transportation			465,178

Total School Federal Projects Fund \$ 6,798,344

(Continued)

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

Central Cafeteria Fund

Support Services

Board of Education

Workers' Compensation Insurance	\$ 25,000	
Total Board of Education	<u>25,000</u>	\$ 25,000

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$ 20,000	
Accountants/Bookkeepers	36,620	
Clerical Personnel	21,122	
Cafeteria Personnel	1,109,648	
Other Salaries and Wages	35,111	
Social Security	71,750	
State Retirement	64,388	
Medical Insurance	71,545	
Unemployment Compensation	7,095	
Employer Medicare	17,091	
Maintenance and Repair Services - Equipment	32,011	
Travel	7,510	
Other Contracted Services	6,737	
Food Preparation Supplies	158,048	
Food Supplies	1,690,427	
Office Supplies	16,407	
USDA - Commodities	217,922	
Other Supplies and Materials	81,944	
In Service/Staff Development	12,891	
Other Charges	2,122	
Food Service Equipment	72,550	
Total Food Service	<u>3,752,939</u>	<u>3,752,939</u>

Total Central Cafeteria Fund \$ 3,777,939

Extended School Program Fund

Support Services

Board of Education

Workers' Compensation Insurance	\$ 2,800	
Total Board of Education	<u>2,800</u>	\$ 2,800

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$ 50,456	
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(Continued)

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

Extended School Program Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services (Cont.)

Clerical Personnel	\$	21,869	
Part-time Personnel		186,335	
Other Salaries and Wages		3,285	
Social Security		16,241	
State Retirement		7,472	
Employer Medicare		3,798	
Communication		871	
Maintenance and Repair Services - Equipment		643	
Travel		2,910	
Food Supplies		11,814	
Instructional Supplies and Materials		5,389	
Other Supplies and Materials		3,603	
In Service/Staff Development		2,016	
Other Charges		54	
Other Equipment		1,384	
Total Community Services			\$ 318,140
Total Extended School Program Fund			\$ 320,940
Total Governmental Funds - Bedford County School Department			\$ 58,743,199

Bedford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Bedford County Solid Waste Authority
For the Year Ended June 30, 2011

Solid Waste/Sanitation Fund

Public Health and Welfare

Convenience Centers

County Official/Administrative Officer	\$	14,400	
Assistant(s)		7,800	
Accountants/Bookkeepers		1,800	
Foremen		32,519	
Truck Drivers		90,644	
Laborers		6,370	
Secretary(ies)		19,648	
Attendants		149,814	
Other Salaries and Wages		6,120	
Board and Committee Members Fees		4,700	
Social Security		24,925	
State Retirement		16,015	
Employee and Dependent Insurance		54,193	
Unemployment Compensation		499	
Audit Services		1,509	
Communication		6,297	
Contracts with Private Agencies		299,943	
Data Processing Services		3,015	
Legal Services		1,536	
Postal Charges		968	
Printing, Stationery, and Forms		952	
Travel		909	
Diesel Fuel		106,219	
Equipment and Machinery Parts		19,798	
Gasoline		5,598	
Lubricants		822	
Office Supplies		877	
Tires and Tubes		14,719	
Utilities		13,611	
Other Supplies and Materials		6,128	
Vehicle and Equipment Insurance		23,135	
Workers' Compensation Insurance		7,005	
Other Charges		6,107	
Solid Waste Equipment		199,545	
Other Capital Outlay		2,400	
Total Convenience Centers			\$ 1,150,540
Total Solid Waste/Sanitation Fund			\$ 1,150,540
Total Governmental Funds - Bedford County Solid Waste Authority			\$ 1,150,540

Bedford County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2011

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 3,278,919
Total Cash Receipts	<u>\$ 3,278,919</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 3,246,130
Trustee's Commission	<u>32,789</u>
Total Cash Disbursements	<u>\$ 3,278,919</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2010	<u>0</u>
 Cash Balance, June 30, 2011	 <u>\$ 0</u>

STATISTICAL SECTION

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

	Tables	Pages
Financial Trends:		
These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.	1-6	190-197
Revenue Capacity:		
These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.	7-11	198-202
Debt Capacity:		
These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future. The tables on legal debt margin information and pledged-revenue coverage are not applicable to counties in Tennessee.	12-16	203-207
Demographic and Economic Information:		
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.	17-18	208-209
Operating Information:		
These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.	19-21	210-213

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

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

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

	Fiscal Year				
	2007	2008	2009	2010	2011
Primary Government					
Governmental Activities					
Invested in Capital Assets, Net of Related Debt	\$ 17,040,029	\$ 20,004,135	\$ 21,868,974	\$ 21,777,268	\$ 23,918,548
Restricted	12,415,138	8,817,295	7,127,016	7,604,590	6,192,578
Unrestricted	(63,466,407)	(62,013,087)	(62,020,993)	(57,145,130)	(53,097,005)
Total Primary Government's Governmental Activities Net Assets	\$ (34,011,240)	\$ (33,191,657)	\$ (33,025,003)	\$ (27,763,272)	\$ (22,985,879)
Business-type Activities					
Invested in Capital Assets, Net of Related Debt	\$ 1,054,339	\$ 1,129,497	\$ 0	\$ 0	\$ 0
Invested in Capital Assets	0	0	1,170,287	1,047,850	0
Restricted	0	0	0	0	0
Unrestricted	682,713	597,328	644,297	162,257	0
Total Primary Government's Business-type Activities Net Assets	\$ 1,737,052	\$ 1,726,825	\$ 1,814,584	\$ 1,210,107	\$ 0
Total Primary Government	\$ 18,094,368	\$ 21,133,632	\$ 21,868,974	\$ 21,777,268	\$ 23,918,548
Invested in Capital Assets, Net of Related Debt	0	0	1,170,287	1,047,850	0
Restricted	12,415,138	8,817,295	7,127,016	7,604,590	6,192,578
Unrestricted	(62,783,694)	(61,415,759)	(61,376,696)	(56,982,873)	(53,097,005)
Total Primary Government Net Assets	\$ (32,274,188)	\$ (31,464,832)	\$ (31,210,419)	\$ (26,553,165)	\$ (22,985,879)
Discretely Presented Bedford County School Department					
Governmental Activities					
Invested in Capital Assets	\$ 59,489,656	\$ 79,577,923	\$ 101,835,769	\$ 101,815,293	\$ 99,123,821
Restricted	45,264,038	24,333,296	6,346,445	1,765,912	3,405,462
Unrestricted	6,875,075	9,366,780	8,536,254	10,690,484	9,302,865
Total Discretely Presented Bedford County School Department's Governmental Activities Net Assets	\$ 111,628,769	\$ 113,277,999	\$ 116,718,468	\$ 114,271,689	\$ 111,832,148

Note(s): The primary government implemented Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* for the fiscal year ended June 30, 2007. The discretely presented Bedford County School Department implemented the standard as of June 30, 2003. The primary government and the discretely presented Bedford County Schools Department implemented Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* for the fiscal year ended June 30, 2011.

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

	Fiscal Year									
	2007		2008		2009		2010		2011	
	Primary Government	Component Unit	Primary Government	Component Unit	Primary Government	Component Unit	Primary Government	Component Unit	Primary Government	Component Unit
Expenses										
Governmental Activities:										
General Government	\$ 1,773,076	\$ 0	\$ 1,829,384	\$ 0	\$ 1,744,838	\$ 0	\$ 2,267,967	\$ 0	\$ 2,458,580	\$ 0
Finance	1,066,998	0	1,499,099	0	1,587,046	0	1,587,134	0	1,522,871	0
Administration of Justice	1,408,133	0	1,866,267	0	1,614,768	0	1,615,942	0	1,700,803	0
Public Safety	6,618,380	0	8,783,057	0	7,305,080	0	7,739,326	0	7,954,991	0
Public Health and Welfare	4,134,997	0	4,000,140	0	5,276,550	0	4,233,405	0	4,380,157	0
Social, Cultural, and Recreational Services	150,906	0	150,906	0	156,662	0	163,391	0	156,662	0
Agriculture and Natural Resources	229,107	0	246,007	0	212,989	0	251,793	0	216,955	0
Other Operations	552,463	0	554,046	0	92,789	0	2,331,309	0	2,736,615	0
Highways	1,029,482	0	2,605,250	0	1,195,559	0	3,037,040	0	2,868,706	0
Education	47,886,090	0	0	0	4,700,000	0	0	0	0	0
Capital Projects										
Debt Service:										
Interest on Long-term Debt	1,603,633	0	3,134,262	0	3,400,659	0	0	0	0	0
Other Debt Service	7,955	0	229,225	0	156,002	0	0	0	0	0
Business-type Activities										
Nursing Home	6,333,175	0	6,708,784	0	7,025,043	0	1,122,149	0	0	0
Component Unit - Bedford County School Department	0	46,117,455	0	49,513,368	0	54,009,406	0	58,395,797	0	61,487,565
Total Expenses	\$ 72,794,395	\$ 46,117,455	\$ 31,606,427	\$ 49,513,368	\$ 34,467,995	\$ 54,009,406	\$ 24,319,456	\$ 58,395,797	\$ 23,996,340	\$ 61,487,565
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 1,068,061	\$ 0	\$ 841,042	\$ 0	\$ 708,695	\$ 0	\$ 667,081	\$ 0	\$ 569,304	\$ 0
Finance	996,704	0	972,158	0	970,181	0	974,475	0	981,784	0
Administration of Justice	1,661,660	0	1,628,146	0	1,482,066	0	1,424,996	0	1,403,878	0
Public Safety	877,146	0	727,709	0	1,122,738	0	1,964,264	0	1,280,113	0
Public Health and Welfare	1,037,831	0	1,092,744	0	1,616,900	0	1,749,721	0	1,377,502	0
Social, Cultural, and Recreational Services		0	20,702	0	0	0	0	0	0	0
Agriculture and Natural Resources	9,742	0	0	0	0	0	8,550	0	7,800	0
Highways	1,405	0	34,949	0	97,222	0	12,172	0	19,436	0
Operating Grants and Contributions	2,446,421	0	3,827,410	0	3,598,823	0	3,838,749	0	3,805,231	0
Capital Grants and Contributions	883,228	47,886,090	237,308	0	670,265	0	191,388	0	698,513	0
Business-type Activities:										
Nursing Home:										
Charges for Services	6,259,989	0	6,599,099	0	7,112,743	0	517,163	0	0	0
Operating Grants and Contributions	0	0	99,393	0	0	0	0	0	0	0
Component Unit - Bedford County School Department:										
Charges for Services	0	1,834,732	0	1,783,300	0	1,851,467	0	1,636,002	0	1,733,479
Operating Grants and Contributions	0	5,142,503	0	5,511,207	0	6,095,074	0	6,511,375	0	8,502,983
Capital Grants and Contributions	0	0	0	0	0	4,693,000	0	890,377	0	71,571
Total Revenues	\$ 15,242,187	\$ 54,863,325	\$ 16,100,660	\$ 7,294,507	\$ 17,379,633	\$ 12,639,541	\$ 11,348,559	\$ 9,037,754	\$ 10,143,561	\$ 10,308,043
Net (Expense)/Revenue	\$ (57,552,208)	\$ 8,745,870	\$ (15,505,767)	\$ (42,218,861)	\$ (17,088,362)	\$ (41,369,865)	\$ (12,970,897)	\$ (49,358,043)	\$ (13,852,779)	\$ (51,179,522)
Total										

(Continued)

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

	Fiscal Year									
	2007		2008		2009		2010		2011	
	Primary Government	Component Unit								
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Taxes										
Property Taxes	\$ 9,116,468	\$ 7,929,745	\$ 9,641,137	\$ 7,905,927	\$ 9,799,026	\$ 7,964,843	\$ 9,790,424	\$ 7,988,153	\$ 9,731,369	\$ 7,941,311
Sales Taxes	5,081,773	1,886,835	5,023,451	1,840,590	4,814,308	1,773,676	4,809,429	1,771,641	5,142,959	1,888,559
Other Taxes	955,127	6,330	1,408,226	4,187	1,126,519	5,029	1,372,638	3,134	1,161,823	2,435
Unrestricted Grants and Contributions	878,838	29,178,157	333,573	34,010,955	698,500	34,893,374	830,886	36,891,817	698,542	38,654,298
Investment Earnings	1,519,705	131,081	2,563,080	48,986	713,713	14,496	375,462	3,440	336,696	1,870
Gain on Sale/Disposal of Capital Assets	995,413	0	0	0	0	0	0	0	0	0
Miscellaneous	48,471	1,245	39,123	57,446	190,650	158,916	534,805	120,554	401,887	251,508
Total Governmental Activities	\$ 18,595,795	\$ 39,133,393	\$ 19,008,590	\$ 43,868,091	\$ 17,342,716	\$ 44,810,334	\$ 17,713,614	\$ 46,778,739	\$ 17,473,276	\$ 48,739,981
Business-type Activities:										
Investment Earnings	\$ 109	\$ 0	\$ 65	\$ 0	\$ 59	\$ 0	\$ 509	\$ 0	\$ 0	\$ 0
Transfers	0	0	0	0	0	0	0	0	0	0
Total Business-type Activities	\$ 109	\$ 0	\$ 65	\$ 0	\$ 59	\$ 0	\$ 509	\$ 0	\$ 0	\$ 0
Total	\$ 18,595,904	\$ 39,133,393	\$ 19,008,655	\$ 43,868,091	\$ 17,342,775	\$ 44,810,334	\$ 17,714,153	\$ 46,778,739	\$ 17,473,276	\$ 48,739,981
Prior-period Adjustment	\$ (161,663)	\$ 0	\$ (956,480)	\$ 0	\$ 0	\$ 0	\$ (86,002)	\$ 132,525	\$ (63,211)	\$ 0
Change in Net Assets	\$ (39,117,967)	\$ 47,879,263	\$ 2,546,408	\$ 1,649,230	\$ 254,413	\$ 3,440,469	\$ 4,657,254	\$ (2,446,779)	\$ 3,567,286	\$ (2,439,541)

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

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

Fiscal Year Ended	Property Tax	Local Option Sales Tax	Franchise Tax	Litigation Tax	Business Tax	Mineral Severance Tax	Wholesale Beer Tax	Other	Total
Primary Government									
2007	\$ 9,099,054	\$ 5,084,727	\$ 18,760	\$ 230,095	\$ 297,586	\$ 154,085	\$ 165,798	\$ 569,936	\$ 15,620,041
2008	9,641,137	5,023,451	0	30,428	320,908	154,595	180,448	544,798	15,895,765
2009	9,799,026	4,814,308	0	276,344	311,258	86,380	181,799	270,738	15,739,853
2010	9,790,424	4,809,429	0	415,615	313,324	94,807	193,502	355,390	15,972,491
2011	9,731,369	5,142,959	0	278,579	317,681	109,964	197,564	367,999	16,146,115
Component Unit									
2007	7,936,370	1,889,046	0	0	0	0	0	181,251	10,006,667
2008	7,905,927	1,840,590	0	0	0	0	0	4,187	9,750,704
2009	7,964,843	1,773,676	0	0	0	0	0	5,029	9,743,548
2010	7,988,153	1,771,641	0	0	0	0	0	3,134	9,762,928
2011	7,941,311	1,888,559	0	0	0	0	0	2,435	9,832,305

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

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Primary Government:										
General Fund										
Reserved	\$ 193,967	\$ 31,849	\$ 128,315	\$ 42,412	\$ 57,151	\$ 102,703	\$ 184,719	\$ 282,804	\$ 493,945	\$ 0
Unreserved	977,363	510,714	485,993	789,596	2,673,039	4,017,340	3,434,641	3,990,325	11,194,313	0
Restricted	0	0	0	0	0	0	0	0	0	638,427
Committed	0	0	0	0	0	0	0	0	0	131,105
Assigned	0	0	0	0	0	0	0	0	0	6,190,717
Unassigned	0	0	0	0	0	0	0	0	0	4,678,463
Total General Fund	\$ 1,171,330	\$ 542,563	\$ 614,308	\$ 832,008	\$ 2,730,190	\$ 4,120,043	\$ 3,619,360	\$ 4,273,129	\$ 11,688,258	\$ 11,638,712
All Other Governmental Funds										
Reserved	\$ 953,313	\$ 4,760,352	\$ 4,040,063	\$ 4,991,760	\$ 6,149,374	\$ 4,185,068	\$ 2,581,807	\$ 666,701	\$ 15,529	\$ 0
Unreserved, Reported in:										
Special Revenue Funds	2,354,971	2,642,510	2,599,134	1,079,715	7,740,284	9,343,189	8,226,868	7,440,991	914,960	0
Debt Service Funds	881,507	685,672	441,216	269,254	429,110	1,689,527	3,686,389	4,332,615	4,745,230	0
Capital Projects Funds	94,157	(607,955)	91,053	99,929	104,941	3,259,358	231,780	64,539	610,931	0
Restricted	0	0	0	0	0	0	0	0	0	814,266
Committed	0	0	0	0	0	0	0	0	0	4,238,144
Total all Other Governmental Funds	\$ 4,283,948	\$ 7,480,579	\$ 7,171,466	\$ 6,440,658	\$ 14,423,709	\$ 18,477,142	\$ 14,726,844	\$ 12,504,846	\$ 6,286,650	\$ 5,052,410
Component Unit:										
General Fund (General Purpose School)										
Reserved	\$ 1,714,370	\$ 1,692,852	\$ 2,119,347	\$ 2,182,018	\$ 3,019,162	\$ 2,639,156	\$ 2,429,978	\$ 3,458,476	\$ 391,001	\$ 0
Unreserved	3,863,829	3,522,147	3,416,543	3,467,797	3,596,076	5,126,482	8,247,874	7,270,619	10,183,468	0
Restricted	0	0	0	0	0	0	0	0	0	213,477
Committed	0	0	0	0	0	0	0	0	0	941,892
Unassigned	0	0	0	0	0	0	0	0	0	9,124,213
Total General Fund	\$ 5,578,199	\$ 5,214,999	\$ 5,535,890	\$ 5,649,815	\$ 6,615,238	\$ 7,765,638	\$ 10,677,852	\$ 10,729,095	\$ 10,574,469	\$ 10,279,582
All other School Funds										
Reserved	\$ 442,380	\$ 367,687	\$ 14,871,633	\$ 2,115,265	\$ 522,289	\$ 17,019,351	\$ 26,252,895	\$ 1,577,570	\$ 129,800	\$ 0
Unreserved, Reported in:										
Special Revenue Funds	456,266	585,227	786,453	1,100,201	1,371,563	1,236,951	1,220,548	1,349,478	1,636,112	0
Capital Projects Funds	495,938	14,159,173	(2,083,146)	655,038	669,710	25,690,557	(4,945,341)	1,080,491	0	0
Nonspendable	0	0	0	0	0	0	0	0	0	154,382
Restricted	0	0	0	0	0	0	0	0	0	1,839,985
Committed	0	0	0	0	0	0	0	0	0	236,096
Total all Other Governmental Funds	\$ 1,394,584	\$ 15,112,087	\$ 13,574,940	\$ 3,870,504	\$ 2,563,562	\$ 43,946,859	\$ 22,528,102	\$ 4,007,539	\$ 1,765,912	\$ 2,230,463

Note(s): Negative reserves reflect a fund deficit.
Provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* became effective for the year ended June 30, 2011.

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Taxes	\$ 9,114,093	\$ 9,752,001	\$ 11,805,571	\$ 12,637,329	\$ 14,866,540	\$ 15,489,944	\$ 16,054,169	\$ 15,974,804	\$ 16,097,920	\$ 16,657,679
Licenses and Permits	29,248	31,862	45,720	73,933	153,269	298,936	206,756	162,490	108,911	110,558
Fines and Forfeitures	209,404	586,183	485,765	569,239	505,218	532,322	483,882	408,577	376,180	323,633
Charges for Service	2,533,090	2,746,763	2,673,154	2,560,178	2,310,872	2,157,381	1,683,451	1,687,630	2,194,627	1,821,470
Other Local Revenue	348,273	371,570	284,420	387,188	792,157	3,064,019	3,081,408	1,410,494	1,252,468	1,253,095
Fees from Co. Officials	0	0	463,315	551,925	859,798	1,388,662	1,886,861	1,878,701	1,824,044	1,812,097
State Revenues	3,453,486	3,364,940	3,169,082	3,704,388	3,664,481	3,885,086	3,787,242	4,265,779	3,985,551	4,117,662
Federal Revenues	633,697	265,564	281,016	551,148	453,488	698,997	559,095	619,997	318,997	665,073
Other Govt/Citizens	114,271	335,401	95,330	93,363	208,441	94,686	166,476	1,193,499	2,154,927	1,044,387
Total Revenues	\$ 16,435,562	\$ 17,454,284	\$ 19,303,373	\$ 21,128,691	\$ 30,943,683	\$ 27,610,033	\$ 27,909,340	\$ 27,601,971	\$ 28,313,625	\$ 27,805,654
Expenditures										
General Government	\$ 9,409,614	\$ 983,505	\$ 840,642	\$ 958,335	\$ 842,698	\$ 1,131,972	\$ 957,128	\$ 1,132,685	\$ 1,085,169	\$ 1,330,518
Finance	0	824,821	822,160	920,844	936,555	910,450	1,273,122	1,575,772	1,541,838	1,550,567
Admin. of Justice	0	1,082,073	1,131,813	1,119,850	1,090,968	1,193,135	1,371,633	1,614,493	1,620,883	1,696,031
Public Safety	0	3,515,838	3,865,931	3,994,685	4,626,765	4,551,316	4,920,472	6,020,806	7,393,993	7,379,267
Public Health/Welfare	0	2,142,744	2,580,906	2,907,821	3,232,189	3,913,195	3,509,757	4,109,429	4,016,552	3,921,733
Social Cultural/Rec.	0	119,941	130,941	147,152	147,197	150,906	150,906	156,662	163,391	156,662
Agriculture and										
Natural Resource	0	162,111	170,098	188,622	188,875	209,328	208,244	198,356	239,482	206,310
Other Operations	0	2,300,839	2,570,415	3,182,729	3,590,070	3,955,168	3,703,196	1,603,031	782,032	789,966
Highway and Bridge	2,582,789	2,999,970	4,031,114	3,124,085	2,989,907	3,264,191	3,974,033	2,872,158	2,188,517	2,986,847
Debt Service:										
Principal	2,414,033	2,072,667	1,906,380	2,744,982	2,851,932	3,400,324	4,056,691	5,548,386	5,242,242	5,512,665
Interest	917,960	812,757	1,136,449	1,249,546	1,424,667	1,501,629	3,177,328	3,413,122	3,295,358	3,104,068
Other Charges	157,813	53,829	100,614	87,956	99,222	109,193	196,355	103,312	94,615	95,474
Capital Projects	0	14,043,250	1,328,278	5,393,586	1,048,976	50,699,865	4,729,371	5,714,988	38,018	821,589
Total Expenditures	\$ 15,482,209	\$ 31,114,345	\$ 20,615,741	\$ 26,020,193	\$ 23,070,021	\$ 74,990,672	\$ 32,228,236	\$ 34,063,200	\$ 27,702,090	\$ 29,551,697
Excess of Revenues Over (Under) Expenditures	\$ 953,353	\$ (13,660,061)	\$ (1,312,368)	\$ (4,891,502)	\$ 7,873,662	\$ (47,380,639)	\$ (4,318,896)	\$ (6,461,229)	\$ 611,535	\$ (1,746,043)

(Continued)

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Other Financing Sources (Uses)										
Transfers In	\$ 422,170	\$ 382,816	\$ 300,412	\$ 10,875	\$ 227,755	\$ 230,000	\$ 349,400	\$ 509,980	\$ 7,359,412	\$ 162,257
Transfers Out	(913,595)	(474,241)	(300,412)	(10,875)	(227,755)	(304,000)	(349,400)	(509,980)	(7,359,412)	0
Bond Proceeds	0	14,000,000	0	4,290,000	0	50,500,000	3,435,000	0	0	0
Note Proceeds	0	2,276,100	1,075,000	1,100,000	834,000	2,000,000	0	4,893,000	450,000	300,000
Insurance Recovery	0	0	0	0	0	0	0	0	135,398	0
Proceeds on Refunded Bonds	5,130,000	0	0	0	0	0	0	0	0	0
Payments to Refunded Bond										
Escrow Agent	(5,114,056)	0	0	0	0	0	(3,501,939)	0	0	0
Premiums on Bonds Sold		43,250	0	3,445	0	443,599	134,854	0	0	0
Transfer to Component Unit	(675,000)	0	0	0	0	0	0	0	0	0
Transfer from Component Unit	11,000	0	0	0	0	0	0	0	0	0
Total Other Financing Sources (Uses)	\$ (1,139,481)	\$ 16,227,925	\$ 1,075,000	\$ 5,393,445	\$ 834,000	\$ 52,869,599	\$ 67,915	\$ 4,893,000	\$ 585,398	\$ 462,257
Net Change in Fund Balances	\$ (186,128)	\$ 2,567,864	\$ (237,368)	\$ 501,943	\$ 8,707,662	\$ 5,488,960	\$ (4,250,981)	\$ (1,568,229)	\$ 1,196,933	\$ (1,283,786)
Debt Service as a Percentage of										
Noncapital Expenditures	22.5%	17.2%	16.1%	16.4%	19.9%	7.2%	26.8%	28.7%	32.1%	31.2%
Capital Expenditures	0	14,043,250	1,052,178	1,100,141	1,048,976	5,549,795	4,456,562	2,488,541	782,381	1,602,588

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Property Tax	\$ 4,930,519	\$ 5,070,416	\$ 6,666,053	\$ 7,053,712	\$ 8,804,521	\$ 9,316,418	\$ 9,756,204	\$ 9,635,803	\$ 9,803,618	\$ 9,544,367
Sales Tax	3,409,853	3,876,398	4,270,941	4,698,803	5,069,703	5,084,727	5,026,899	4,874,050	4,815,931	5,119,682
Litigation Tax	230,035	230,506	192,426	204,993	211,220	243,802	207,680	276,344	416,066	371,284
Business Tax	219,099	258,091	273,437	285,712	311,223	297,586	320,908	311,258	313,324	317,681
Mineral Severance	120,594	133,818	219,031	161,986	198,688	154,085	154,595	81,093	81,218	109,964
Development Tax	0	0	0	0	0	90,154	364,074	283,189	216,164	342,536
Wholesale Beer Tax	137,504	135,727	136,016	141,249	175,744	165,798	180,448	181,799	183,502	197,564
Bank Excise Tax	63,431	43,288	44,227	87,470	91,920	133,593	40,565	73,489	35,160	21,032
Other Statutory Tax	3,058	3,757	3,440	3,404	3,521	3,781	2,796	257,779	2,011	1,507
	\$ 9,114,093	\$ 9,752,001	\$ 11,805,571	\$ 12,637,329	\$ 14,866,540	\$ 15,489,944	\$ 16,054,169	\$ 15,974,804	\$ 15,876,994	\$ 16,025,617

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Local Taxes	\$ 8,451,385	\$ 8,736,861	\$ 8,681,424	\$ 9,261,220	\$ 9,539,539	\$ 10,006,667	\$ 9,835,545	\$ 9,816,402	\$ 9,955,712	\$ 10,181,119
Licenses and Permits	2,500	2,288	2,427	2,241	2,361	2,241	2,268	2,693	5,994	2,274
Charges for Current Services	1,334,026	1,440,421	1,528,310	1,649,311	1,756,323	1,795,873	1,773,948	1,850,006	1,648,859	1,558,792
Investment Earnings	22,970	13,964	145,552	248,046	95,890	131,081	48,986	14,496	0	0
Other Local Revenues	45,222	33,478	33,761	115,049	149,703	90,317	80,885	176,867	134,793	436,815
State of Tennessee	18,593,193	19,927,503	22,063,771	24,616,347	26,591,961	28,619,676	33,868,492	34,631,558	35,170,368	36,409,178
Federal Government	3,484,537	3,656,316	3,918,009	5,054,056	5,163,971	5,456,658	5,349,681	6,071,191	8,762,111	10,324,685
Other Governments and Citizens Groups	0	13,852,979	0	4,204,232	720,000	47,886,090	0	4,693,000	0	0
Total Revenues	\$ 31,933,833	\$ 47,663,810	\$ 36,373,254	\$ 45,150,502	\$ 44,019,748	\$ 93,988,603	\$ 50,959,805	\$ 57,256,213	\$ 55,677,837	\$ 58,912,863
Expenditures										
Current:										
Instruction	\$ 19,957,087	\$ 20,726,009	\$ 22,257,817	\$ 25,232,069	\$ 25,760,059	\$ 27,648,288	\$ 30,247,351	\$ 31,633,770	\$ 34,373,220	\$ 36,400,761
Support Services	9,738,717	10,800,948	10,932,933	11,788,375	12,832,127	13,145,079	13,713,665	15,884,647	16,919,180	17,769,273
Operation of Non- instructional Services	2,204,186	2,205,074	2,402,154	2,551,481	2,905,851	3,349,192	4,005,947	3,895,651	3,817,509	4,227,544
Capital Outlay	695,605	351,942	301,784	479,132	505,346	490,529	542,722	721,148	889,597	345,621
Capital Projects	171,951	225,534	1,691,114	14,686,248	2,354,176	6,818,110	20,954,500	23,590,317	2,074,584	0
Debt Service	0	0	3,708	3,708	3,708	3,708	2,163	0	0	0
Total Expenditures	\$ 32,767,546	\$ 34,309,507	\$ 37,589,510	\$ 54,741,013	\$ 44,361,267	\$ 51,454,906	\$ 69,466,348	\$ 75,725,533	\$ 58,074,090	\$ 58,743,199
Excess of Revenues Over (Under) Expenditures	\$ (833,713)	\$ 13,354,303	\$ (1,216,256)	\$ (9,590,511)	\$ (341,519)	\$ 42,533,697	\$ (18,506,543)	\$ (18,469,320)	\$ (2,396,253)	\$ 169,664
Other Financing Sources (Uses)										
Transfers In	\$ 15,628	\$ 16,862	\$ 14,496	\$ 11,274	\$ 37,279	\$ 18,185	\$ 11,619	\$ 25,149	\$ 118,300	\$ 103,192
Transfers Out	(15,628)	(16,862)	(14,496)	(11,274)	(37,279)	(18,185)	(11,619)	(25,149)	(118,300)	(103,192)
Total Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Net Change in Fund Balances	\$ (833,713)	\$ 13,354,303	\$ (1,216,256)	\$ (9,590,511)	\$ (341,519)	\$ 42,533,697	\$ (18,506,543)	\$ (18,469,320)	\$ (2,396,253)	\$ 169,664

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

Fiscal Year Ended	Property Tax ¹	Local Option Sales Tax ²	Litigation Tax	Business Tax	Mineral Severance Tax	Wholesale Beer Tax	Bank Excise Tax	Interstate Telecommunications Tax	Other Statutory Local Taxes	Total
Primary Government:										
2002	\$ 4,835,905	\$ 3,409,853	\$ 230,035	\$ 219,099	\$ 120,594	\$ 137,504	\$ 63,431	\$ 3,058	\$ 94,614	\$ 9,114,093
2003	4,853,736	3,876,398	230,506	258,091	133,818	135,727	43,288	3,757	105,489	9,640,810
2004	6,523,694	4,270,941	192,426	273,437	219,031	136,016	44,227	3,440	142,359	11,805,571
2005	6,848,988	4,698,803	204,993	285,712	161,986	141,249	87,470	3,404	202,124	12,634,729
2006	8,608,406	5,069,703	211,220	311,223	198,688	175,744	91,920	3,521	196,115	14,866,540
2007	9,099,054	5,084,727	230,095	297,586	154,085	165,798	133,593	3,781	321,225	15,489,944
2008	9,560,429	5,026,899	207,680	320,908	154,595	180,448	40,565	2,796	559,849	16,054,169
2009	9,635,803	4,874,050	276,344	311,258	81,093	181,799	73,489	2,324	538,644	15,974,804
2010	9,803,618	4,815,931	416,066	313,324	81,218	193,502	35,160	2,011	437,090	16,097,920
2011	9,544,367	5,119,682	371,284	317,681	109,964	197,564	21,032	1,471	974,634	16,657,679
Component Unit:										
2002	\$ 7,007,149	\$ 1,301,467	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,757	\$ 137,012	\$ 8,451,385
2003	7,209,706	1,378,712	0	0	0	0	0	6,926	141,517	8,736,861
2004	7,132,538	1,400,475	0	0	0	0	0	6,342	142,069	8,681,424
2005	7,365,544	1,713,618	0	0	0	0	0	6,276	175,782	9,261,220
2006	7,504,474	1,841,770	0	0	0	0	0	5,958	187,337	9,539,539
2007	7,936,370	1,889,046	0	0	0	0	0	6,330	174,921	10,006,667
2008	7,838,804	1,838,767	0	0	0	0	0	4,187	153,787	9,835,545
2009	7,832,689	1,795,056	0	0	0	0	0	5,029	183,628	9,816,402
2010	7,998,936	1,773,381	0	0	0	0	0	3,134	180,261	9,955,712
2011	7,788,150	1,874,206	0	0	0	0	0	2,435	516,328	10,181,119

Note(s):

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

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

Fiscal Year Ended June 30	Real Property Assessed			Public Utility Property	Total Taxable Assessed Value		Total Direct Tax Rate Outside	Total Direct Tax Rate Inside	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential	Commercial Farm and Forest Property	Commercial Industrial and Mineral Property		Value (City of Shelbyville)	Value (Outside City of Shelbyville)				
2002	\$ 312,951,250	\$ 111,746,040	\$ 69,987,294	\$ 35,016,077	\$ 189,891,625	\$ 234,805,665	\$ 2.23	\$ 1.47	\$ 1,891,786,881	28.00%
2003	321,957,600	114,566,080	73,308,324	34,717,800	194,598,605	241,925,075	2.23	1.47	1,945,540,884	27.99%
2004	332,545,225	111,382,840	66,468,040	32,860,629	193,594,730	250,333,335	2.49	1.47	1,948,337,973	27.88%
2005	344,552,900	116,806,640	82,975,225	34,354,871	201,984,425	259,375,115	2.49	1.47	2,043,086,490	28.32%
2006	361,120,075	121,064,920	60,943,665	33,420,235	211,113,160	271,071,835	2.77	1.47	2,030,505,565	28.39%
2007	473,364,250	152,388,840	79,812,896	40,293,721	267,529,215	358,223,875	2.27	1.41	2,668,811,186	27.95%
2008	486,143,975	155,443,760	80,930,381	42,859,029	274,877,045	366,710,690	2.27	1.41	2,694,715,806	28.40%
2009	494,876,925	156,984,600	77,397,381	42,495,975	347,652,527	381,611,096	2.27	1.41	2,715,534,416	28.42%
2010	503,591,300	167,263,520	74,874,856	42,775,968	358,027,739	387,701,937	2.27	1.41	2,759,881,341	28.57%
2011	507,751,000	161,072,120	64,842,431	44,817,232	343,269,678	390,395,873	2.27	1.41	2,731,324,772	28.50%

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

Note(s): Exempt properties are not included in the assessed or estimated value. Tax rates are per \$100 of assessed value. A reappraisal was performed during the 2005 and 2010 tax years. Appraised to taxable values are based on the following table.

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

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

Fiscal Year Ended ¹	Tax Year	General Fund		Highway Fund	General Purpose School Fund		General Debt Service Fund	Total ²	City of Shelbyville Tennessee ^{2,3}		City of Bell Buckle Tennessee ^{2,3}		City of Wartrace Tennessee ^{2,3}		Total
2002	2001	\$ 0.83	\$	0.06	\$ 1.32	\$ 0.02	\$	2.23	\$	1.47	\$	0.21	\$	0.86	\$ 3.70
2003	2002	1.13		0.05	1.29	0.02		2.49		1.47		0.21		1.00	3.96
2004	2003	1.13		0.05	1.29	0.02		2.49		1.47		0.21		1.00	3.96
2005	2004	1.41		0.05	1.29	0.02		2.77		1.47		0.21		1.00	4.24
2006	2005 ⁴	1.05		0.04	1.06	0.12		2.27		1.41		0.15		1.00	3.68
2007	2006	1.09		0.04	1.02	0.12		2.27		1.41		0.15		1.00	3.68
2008	2007	1.11		0.04	1.02	0.10		2.27		1.41		0.15		1.00	3.68
2009	2008	1.11		0.04	1.02	0.10		2.27		1.41		0.15		1.00	3.68
2010	2009	1.11		0.04	1.02	0.10		2.27		1.41		0.16		1.00	3.68
2011	2010 ⁴	1.11		0.04	1.02	0.10		2.27		1.41		0.16		1.00	3.68

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

Note(s):

¹ Taxes assessed in one fiscal year are for the benefit of the following fiscal year.

² Rates are applied per \$100 of assessed valuation.

³ The cities of Shelbyville, Bell Buckle, and Wartrace are considered overlapping governments.

⁴ A reappraisal was performed during the 2005 and 2010 tax years.

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

	Fiscal Year Ended 2011			Fiscal Year Ended 2012		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Calsonic Manufacturing	\$ 20,405,576	1	2.6%	\$ 40,636,424	1	5.2%
Duck River Electric	18,921,918	2	2.4%	11,137,680	3	1.4%
Walmart Stores East	13,304,851	3	1.7%	13,270,659	2	1.7%
Bemis	11,427,000	4	1.5%	-	-	-
Tyson Foods	8,155,823	5	1.0%	6,889,118	7	0.9%
Sanford Corporation	6,478,436	6	0.8%	6,652,512	8	0.9%
Pechiney Plastics	6,081,371	7	0.8%	10,384,333	4	1.3%
Bellsouth Telecom	4,915,520	8	0.6%	7,552,936	6	1.0%
United Telephone	4,039,649	9	0.5%	3,936,372	9	0.5%
National Pen Corp	3,671,068	10	0.5%	3,004,736	10	0.4%
Eaton Corp.	-	-	-	7,829,166	5	1.0%
Totals	\$ 97,401,212		12.5%	\$ 111,293,936		14.3%

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

Fiscal Year Ended June 30	Tax Year	Adjusted Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2002	2001	\$ 12,007,639	\$ 11,144,432	92.81%	\$ 680,266	\$ 11,824,698	98.48%
2003	2002	12,268,931	11,371,139	92.68%	758,570	12,129,709	98.87%
2004	2003	13,600,913	12,704,251	93.41%	775,587	13,479,838	99.11%
2005	2004	14,435,938	13,380,786	92.69%	979,077	14,359,863	99.47%
2006	2005	16,312,435	15,102,863	92.58%	985,453	16,302,918	99.94%
2007	2006	17,057,638	15,934,087	93.41%	931,074	16,865,161	98.87%
2008	2007	17,447,935	16,317,276	93.52%	644,651	16,961,927	97.21%
2009	2008	17,572,956	16,406,187	93.36%	547,679	16,953,865	96.48%
2010	2009	17,821,783	16,616,967	93.24%	457,646	17,087,288	95.88%
2011	2010	17,637,729	16,199,443	91.85%	537,832	16,737,275	94.89%

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

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

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

Fiscal Year Ended June 30	Governmental Activities						Total Primary Government ¹	Percentage of Personal Income ²	Per Capita ²
	General Obligation Bonds	Rural School Bonds	Capital Outlay Notes	Other Loans Payable					
2002	\$ 6,070,000	\$ 7,710,000	\$ 666,667	\$ 9,354,000	\$	23,800,667	2.59%	\$ 608	
2003	5,675,000	21,330,000	2,276,100	8,723,000		38,004,100	3.86%	952	
2004	5,265,000	21,085,000	2,937,720	8,060,000		37,347,720	3.51%	914	
2005	4,835,000	24,180,000	3,440,738	7,362,000		39,817,738	3.51%	943	
2006	4,390,000	23,125,000	3,563,806	6,628,000		37,706,806	3.15%	875	
2007	10,425,000	65,880,000	4,645,482	5,856,000		86,806,482	6.83%	1,970	
2008	6,275,000	68,035,000	3,388,791	5,046,000		82,744,791	6.27%	1,838	
2009	6,040,000	65,350,000	6,505,405	4,194,000		82,089,405	6.18%	1,805	
2010	5,800,000	62,585,000	5,153,163	3,759,000		77,297,163	5.92%	1,698	
2011	5,550,000	59,715,000	3,518,498	3,301,000		72,084,498	5.52%	1,600	

Note(s):

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

² See the Schedule of Demographic and Economic Statistics, Table 17, for personal income and population data.

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

Fiscal Year Ended June 30	General Obligation Bonds		Rural School Bonds		Total Bonded Debt ¹		Less: Amounts Available in General Debt Service Fund		Total		Percentage of Estimated Actual Taxable Value of Property ²		Per Capita ³
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%	\$
2002	6,070,000	7,710,000	13,780,000	1,834,820	11,945,180	0.63%	305						
2003	567,500	21,330,000	21,897,500	3,059,581	18,837,919	0.97%	472						
2004	5,265,000	21,085,000	26,350,000	4,274,548	22,075,452	1.13%	540						
2005	4,835,000	24,180,000	29,015,000	5,189,955	23,825,045	1.17%	565						
2006	4,390,000	23,125,000	27,515,000	6,548,740	20,966,260	1.03%	486						
2007	10,425,000	65,880,000	76,305,000	4,485,627	71,819,373	2.69%	1,630						
2008	6,275,000	68,035,000	74,310,000	6,076,445	68,233,555	2.53%	1,515						
2009	6,040,000	65,350,000	71,390,000	4,963,594	66,426,406	2.45%	1,461						
2010	5,800,000	62,585,000	68,385,000	4,745,230	63,639,770	2.31%	1,399						
2011	5,550,000	59,715,000	65,265,000	3,595,256	61,669,744	2.26%	1,369						

Source(s): Debt amortization schedules

Note(s):

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

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

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

Bedford County, Tennessee
Direct and Overlapping Governmental Activities Debt
General Obligation Bonds and Notes
As of June 30, 2011

		<u>% of Estimated Property Value</u>	<u>% of Assessed Property Value</u>
<u>Direct Debt</u>			
General Bonded Debt	\$ 65,265,000	2.39%	8.38%
Capital Outlay Notes	3,518,498		
Other Loans Payable	3,301,000		
Less: General Debt Service Funds	<u>(3,595,256)</u>		
Total Direct Debt	\$ 68,489,242	2.51%	8.80%
<u>Overlapping Debt</u>			
City of Shelbyville	\$ 311,113	0.01%	0.04%
City of Bell Buckle	814,619	0.03%	0.10%
City of Wartrace	1,890,042	0.07%	0.24%
City of Normandy	-	0.00%	0.00%
Total Overlapping Debt	<u>3,015,774</u>		
Total Direct and Overlapping Debt	\$ <u>71,505,016</u>	2.62%	9.19%

Source: City Recorders, Tables 8, 12

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

Assessed Value \$ 778,482,783

Estimated Value 2,731,324,772

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

Not Applicable to Bedford County, Tennessee

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

Not Applicable to Bedford County, Tennessee

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

Fiscal Year Ended June 30	Population^{1, 5}	Personal Income (amounts expressed in thousands)^{1, 5}	Per Capita Personal Income^{1, 5}	Median Age^{2, 5}	Bedford County School Enrollment³	Annual Unemployment Rate^{4, 5}
2002	39,160	\$ 918,232	\$ 23,448	34.9	6,792	5.5%
2003	39,937	985,791	24,684	35.0	6,821	6.9%
2004	40,875	1,064,118	26,033	35.0	6,902	5.4%
2005	42,204	1,135,971	26,916	34.9	7,217	5.4%
2006	43,102	1,197,493	27,783	35.0	7,501	5.2%
2007	44,062	1,271,738	28,862	34.9	7,612	4.9%
2008	45,031	1,319,630	29,305	34.9	7,721	6.0%
2009	45,480	1,328,881	29,219	35.0	7,746	6.6%
2010	45,526	1,306,750	28,703	35.2	7,866	12.3%
2011	45,058	813,793	18,061	35.0	7,817	11.9%

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

1) Amounts were provided by the Bureau of Economic Analysis: Regional Economic Accounts. Per capita personal income was provided by 2010 U.S. Census data. Personal income amounts for 2011 were calculated by multiplying population by per capita income.

2) Fiscal years 2001-06 were calculated by taking a three-year average change of the three previous years. Amounts for fiscal years 2008, 2009, 2010, and 2011 are U.S. Census Bureau estimates.

3) Enrollment amounts represent the weighted full-time equivalent average daily attendance.

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

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

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

	2011			2002		
	Employees	Rank	Percentage of Total County Employment¹	Employees	Rank	Percentage of Total County Employment²
Employer³						
Tyson Foods	1,300	1	7.82%	1,000	1	6.83%
Calsonic Manufacturing	712	2	4.28%	1,000	1	6.83%
National Pen Corp	485	3	2.92%	400	5	2.73%
Jostens, Inc.	440	4	2.65%	450	4	3.07%
Walmart Distribution Center	400	5	2.41%	458	3	3.13%
Cebal (Pechiney, Alcan, American Can)	238	6	1.43%	500	2	3.42%
Bemis	230	7	1.38%	140	7	0.96%
Newell Rubbermaid (Sanford/Empire)	220	8	1.32%	-	-	-
Corsicana Bedding, Inc.	131	9	0.79%	-	-	-
Musgrave Pencil Company	87	10	0.52%	100	9	0.68%
Eaton Corporation	-	-	-	200	6	1.37%
Cooper Steel	-	-	-	115	8	0.79%
Economy Pencil Company	-	-	-	115	8	0.79%
Alchem Recycling Corp	-	-	-	95	10	0.65%
Total	4,243		25.52%	4,573		31.25%

Source(s): Tennessee Department of Economic and Community Development, Middle Tennessee Industrial Development Association

Note(s):

¹ Percentage is based on March 2011 employment data provided by the U.S. Department of Labor, Bureau of Labor Statistics.

² Percentage is based on June 2002 employment data provided by the U.S. Department of Labor, Bureau of Labor Statistics.

³ Employer information does not include local governments' employees.

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

Function:	Fiscal Year									
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Government	139	133	144	150	152	194	194	205	173	76
Finance	0	0	0	0	0	8	8	10	10	10
Justice	20	20	19	19	17	19	24	34	29	34
Public Safety	96	93	87	93	122	110	110	108	134	129
Health and Welfare	13	11	13	13	18	20	18	10	12	15
Agriculture	1	1	1	1	1	1	1	1	1	1
Other	0	0	0	0	0	0	0	0	0	1
Road and Bridge	41	42	45	42	40	40	38	27	26	26
Total	310	301	310	318	350	392	393	395	385	292
Component Unit:										
Education	845	865	890	905	925	945	961	972	1,060	1,096

Source: Bedford County Finance Department

Bedford County, Tennessee
Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government										
Registered voters	16,945	17,581	18,390	19,596	20,586	21,069	23,238	23,124	23,824	23,461
Building permits issued										
Single family homes	n/a	n/a	n/a	n/a	294	169	135	78	74	42
All other permits	n/a	n/a	n/a	n/a	195	158	137	201	172	343
Public Safety										
Physical arrests	n/a	n/a	n/a	1,598	1,628	1,641	1,776	569	3,151	3,298
Traffic citations	n/a	n/a	n/a	1,847	1,894	2,008	2,092	2,003	412	1,016
Warrants served	n/a	n/a	n/a	10,281	10,305	10,418	10,716	13,458	13,732	10,542
Summary of inmate days:										
Felons-convicted	n/a	n/a	n/a	20,151	21,254	20,452	23,660	28,467	22,848	22,898
Misdemeanant-convicted	n/a	n/a	n/a	52,864	55,757	53,653	62,069	26,317	24,681	9,447
Pretrial	n/a	n/a	n/a	239	252	242	280	22,866	23,552	23,472
Other	n/a	n/a	n/a	111	117	113	130	422	319	129
Total inmate days				73,365	77,380	74,460	86,139	78,072	71,400	55,946
Other daily inmate information										
Average daily population	n/a	n/a	n/a	201	212	204	236	243	195	250
Daily inmate capacity of facility	n/a	n/a	n/a	215	204	217	217	217	216	206
Public Health										
Ambulance - call volume	n/a	n/a	4,764	4,618	4,769	4,810	5,418	5,135	4,818	5,206
Response time - average minutes	n/a	n/a	11	11	11	11	11	10	10	11
Animal control										
Requests for service	n/a	n/a	n/a	1,291	912	796	1,494	922	998	733
Animals impounded	n/a	n/a	n/a	1,720	1,475	1,701	1,977	1,615	1,515	1,192
Animals adopted	n/a	n/a	n/a	77	103	171	266	211	696	692

(Continued)

Bedford County, Tennessee
Operating Indicators by Function (Cont.)

Function (Cont.)	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Road and Bridge										
Street resurfaced (miles)	n/a	34	20	22	25	35	20	11	9	12
Sanitation										
Solid Waste Department	n/a	n/a	n/a	n/a	n/a	11,400	11,448	11,115	10,932	10,579
Refuse collected (in tons)	n/a	n/a	n/a	n/a	n/a	121	126	116	92	235
Recyclables collected (in tons)	n/a	n/a	n/a	n/a	n/a	7	6	5	4	1
Paper	n/a	n/a	n/a	n/a	n/a	0	0	0	0	0
Batteries	n/a	n/a	n/a	n/a	n/a	365	397	498	412	301
Plastics	n/a	n/a	n/a	n/a	n/a	680	675	679	701	676
Metals	n/a	n/a	n/a	n/a	n/a	85	80	4,604	5,472	8,100
Tires	n/a	n/a	n/a	n/a	n/a					
Used oil (gallons)	n/a	n/a	n/a	n/a	n/a					
Component Unit:										
Bedford County School Department										
Weighted Full-time Equivalent Average	8,181	8,160	8,110	8,227	8,352	8,352	8,517	8,628	7,521	7,400
Daily Attendance	365	380	426	408	426	458	478	505	532	455
Number Graduated										

N/A = Information is not available for this time period.

Sources: Election Commission, Building Codes, Sheriff's Department, Ambulance Department, County Animal Control, Highway Department, and Solid Waste Department

Bedford County, Tennessee
Capital Assets Statistics by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Highways and Streets										
Number of Miles	N/A	N/A	663	668	673	678	679	683	683	683
Number of Bridges	N/A	N/A	189	189	191	191	191	191	191	188
Public Safety										
Number of Correctional Facilities	1	1	1	2	2	2	2	2	2	2
Health and Welfare										
Nursing Home	1	1	1	1	1	1	1	1	1	0
Number of Beds	90	90	90	90	90	90	90	90	90	0
Dispatch Station	0	1	1	1	1	1	1	1	1	1
Ambulance Stations	3	3	3	3	3	4	4	4	4	5
Number of Ambulance Units	7	7	7	7	7	8	8	8	8	6
Sanitation/Solid Waste Department										
Number of Trucks	4	4	4	4	4	4	4	4	4	4
Health Department Facilities	1	1	1	1	1	1	1	1	1	1
Facilities and Services Not Included in the Primary Government										
Education:										
Form of Administration										
Number of Schools										
Elementary Schools	7	7	7	7	7	7	7	7	7	8
Middle Schools	1	1	1	1	1	1	1	1	1	2
High Schools	3	3	3	3	3	3	3	3	3	3
K-12 Schools										
Alternative School	1	1	1	1	1	1	1	1	1	1

Sources: Bedford County Highway Department, Sheriff's Department, Ambulance Department, Solid Waste Department, Board of Education
N/A = Information is not available for this time period.

SINGLE AUDIT SECTION



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

REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

November 10, 2011

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

To the County Mayor and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bedford County, Tennessee, as of and for the year ended June 30, 2011, which collectively comprise Bedford County's basic financial statements and have issued our report thereon dated November 10, 2011. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the discretely presented Emergency Communications District of Bedford County as described in our report on Bedford County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies in internal control over financial reporting: 11.04, 11.05, 11.06, 11.08(A,B,D,E), and 11.09. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bedford County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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: 11.01, 11.02, 11.03, 11.07, and 11.08(C).

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

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

This report is intended solely for the information and use of management, the county mayor, superintendent of schools, highway superintendent, Board of County Commissioners, Board of Education, Financial Management Committee, Solid Waste Authority Board, others within Bedford County, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

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

Justin P. Wilson
Comptroller of the Treasury

JPW/yu



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
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

November 10, 2011

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

To the County Mayor and Board of County Commissioners:

Compliance

We have audited the compliance of Bedford County with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. Bedford County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Bedford County's management. Our responsibility is to express an opinion on Bedford County's compliance based on our audit.

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

audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Bedford County's compliance with those requirements.

In our opinion, Bedford County complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

The management of Bedford County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Bedford County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Bedford County's internal control over compliance.

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

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

Schedule of Expenditures of Federal Awards

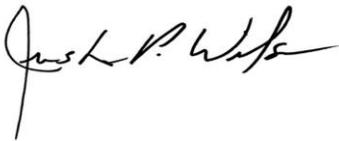
We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bedford County as of and for the year ended June 30, 2011, and have issued our report thereon dated November 10, 2011. Our audit was performed for the purpose of forming our opinions on the financial statements as a whole. The 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 financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the

underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

This report is intended solely for the information and use of management the county mayor, superintendent of schools, highway superintendent, County Commission, Board of Education, Financial Management Committee, Solid Waste Authority Board, others within the entity, and federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is written in a cursive style with a prominent vertical line extending downwards from the end.

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

Bedford County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year-Ended June 30, 2011

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Emergency Watershed Protection Program	10.923	N/A	\$ 199,978
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	(2)	540,672
National School Lunch Program	10.555	(2)	1,901,260 (7)
Fresh Fruit and Vegetable Program	10.582	(2)	92,836
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	(2)	217,922 (7)
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	34353-11211	25,000
Total U.S. Department of Agriculture			<u>\$ 2,977,668</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	GG-10-31472-00	\$ 341,492
Passed-through State Housing Development Agency:			
Home Investment Partnerships Program	14.239	HM09-04-01	3,500
Total U.S. Department of Housing and Urban Development			<u>\$ 344,992</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
State and Community Highway Safety	20.600	Z-11-GHS295	\$ 11,200
Alcohol Open Container Requirements	20.607	DG-10-28723-00	49,890
Total U.S. Department of Transportation			<u>\$ 61,090</u>
U.S. Department of Education:			
Direct Programs:			
Fund for the Improvement of Education	84.215	N/A	\$ 112,780
Improving Literacy Through School Libraries	84.364	N/A	51,071
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	(3)	135,357
Passed-through State Department of Education:			
Title I Cluster:			
Title I Grants to Local Educational Agencies	84.010	N/A	1,991,434
Title I Grants to Local Educational Agencies, Recovery Act	84.389	N/A	371,114
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,663,009
Special Education - Preschool Grants	84.173	N/A	31,444
Special Education - Grants to States, Recovery Act	84.391	N/A	1,020,373
Special Education - Preschool Grants, Recovery Act	84.392	N/A	32,327
Career and Technical Education - Basic Grants to States	84.048	N/A	129,949
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	N/A	33,932
Safe and Drug-free Schools and Communities - State Grants	84.186	(2)	15,070
Twenty-first Century Community Learning Centers	84.287	(2)	47,833
Educational Technology Cluster:			
Education Technology State Grants	84.318	(2)	37,424
Education Technology State Grants, Recovery Act	84.386	(2)	27,757
Rural Education	84.358	N/A	36,492
English Language Acquisition Grants	84.365	N/A	114,145
Improving Teacher Quality State Grants	84.367	N/A	268,121
State Fiscal Stabilization Funds Cluster:			
State Fiscal Stabilization Funds - Education State Grants, Recovery Act	84.394	(2)	3,234,371
State Fiscal Stabilization Funds - Government Services, Recovery Act	84.397	(2)	211,812
State Fiscal Stabilization Funds - Race-to-the-Top Incentive Grants, Recovery Act	84.395	(2)	364,052
Education Jobs Fund	84.410	(2)	750,001
Total U.S. Department of Education			<u>\$ 10,679,868</u>

Bedford County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Election Assistance Commission:			
Passed through Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.401	30510-00210-22	\$ 23,000
Total U.S. Election Assistance Commission			<u>\$ 23,000</u>
U.S. Department of Health and Human Services:			
Passed through State Department of Health:			
Temporary Assistance for Needy Families, Recovery Act	93.558	(2)	\$ 70,992
Total U.S. Department of Health and Human Services			<u>\$ 70,992</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	34101-23510	\$ 20,484
Homeland Security Grant Program	97.067	(4)	69,893
Total U.S. Department of Homeland Security			<u>\$ 90,377</u>
Total Expenditures of Federal Awards			<u>\$ 14,247,987</u>
<u>State Grants</u>			
Juvenile Justice - State Commission on Children and Youth	N/A	<u>Contract Number</u> GG-10-29451	\$ 9,000
Lottery for Education - After-school Programs - State Department of Education	N/A	(2)	49,799
Adult Education - State Department of Labor and Workforce Development	N/A	(5)	31,736
Connection - State Department of Education	N/A	(2)	4,269
Litter Program - State Department of Transportation	N/A	Z-11LIT002	30,468
Rural Local Health Services - State Department of Health	N/A	(6)	392,455
Waste Tire Grant - State Department of Environment and Conservation	N/A	Z-08-212955-00	15,018
Pilot - Lottery for Pre-K Classrooms - State Department of Education	N/A	(2)	359,287
Total State Grants			<u>\$ 892,032</u>

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

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
(2) Information not available.
(3) Z-10-218486-00: \$17,553; Z-10-218449-00: \$13,669; 6606: \$87,597; DG-11-31219-00: \$16,538.
(4) 4101-0000000711: \$47,917; 2529: \$21,976.
(5) Z-10-218486-00: \$5,851; Z-10-218449-00: \$4,556; 6606: \$17,942; DG-11-31219-00: \$3,387.
(6) Z-10-219847-00: \$34,922; GG-11-31869-00: \$357,533.
(7) Total for CFDA No. 10.555 is \$2,119,182.

Bedford County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2011

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Comprehensive Annual Financial Report for Bedford County, Tennessee, for the year ended June 30, 2010, which have not been corrected.

OFFICE OF COUNTY MAYOR

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
10.01	239	The Ambulance Service had deficiencies in computer system backup procedures.

OFFICE OF SHERIFF

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
10.05	243	The office had deficiencies in the operation of the commissary

**OFFICES OF ZONING AND BUILDING INSPECTIONS, JUVENILE
DETENTION, CIRCUIT AND GENERAL SESSIONS COURTS CLERK,
AND SHERIFF**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
10.06	245	Duties were not segregated adequately in the Offices of Zoning and Building Inspections; Juvenile Detention; Circuit and General Sessions Courts Clerk; and Sheriff

BEDFORD COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2011

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Bedford County is unqualified.
2. The audit of the financial statements of Bedford County disclosed significant deficiencies in internal control. None of these deficiencies was considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that are material to the financial statements.
4. The audit disclosed 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 and National School Lunch Program (CFDA Nos. 10.553 and 10.555); the Title I Cluster: Title I Grants to Local Educational Agencies and Title I Grants to Local Educational Agencies Recovery Act (CFDA Nos. 84.010 and 84.389); the Special Education Cluster: Special Education – Grants to States, Special Education – Grants to States Recovery Act, Special Education – Preschool Grants, and Special Education – Preschool Grants Recovery Act (CFDA Nos. 84.027, 84.391, 84.173, and 84.392); the State Fiscal Stabilization Funds Cluster: State Fiscal Stabilization Funds – Education State Grants Recovery Act and State Fiscal Stabilization Funds – Government Services Recovery Act (CFDA Nos. 84.394 and 84.397); and the Education Jobs Fund (CFDA No. 84.410) were determined to be major programs.
8. A \$427,439 threshold was used to distinguish between Type A and Type B federal programs.
9. Bedford County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The written responses of the finance director are paraphrased in this report. Other management officials did not provide responses for inclusion in this report.

OFFICE OF COUNTY MAYOR

FINDING 11.01 **THE OFFICES OF ZONING AND BUILDING INSPECTIONS AND ANIMAL CONTROL DID NOT DEPOSIT SOME FUNDS WITHIN THREE DAYS OF COLLECTION**

(Noncompliance Under *Government Auditing Standards*)

In some instances, the Offices of Zoning and Building Inspections and Animal Control did not deposit funds within three days of collection. Section 5-8-207, *Tennessee Code Annotated*, requires county officials to deposit public funds with the county trustee within three days of collection. This deficiency is the result of management's oversight. The delay in depositing the funds increases the risks of fraud and misappropriation.

RECOMMENDATION

Management should ensure that all funds are deposited with the county trustee within three days of collection as required by state statute.

MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

We concur with the finding, and steps have been taken to ensure compliance with the state statute.

FINDING 11.02 **THE AMBULANCE SERVICE AND THE OFFICE OF PROBATION SERVICES HAD DEFICIENCIES IN COMPUTER SYSTEM BACKUP PROCEDURES**

(Noncompliance Under *Government Auditing Standards*)

The Ambulance Service did not consistently store backups off-site. While the service implemented proper backup procedures earlier in the fiscal year, these procedures were not always consistently followed. The Office of Probation Services did not store system backups 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 be copied to storage media daily, and media more than one week old be stored at an off-site location. This deficiency is the result of management's failure to implement adequate disaster recovery planning procedures. In the event of a disaster, 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 in March 2011 in the Ambulance Service and the Office of Probation Services.

RECOMMENDATION

Management should ensure backups are rotated off-site weekly.

FINDING 11.03 **THE OFFICE OF ZONING AND BUILDING INSPECTIONS DID NOT REVIEW ITS SOFTWARE AUDIT LOGS**
(Noncompliance Under *Government Auditing Standards*)

The software application used by the office generated a log that displayed deletions made by users. Since this log provides the only audit trail of these changes, it should be systematically reviewed for inappropriate activity. During the audit period, management did not consistently review this log. The software vendor implemented an update in July 2011, which no longer allowed transactions to be deleted; therefore, this deficiency has been corrected.

OFFICE OF HIGHWAY SUPERINTENDENT

FINDING 11.04 **HIGHWAY/PUBLIC WORKS FUND APPROPRIATIONS EXCEEDED ESTIMATED AVAILABLE FUNDING**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The budget and subsequent amendments submitted to and approved by the County Commission for the Highway/Public Works Fund resulted in appropriations exceeding estimated available funding by \$105,834. Sound budgetary principles dictate that appropriations be held within estimated available funding. The budget deficiency resulted from a lack of management oversight.

RECOMMENDATION

Appropriations that exceed estimated available funds should not be submitted to the County Commission, and the County Commission should not approve such appropriations.

MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

We concur with the finding, and steps have been taken to prevent the finding from recurring.

OFFICE OF DIRECTOR OF SOLID WASTE AUTHORITY

FINDING 11.05 **SOLID WASTE/SANITATION FUND APPROPRIATIONS EXCEEDED ESTIMATED AVAILABLE FUNDING**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The budget and subsequent amendments submitted to and approved by the County Commission for the Solid Waste/Sanitation Fund resulted in appropriations exceeding estimated available funding by \$70,476. Sound budgetary principles dictate that appropriations be held within estimated available funding. The budget deficiency resulted from a lack of management oversight.

RECOMMENDATION

Appropriations that exceed estimated available funds should not be submitted to the County Commission, and the County Commission should not approve such appropriations.

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

FINDING 11.06 **MULTIPLE EMPLOYEES OPERATED FROM THE SAME CASH DRAWER**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

All employees operated from the same cash drawer in the Office of Circuit and General Sessions Courts Clerk. Good internal controls dictate that each employee have their own cash drawer, start the day with a standard fixed amount of cash, and remove all but that beginning amount at the end of the day. This amount should be verified to the employee's receipts at the end of each day. Failure to adhere to this control regimen greatly increases the risk that a cash shortage may not be detected in a timely manner. Furthermore, in the event of a cash shortage, the clerk would not be able to determine who was responsible for the shortage because multiple employees were working from one cash drawer. This deficiency in internal controls was the result of a lack of management oversight over risks related to safeguarding assets.

RECOMMENDATION

The clerk should assign each employee their own cash drawer.

OFFICE OF CLERK AND MASTER

FINDING 11.07 **THE OFFICE DID NOT REVIEW ITS SOFTWARE AUDIT LOGS (Noncompliance Under *Government Auditing Standards*)**

The software application used by the office generated a daily log that displayed changes made by the users. This log provided the only audit trail of these changes and should be reviewed daily for inappropriate activity. Since management was not aware of its importance, the official did not begin reviewing this log until we brought it to his attention in March 2011. Procedures for reviewing this log are currently in place.

OFFICE OF SHERIFF

FINDING 11.08 **THE OFFICE HAD DEFICIENCIES IN THE OPERATION OF THE COMMISSARY (A., B., D., E. – Internal Control – Significant Deficiency Under *Government Auditing Standards*; C. – Noncompliance Under *Government Auditing Standards*)**

We noted the following weaknesses in internal controls in the operation of the commissary that increase the risks of theft or loss. These weaknesses are the result of the lack of management oversight and management's failure to correct findings noted in the prior-year audit.

- A. Duties related to the operation of the commissary were not segregated adequately. Collections were received from inmates and others by various jail and workhouse employees. These collections were remitted to one employee who was principally responsible for accounting for commissary operations. This employee entered information into the computer accounting system, made the bank deposits, reconciled bank statements, and disbursed funds.
- B. The bank statements for the commissary checking account were not reconciled with general ledger controls. The bank balance at June 30, 2011, was determined using bank statements and alternative auditing procedures.
- C. The sheriff did not include commissary activity on his annual financial report as required by Section 5-8-505, *Tennessee Code Annotated*. This statute requires all county officials having public funds in their charge or custody to file a complete annual financial report with the county mayor and county clerk.
- D. As of June 30, 2011, commissary records reflected accumulated bank charges totaling \$3,418, which should be reduced from profit remitted to the county.
- E. A trial balance of inmate accounts was not maintained and reconciled with bank statements monthly.

RECOMMENDATION

To strengthen internal controls over commissary operations, the sheriff should segregate duties adequately among employees. Bank statements should be reconciled with general ledger controls monthly, and any errors noted should be corrected promptly. The annual financial report should include commissary activity for the year. Bank charges should be reduced from profits earned by the commissary. A trial balance of inmate accounts should be generated and reconciled with the bank account monthly.

OFFICES OF ZONING AND BUILDING INSPECTIONS, JUVENILE DETENTION, CIRCUIT AND GENERAL SESSIONS COURTS CLERK, AND SHERIFF

FINDING 11.09

DUTIES WERE NOT SEGREGATED ADEQUATELY

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

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

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – FINANCE DIRECTOR RELATED TO THE OFFICES OF BUILDING INSPECTIONS AND JUVENILE DETENTION

We concur with the finding, and steps have been taken to adequately segregate duties.

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

There were no findings and questioned costs for federal awards.

BEDFORD COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2011

There were four audit findings relative to federal awards presented in the prior-year's Schedule of Findings and Questioned Costs. There were no audit findings relative to federal awards presented in the current-year's Schedule of Findings and Questioned Costs.

Director of Schools – Summary Schedule of Prior-Year Findings

FINDINGS 10.03 and 10.07

Contact person: Robert Daniel, Finance Director

Corrective action planned: The County Financial Management System of 1981 provides for the finance director or a deputy appointed by him to serve as the county purchasing agent. The finance director serves as the purchasing agent for Bedford County. All departments have been provided with copies of the financial management policies and procedures. Department meetings have been held to explain bidding and purchasing procedures. The finance director will ensure that all future purchases meet applicable bid requirements.

Anticipated completion date: 2010-11

FINDINGS 10.04 and 10.08

Contact person: Robert Daniel, Finance Director

Corrective action planned: The finance director or a deputy appointed by him will review general ledger entries to ensure that all American Reinvestment and Recovery Act (ARRA) revenues and expenditures are accounted for separately from other county funds. The Coordinated School Health grant totaled \$82,000 out of \$1,620,379 total ARRA funds received by the county. All other ARRA funds were accounted for in compliance with TRAM directives. There was no identified misuse of ARRA funds by the county, and we will continue to strive for 100 percent compliance with TRAM directives in the future.

Anticipated completion date: 2010-11

All findings presented above have been corrected.