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



FOR THE YEAR ENDED JUNE 30, 2012



COMPREHENSIVE ANNUAL FINANCIAL REPORT
BEDFORD COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2012

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director

JEFF BAILEY, CPA, CGFM, CFE
Audit Manager

KENT WHITE, CPA, CGFM, CFE
Auditor 4

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

ROBERT DANIEL, CPA
Finance Director
Bedford County, Tennessee

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

BEDFORD COUNTY, TENNESSEE

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Audit Highlights

Comprehensive Annual Financial Report
Bedford County, Tennessee
For the Year Ended June 30, 2012

Scope

We have audited the basic financial statements of Bedford County as of and for the year ended June 30, 2012.

Results

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

Our audit resulted in five 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 Office of Zoning and Building Inspections did not deposit some funds within three days of collection.
- ◆ The Office of Probation Services accounting software did not identify the user who processed transactions.

OFFICE OF HIGHWAY SUPERINTENDENT

- ◆ A county road list was not submitted to the County Commission for approval.

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

- ◆ Usernames and passwords were shared by employees.

OFFICES OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK AND SHERIFF

- ◆ Duties were not segregated adequately.

INTRODUCTORY SECTION



BEDFORD COUNTY, TENNESSEE

Letter of Transmittal

November 13, 2012

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, 2012, 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 Local Government 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, 2012, 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 Local Government 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, 2012, 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 45,509.

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. He is responsible for carrying out policies and resolutions of the

County Commission, overseeing the day-to-day operations of the government, and appointing or recommending for appointment various department heads. In addition, he serves as chairperson of the County Commission and as a member of most committees.

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

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.

As of September 2012, Bedford County had an estimated labor force of 22,410 with 20,460 employed resulting in an 8.7 percent unemployment rate. Bedford County's unemployment rate is slightly above the state average of 8.3 percent.

Our largest manufacturing employers include Tyson Foods, Calsonic North America, National Pen, Wal-Mart Distribution Center, and Jostens, Inc. 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, four clinics, two assisted living facilities, 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.

In 2011, six existing manufacturing companies added 257 jobs with a new investment of \$14,500,000 in Bedford County. The General Motors Co. announced in November 2011, it would begin producing the Chevrolet Equinox, a mid-sized SUV, at its Spring Hill Plant in 2012. 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 part of Bedford County. The Rochester, New York, based Century Mold Co., Inc., announced in January 2012 plans for a \$4.2 million expansion of its Shelbyville facility, which would add 58 manufacturing jobs. Waffle House opened in 2011 and added 48 jobs. In March 2012, Microtel broke ground for a four-story building with 62 rooms, which will create construction jobs as well as provide an increase in the hotel/motel tax. The Walking Horse Museum moved from another county to Wartrace, Tennessee.

According to the latest estimate from the U.S. Census Bureau, Bedford County had a population of 45,509. This is an increase of 19.9 percent since the 2000 census.

Long-term Financial Planning and Major Initiatives

Unassigned fund balance in the General Fund totaled \$5,359,126 at June 30, 2012, which represents 30.7 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 General Debt Service Fund to meet cash flow needs.

The Bedford County Commission and the Bedford County Financial Management Committee have adopted a county debt policy. A Tennessee Department of Transportation Industrial Access Road Program grant of \$770,400 was approved for Railroad Avenue improvements in Shelbyville. A \$450,000 community development block grant for a water line extension was awarded to the Flat Creek Water Cooperative in 2012.

Future initiatives may include the renovation or construction of a jail facility. Also, the school system has expressed the need of a new school at Cascade.

Relevant Financial Policies

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.

Awards and Acknowledgments

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, 2011. 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 three 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, and Melissa Brannon. 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,



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, 2011

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.

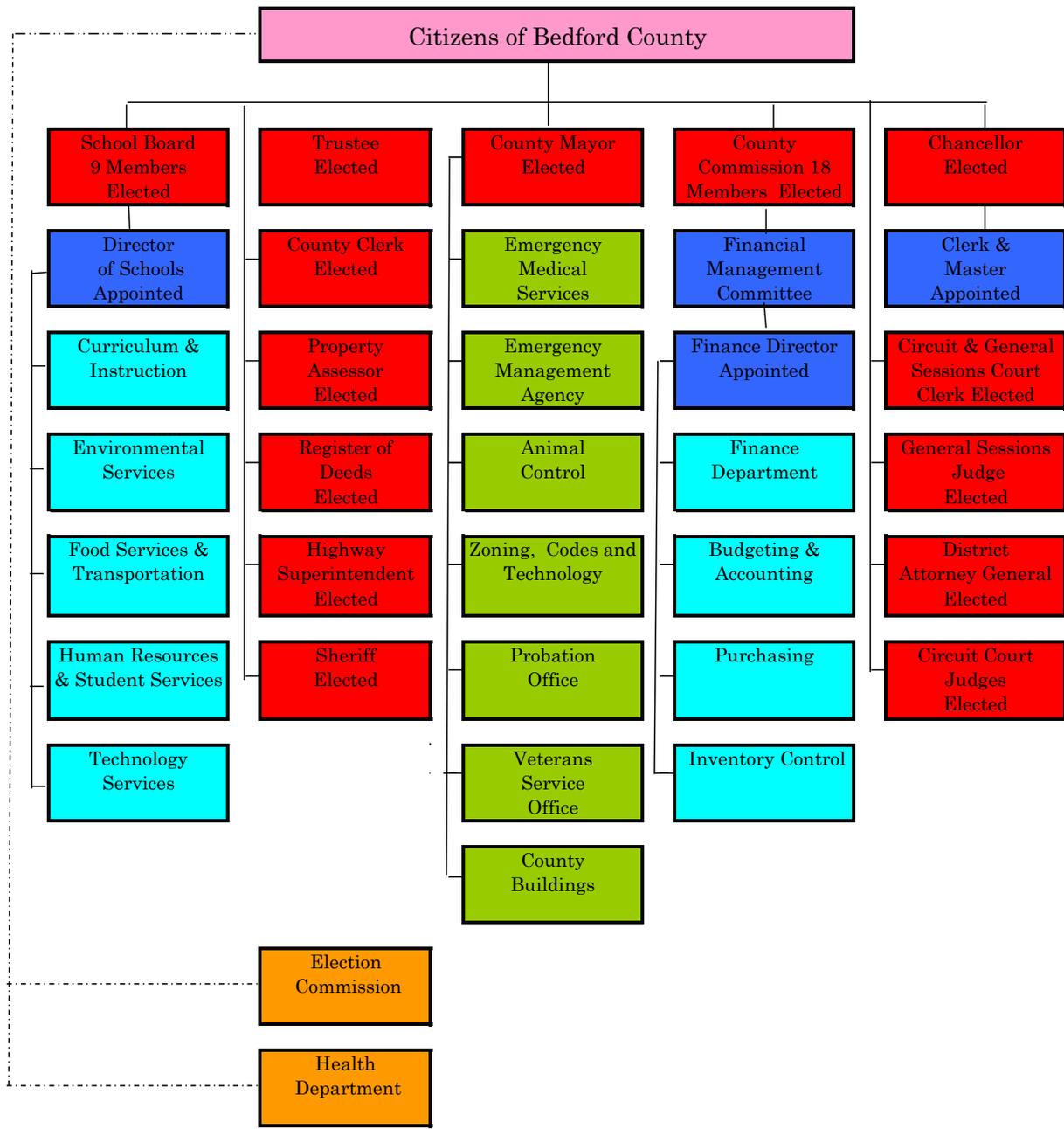


Linda C. Davison

President

Jeffrey R. Emmer

Executive Director



Note(s):
 - - - - - : Denotes state appointment

Bedford County Officials
June 30, 2012

Officials

Eugene Ray, County Mayor
Stanley Smotherman, Highway Superintendent
Ray Butrum, 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	Tony Smith
Don Gallagher	Denise Graham
Jimmy Woodson	Billy King, Jr.
Jimmy Patterson	J.D. Wilson
Ed Castleman	Linda Yockey
Tony Barrett	Joe Tillett, Jr.
Janice Brothers	Jeff Yoes
Bobby Fox	John Brown
Phillip Farrar	Mark Thomas

Financial Management Committee

Janice Brothers, Chairman	Stanley Smotherman, Highway Superintendent
Eugene Ray, County Mayor	J.D. Wilson
Ray Butrum, Superintendent of Schools	Joe Tillett, Jr.

Audit Committee

Joe Tillet, Jr., Chairman	Bailey Little
Virgil Johnson	Bob Garner
Sheila Roark	

(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
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 LOCAL GOVERNMENT AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7841

INDEPENDENT AUDITOR'S REPORT

November 13, 2012

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 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, 2012, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bedford County, Tennessee, as of June 30, 2012, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2012, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 22 through 34 and the budgetary comparison, pension, and other postemployment benefits information on pages 88 through 96 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 long vertical stroke extending downwards from the end.

Justin P. Wilson
Comptroller of the Treasury

JPW/sb

Bedford County, Tennessee
Management's Discussion and Analysis
For the Year Ended June 30, 2012

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, 2012. 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 \$16,441,221 (net assets). Of this amount, \$60,504,000 is debt that is attributable to the Bedford County Board of Education and \$151,920 is debt that is attributable to the Bedford County Solid Waste Authority.
- From yearly activity, the government's total net assets increased by \$6,544,658.
- As of the close of the current fiscal year, the governmental funds of Bedford County reported combined ending fund balances of \$16,735,057, an increase of \$43,935 in comparison with the prior year. The total fund balance included \$5,359,126 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 \$5,359,126, or 30.7 percent of total General Fund expenditures.
- The total debt of Bedford County decreased by \$5,450,298 or 7.5 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 difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of 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 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.

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, the 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 does not maintain any proprietary funds.

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 D 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 \$16,441,221 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, 2012, Bedford County had outstanding debt totaling \$60,504,000 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	
	2010-11	2011-12
Current and Other Assets	\$ 29,353,177	\$ 32,368,570
Capital Assets	30,834,102	29,333,583
Total Assets	<u>\$ 60,187,279</u>	<u>\$ 61,702,153</u>
Long-term Liabilities	\$ 73,083,475	\$ 67,672,974
Other Liabilities	10,089,683	10,470,400
Total Liabilities	<u>\$ 83,173,158</u>	<u>\$ 78,143,374</u>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	\$ 23,918,548	\$ 23,433,157
Invested in Capital Assets Restricted	0	0
Unrestricted	6,192,578	1,928,797
	<u>(53,097,005)</u>	<u>(41,803,175)</u>
Total Net Assets	<u>\$ (22,985,879)</u>	<u>\$ (16,441,221)</u>

By far, the largest portion of Bedford County's net assets totaling \$23,433,157 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 \$1,928,797 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.

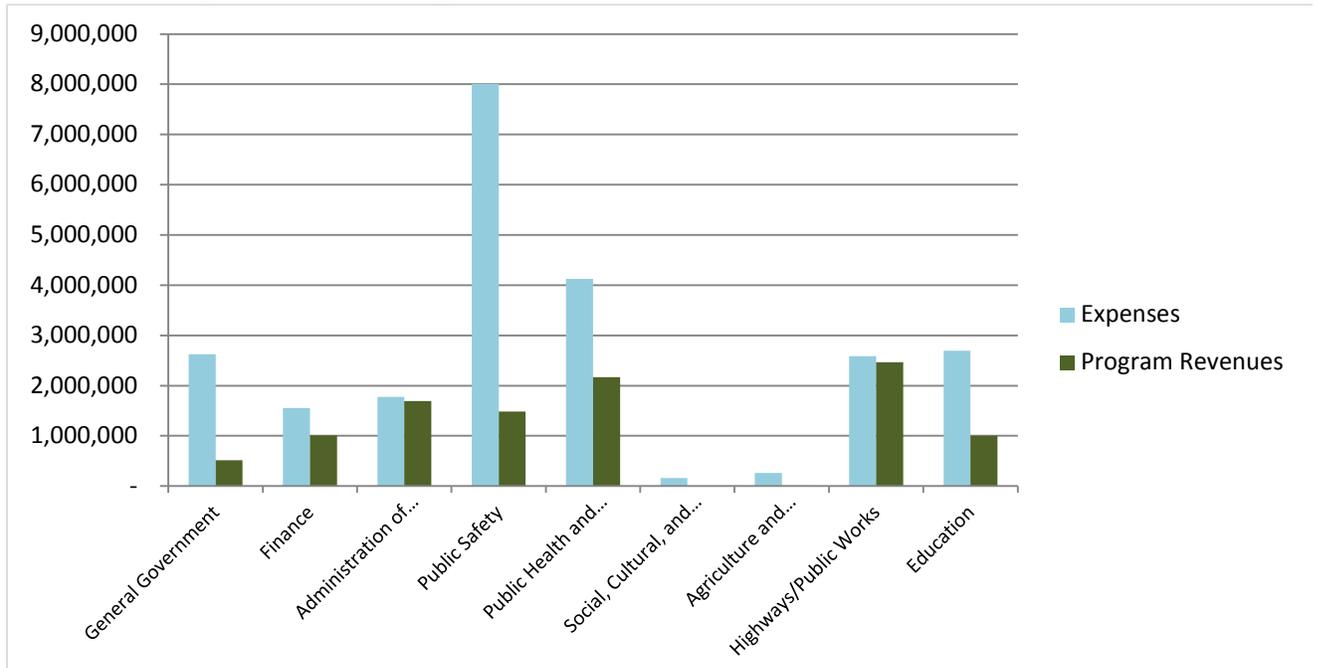
Governmental activities. Governmental activities increased Bedford County government's net assets by \$6,544,658. Key elements of this increase are as follows:

BEDFORD COUNTY'S Changes in Net Assets

	Governmental Activities	
	2010-11	2011-12
Revenues:		
Program Revenues:		
Charges for Services	\$ 5,639,817	\$ 6,134,287
Operating Grants and Contributions	3,805,231	3,365,287
Capital Grants and Contributions	698,513	837,862
General Revenues:		
Property Taxes	9,731,369	10,155,790
Local Option Sales Tax	5,142,959	5,365,336
Other Taxes	1,271,787	1,244,429
Grants and Contributions Not Restricted to Specific Programs	698,542	909,020
Unrestricted Investment Earnings	336,696	223,752
Special Item	0	1,821,783
Miscellaneous	291,923	267,764
Total Revenues	<u>\$ 27,616,837</u>	<u>\$ 30,325,310</u>
Expenses:		
General Government	\$ 2,458,580	\$ 2,622,551
Finance	1,522,871	1,551,852
Administration of Justice	1,700,803	1,774,488
Public Safety	7,954,991	8,011,004
Public Health and Welfare	4,380,157	4,126,630
Social, Cultural, and Recreational Services	156,662	156,662
Agriculture and Natural Resources	216,955	260,546
Other Operations	0	0
Highway/Public Works	2,736,615	2,583,006
Education (Payment to CU)	2,868,706	2,693,913
Interest on Long-term Debt	0	0
Other Debt Service	0	0
Nursing Home	0	0
Total Expenses	<u>\$ 23,996,340</u>	<u>\$ 23,780,652</u>
Increase (Decrease) in Net Assets before Transfers	\$ 3,620,497	\$ 6,544,658
Transfers	1,210,107	0
Increase (Decrease) in Net Assets	4,830,604	6,544,658
Prior-period Adjustment	(53,211)	0
Net Assets, July 1	<u>(27,763,272)</u>	<u>(22,985,879)</u>
Net Assets, June 30	<u>\$ (22,985,879)</u>	<u>\$ (16,441,221)</u>

- Property taxes increased by \$424,421 (4.4 percent) during the year. Most of this increase is due to an increase in the tax base.
- Local option sales tax increased by \$222,377 (4.3 percent) during the year. This increase was due to improved sales in the local economy.
- A special item of \$1,821,783 occurred during the year. This was a gain on the sale of nursing home assets.

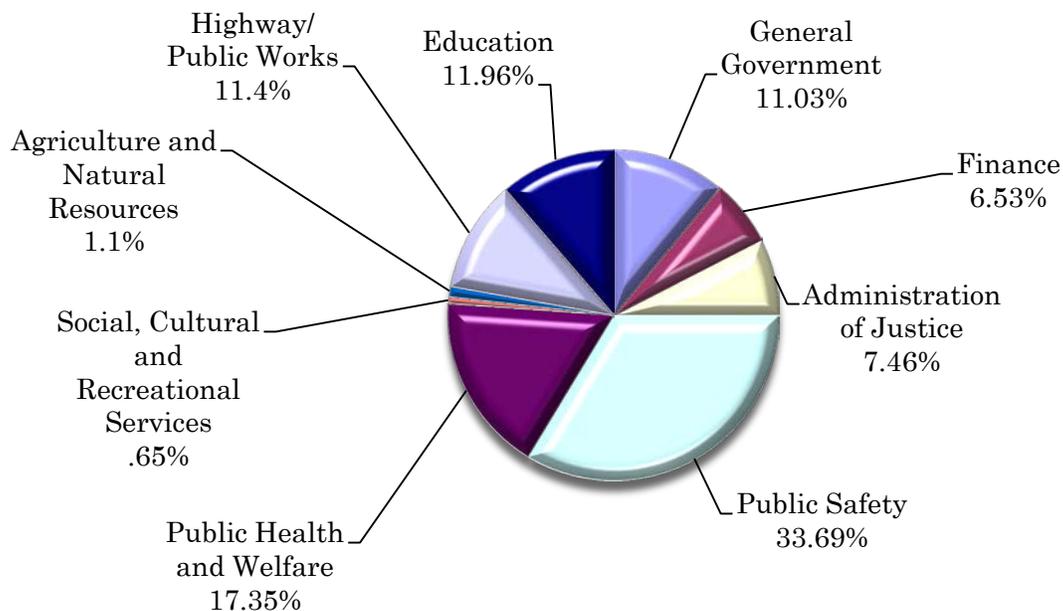
Expenses and Program Revenues – Governmental Activities



Governmental Program Expenses

Public Safety expenses of \$8,011,004 are the largest expenses of Bedford County, the primary government, consisting of 33.7 percent of total expenses. Of this amount, \$1,326,428 was recovered from charges for services, \$20,762 from operating grants and contributions, and \$136,524 from capital grants and contributions. For additional details, see illustrations below.

Expenses by Governmental Activity

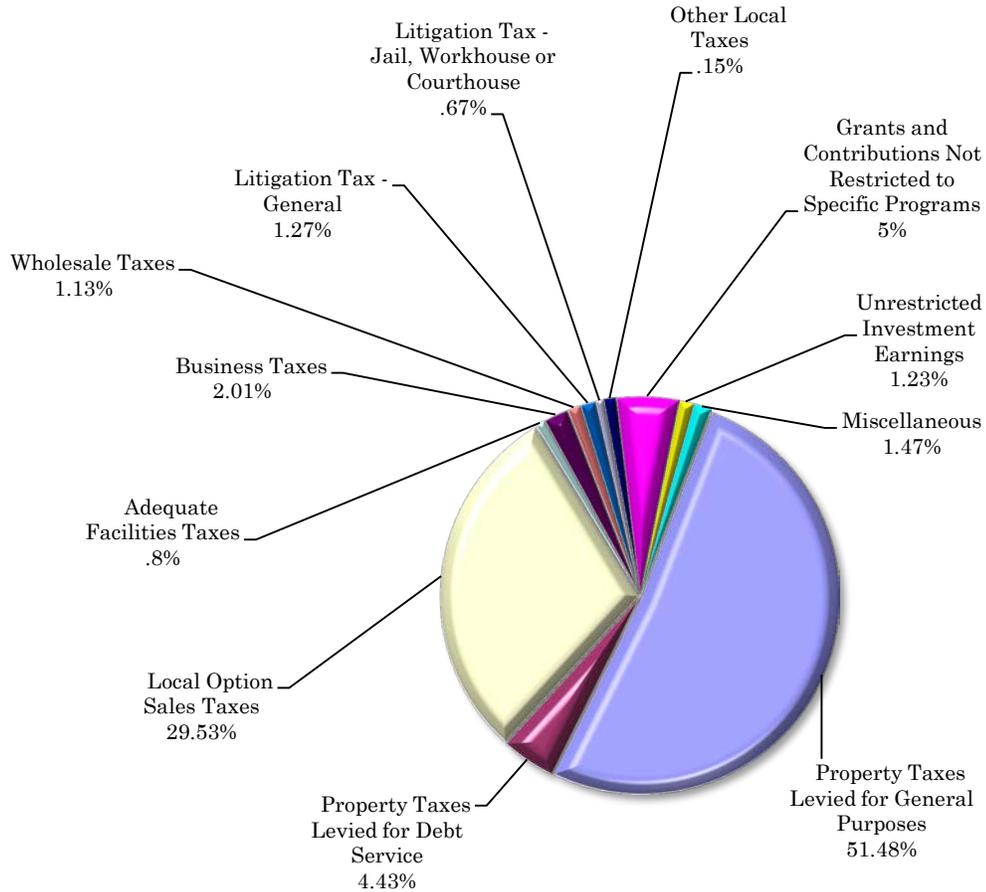


Revenues on the government-wide Statement of Activities are broken into two major categories: program and general revenues.

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.

Revenues by Source – Governmental Activities



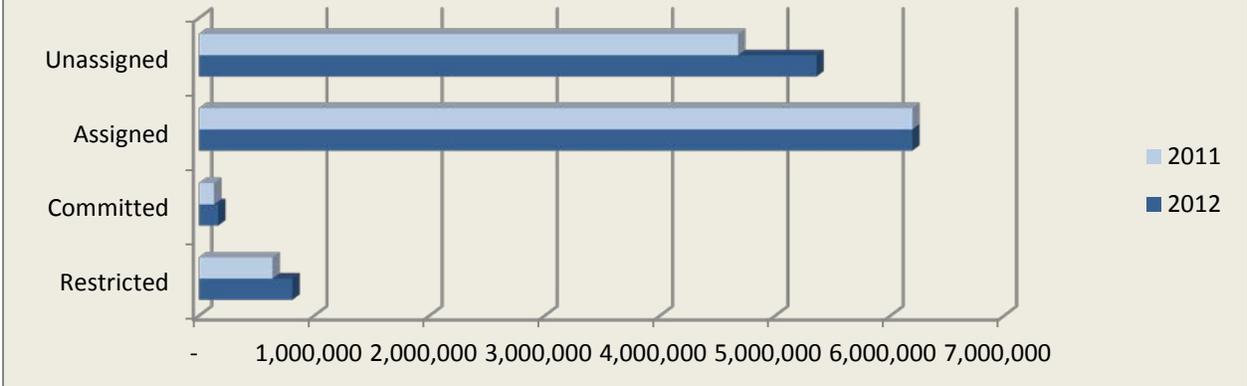
Financial Analysis of the Government's Funds

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, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

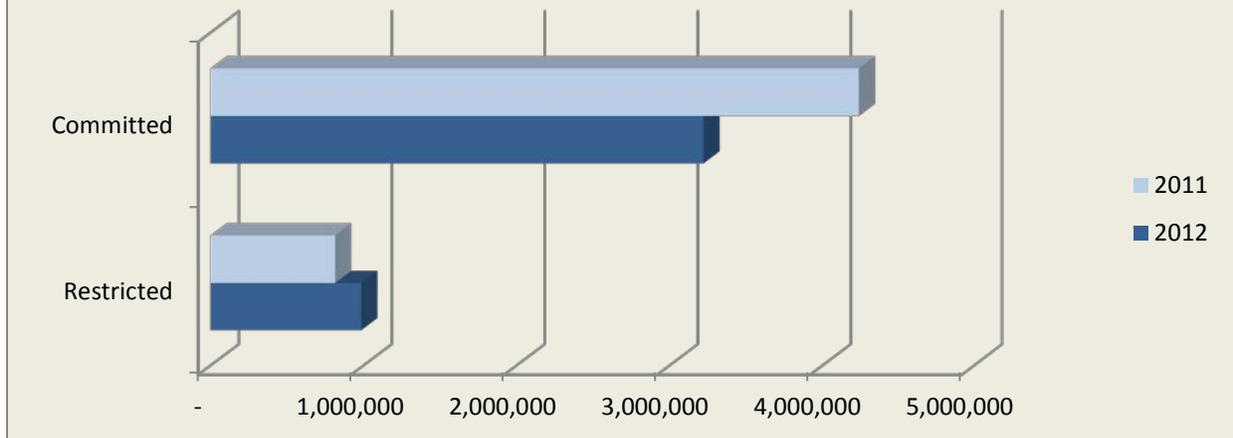
As of the end of the current fiscal year, Bedford County's governmental funds reported combined ending fund balances of \$16,735,057, a increase of \$43,935, in comparison with the prior year. Most of this total amount consists of \$5,359,126 of unassigned fund balance, which is available for spending at the government's discretion, \$6,190,717 of assigned fund balance for capital projects and \$3,389,050 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 \$1,796,164.

General Fund Components of Fund Balance June 30, 2011 and 2012



The General Fund is the chief operating fund of Bedford County government. At the end of the current fiscal year, unassigned fund balance was \$5,359,126, while total fund balance reached \$12,527,296. 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 30.7 percent of total General Fund expenditures, while total fund balance represents 71.7 percent of that same amount.

Other Governmental Funds Components of Fund Balance June 30, 2011 and 2012



The General Fund's balance increased by \$888,584 during the current fiscal year. The original budget for the General Fund reflected an anticipated decrease in fund balance of \$2,240,023.

The General Debt Service Fund has a total fund balance of \$2,586,588. The decrease in fund balance during the current year in the General Debt Service Fund totaled \$1,008,668. 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	
	2011	2012
General Government	\$ 89,089	\$ 230,608
Finance	77,886	(59,051)
Administration of Justice	46,322	22,534
Public Safety	602,247	766,690
Public Health and Welfare	988,213	1,015,940
Social, Cultural, and Recreational Services	0	1,462
Agriculture and Natural Resources	(158)	1,051
Other Operations	45,698	22,855
Capital Projects	3,500	148,708
Total	<u>\$ 1,852,797</u>	<u>\$ 2,150,797</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 of an increase in technology costs. The decrease 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)

	2011	2012
General Government	\$ 271,371	\$ 345,330
Finance	257,549	147,597
Administration of Justice	118,461	54,387
Public Safety	451,455	478,219
Public Health and Welfare	271,593	244,113
Agriculture and Natural Resources	13,121	16,113
Other Operations	36,335	26,942
Capital Projects	10,246	20,000
Total	<u>\$ 1,430,131</u>	<u>\$ 1,332,701</u>

At the close of the fiscal year, actual expenditures and encumbrances were \$1,332,701 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, 2012, totaled \$29,333,583, (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, other capital assets (includes equipment), and infrastructure (roads, highways, and bridges). The decrease in the governmental funds investment in capital assets for the current fiscal year totaled \$1,500,519, which represents a 4.9 percent decrease over the prior year.

	Governmental Activities	
	2011	2012
Land	\$ 1,225,867	\$ 1,075,718
Construction in Progress	131,642	103,451
Buildings and Improvements	8,487,890	7,606,336
Other Capital Assets	2,241,485	1,579,632
Infrastructure	18,747,218	18,968,446
Total	<u>\$ 30,834,102</u>	<u>\$ 29,333,583</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 debt outstanding of \$66,634,200. All debt is backed by the full faith and credit of the government.

Bedford County, Tennessee
Outstanding Debt
As of June 30, 2012

	Governmental Activities	
	2011	2012
General Obligation Bonds	\$ 65,265,000	\$ 62,035,000
Notes Payable	3,518,498	1,780,200
Other Debt Payable	3,301,000	2,819,000
Total	\$ 72,084,498	\$ 66,634,200

Bedford County’s total debt decreased by \$5,450,298 (7.5 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 K-1, K-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, 2013, on July 31, 2012. Many factors were considered when adopting this budget, including a decreased 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 2011-12 fiscal year, unassigned fund balance in the General Fund was \$5,359,126. Unassigned fund balance in the General Fund as of June 30, 2013, is estimated to be 29.2 percent of appropriations.

The committed fund balance in the General Debt Service Fund also decreased to \$2,586,588. Of this amount, \$323,357 has been appropriated for spending in the 2012-13 fiscal year. The committed fund balance in the General Debt Service Fund as of June 30, 2013, is estimated to be 37.2 percent of budgeted debt service expenditures.

Fund	2011 Tax Rate	Change	2012 Tax Rate
General	\$ 1.11	\$ 0.00	\$ 1.11
Highway/Public Works	0.04	0.00	0.04
General Purpose School	1.02	(0.06)	0.96
General Debt Service	0.10	0.06	0.16
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, 2012

	Primary Governmental Activities	Component Units			
		Bedford County School Department	Bedford		
			County Solid Waste Authority	Emergency Communications District	
Cash	\$ 255	\$ 5,368	\$ 30,358	\$ 311,528	
Equity in Pooled Cash and Investments	15,332,464	11,839,494	0	0	0
Inventories	0	78,958	0	0	0
Accounts Receivable	4,880,673	120,254	2,755	46,872	
Allowance for Uncollectibles	(1,162,289)	0	0	0	
Due from Other Governments	1,845,533	1,333,223	0	0	
Due from Component Units	8,861	0	0	0	
Property Taxes Receivable	11,230,415	8,285,330	0	0	
Allowance for Uncollectible Property Taxes	(502,514)	(388,520)	0	0	
Prepaid Items	0	0	0	47,099	
Deferred Charges - Debt Issuance Costs	735,172	0	0	0	
Restricted Assets	0	0	0	0	100
Capital Assets:					
Assets Not Depreciated:					
Land	1,075,718	2,785,691	10,200	0	0
Construction in Progress	103,451	0	0	0	0
Assets Net of Accumulated Depreciation:					
Buildings and Improvements	7,606,336	89,718,661	167,854	219,080	
Other Capital Assets	1,579,632	3,696,980	553,621	527,849	
Infrastructure	18,968,446	0	0	0	
Total Assets	\$ 61,702,153	\$ 117,475,439	\$ 764,788	\$ 1,152,528	

(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	
\$	12,627	\$ 67,677	\$ 0	\$ 0	3,274
	136,479	0	0	0	0
	1,932	1,395,494	5,935	0	14,160
	0	0	0	0	654
	14,040				8,861
	10,305,322	7,551,988	0	0	0
	5,181,344	0	14,029		30,704
	62,491,630	604,355	5,256		0
\$	78,143,374	\$ 9,619,514	\$ 25,220	\$	57,653

LIABILITIES

Accounts Payable	
Accrued Interest Payable	
Compensated Absences Payable	
Payroll Deductions Payable	
Due to Primary Government	
Due to State of Tennessee	
Unearned Revenues - Current Property Taxes	
Noncurrent Liabilities:	
Due Within One Year	
Due in More Than One Year (net of deferred 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	Emergency Communications District	
	\$ 23,433,157	\$ 0	\$ 0	\$ 0	\$ 716,225
	0	96,201,332	731,675		0
Invested in Capital Assets, Net of Related Debt	2,360	0	0	0	0
Invested in Capital Assets Restricted for:	8,975	0	0	0	0
General Government	697,187	0	0	0	0
Finance	46,272	0	0	0	0
Administration of Justice	93,540	0	0	0	0
Public Safety	1,080,463	0	0	0	0
Public Health and Welfare	0	1,731,749	0	0	0
Highway/Public Works	0	453,623	0	0	0
Central Cafeteria		9,469,221	7,893		378,650
Education	(41,803,175)				
Unrestricted					
Total Net Assets (Deficit)	\$ (16,441,221)	\$ 107,855,925	\$ 739,568	\$	1,094,875

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, 2012

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets									
	Program Revenues					Component Units				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Bedford County School Department	Bedford County Solid Waste Authority	Emergency Communications District		
Primary Government:										
Governmental Activities:										
General Government	\$ 2,622,551	\$ 481,210	\$ 31,637	\$ 0	\$ (2,109,704)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Finance	1,551,852	1,006,052	0	0	(545,800)	0	0	0	0	0
Administration of Justice	1,774,488	1,683,922	9,000	0	(81,566)	0	0	0	0	0
Public Safety	8,011,004	1,326,428	20,762	136,524	(6,527,290)	0	0	0	0	0
Public Health and Welfare	4,126,630	1,608,862	390,789	167,215	(1,959,764)	0	0	0	0	0
Social, Cultural, and Recreational Services	156,662	0	0	0	(156,662)	0	0	0	0	0
Agriculture and Natural Resources	260,546	5,550	0	0	(254,996)	0	0	0	0	0
Highways/Public Works	2,583,006	22,263	1,911,505	534,123	(115,115)	0	0	0	0	0
Education	2,693,913	0	1,001,594	0	(1,692,319)	0	0	0	0	0
Total Primary Government	\$ 23,780,652	\$ 6,134,287	\$ 3,365,287	\$ 837,862	\$ (13,443,216)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Component Units:										
Bedford County School Department	\$ 63,705,713	\$ 1,630,033	\$ 8,864,455	\$ 0	\$ 0	\$ (53,211,225)	\$ 0	\$ 0	\$ 0	\$ 0
Bedford County Solid Waste Authority	1,009,813	0	927,443	0	0	0	(82,370)	0	0	0
Emergency Communications District	540,680	574,247	0	0	0	0	0	0	33,567	33,567
Total Component Units	\$ 65,256,206	\$ 2,204,280	\$ 9,791,898	\$ 0	\$ 0	\$ (53,211,225)	\$ (82,370)	\$ 0	\$ 33,567	\$ 33,567

(Continued)

Exhibit B

Bedford County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets						
	Program Revenues			Component Units			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Bedford County School Department	Bedford County Solid Waste Authority	Emergency Communications District
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes					\$ 8,286,550	\$ 0	\$ 0
Property Taxes Levied for Debt Service					0	0	0
Local Option Sales Tax					1,976,524	0	0
Business Tax					0	0	0
Litigation Tax - General					0	0	0
Wholesale Beer Tax					0	0	0
Adequate Facilities/Development Tax					0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse					0	0	0
Litigation Tax - Courtroom Security					0	0	0
Mineral Severance Tax					0	0	0
Other local taxes					2,776	0	0
Grants and Contributions Not Restricted to Specific Programs					38,709,171	0	40,758
Unrestricted Investment Earnings					88,905	0	102
Miscellaneous					171,076	0	0
Total General Revenues					\$ 49,235,002	\$ 0	\$ 40,860
Special Item (see Note IV.D)					0	0	0
Change in Net Assets					\$ (3,976,223)	\$ (82,370)	\$ 74,427
Net Assets (Deficit), July 1, 2011					111,832,148	821,938	1,034,467
Prior-period Adjustment					0	0	(14,019)
Net Assets (Deficit), June 30, 2012					\$ 107,855,925	\$ 739,568	\$ 1,094,875

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, 2012

	Major Funds			Nonmajor Funds	Total Governmen- tal Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 255	\$ 0	\$ 0	\$ 0	\$ 255
Equity in Pooled Cash and Investments	11,795,418	713,400	2,150,303	673,343	15,332,464
Accounts Receivable	4,790,994	5,017	84,662	0	4,880,673
Allowance for Uncollectibles	(1,161,052)	0	(1,237)	0	(1,162,289)
Due from Other Governments	592,663	399,261	853,609	0	1,845,533
Due from Component Units	8,861	0	0	0	8,861
Property Taxes Receivable	9,542,941	343,890	1,343,584	0	11,230,415
Allowance for Uncollectible Property Taxes	(435,707)	(15,693)	(51,114)	0	(502,514)
Total Assets	\$ 25,134,373	\$ 1,445,875	\$ 4,379,807	\$ 673,343	\$ 31,633,398
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 12,627	\$ 0	\$ 0	\$ 0	\$ 12,627
Payroll Deductions Payable	1,255	677	0	0	1,932
Due to State of Tennessee	14,040	0	0	0	14,040
Deferred Revenue - Current Property Taxes	8,731,987	314,670	1,258,665	0	10,305,322
Deferred Revenue - Delinquent Property Taxes	332,830	12,668	29,985	0	375,483
Other Deferred Revenues	3,514,338	170,030	504,569	0	4,188,937
Total Liabilities	\$ 12,607,077	\$ 498,045	\$ 1,793,219	\$ 0	\$ 14,898,341
<u>Fund Balances</u>					
Restricted:					
Restricted for General Government	\$ 2,360	\$ 0	\$ 0	\$ 0	\$ 2,360
Restricted for Finance	8,975	0	0	0	8,975
Restricted for Administration of Justice	697,187	0	0	0	697,187
Restricted for Public Safety	8,529	0	0	37,743	46,272
Restricted for Public Health and Welfare	93,540	0	0	0	93,540
Restricted for Highways/Public Works	0	947,830	0	0	947,830
Committed:					
Committed for General Government	7,410	0	0	0	7,410
Committed for Finance	4,129	0	0	0	4,129
Committed for Administration of Justice	2,917	0	0	0	2,917
Committed for Public Safety	28,734	0	0	0	28,734
Committed for Public Health and Welfare	94,505	0	0	338,029	432,534
Committed for Agriculture and Natural Resources	28,742	0	0	0	28,742
Committed for Other Operations	425	0	0	0	425
Committed for Debt Service	0	0	2,586,588	0	2,586,588
Committed for Capital Projects	0	0	0	297,571	297,571
Assigned:					
Assigned for Capital Projects	6,190,717	0	0	0	6,190,717
Unassigned	5,359,126	0	0	0	5,359,126
Total Fund Balances	\$ 12,527,296	\$ 947,830	\$ 2,586,588	\$ 673,343	\$ 16,735,057
Total Liabilities and Fund Balances	\$ 25,134,373	\$ 1,445,875	\$ 4,379,807	\$ 673,343	\$ 31,633,398

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, 2012

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)		\$ 16,735,057
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,075,718	
Add: construction in progress	103,451	
Add: buildings and improvements net of accumulated depreciation	7,606,336	
Add: other capital assets net of accumulated depreciation	1,579,632	
Add: infrastructure net of accumulated depreciation	<u>18,968,446</u>	29,333,583
(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	\$ (1,780,200)	
Less: other loans payable	(2,819,000)	
Less: bonds payable	(62,035,000)	
Add: deferred amount on refunding	19,799	
Add: deferred charges - debt issuance costs	735,172	
Less: compensated absences payable	(263,153)	
Less: other postemployment benefits liability	(386,345)	
Less: accrued interest on bonds and notes	(136,479)	
Less: other deferred revenue - premium on debt	<u>(409,075)</u>	(67,074,281)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>4,564,420</u>
Net assets (deficit) of governmental activities (Exhibit A)		<u>\$ (16,441,221)</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, 2012

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 11,070,478	\$ 454,786	\$ 6,128,201	\$ 0	\$ 17,653,465
Licenses and Permits	124,385	0	0	0	124,385
Fines, Forfeitures, and Penalties	495,773	0	0	7,548	503,321
Charges for Current Services	2,113,374	0	0	364	2,113,738
Other Local Revenues	497,419	33,848	357,486	129,457	1,018,210
Fees Received from County Officials	1,876,402	0	0	0	1,876,402
State of Tennessee	1,758,792	2,434,098	0	0	4,192,890
Federal Government	401,032	0	0	18,508	419,540
Other Governments and Citizens Groups	0	5,727	1,001,594	0	1,007,321
Total Revenues	\$ 18,337,655	\$ 2,928,459	\$ 7,487,281	\$ 155,877	\$ 28,909,272
<u>Expenditures</u>					
Current:					
General Government	\$ 1,460,288	\$ 0	\$ 0	\$ 0	\$ 1,460,288
Finance	1,547,127	0	0	0	1,547,127
Administration of Justice	1,771,464	0	0	364	1,771,828
Public Safety	7,634,617	0	0	5,908	7,640,525
Public Health and Welfare	3,841,254	0	0	0	3,841,254
Social, Cultural, and Recreational Services	156,662	0	0	0	156,662
Agriculture and Natural Resources	199,139	0	0	6,398	205,537
Other Operations	717,382	7,000	0	17,064	741,446
Highways	0	2,753,252	0	0	2,753,252
Capital Outlay	0	0	0	84,253	84,253
Debt Service:					
Principal on Debt	0	0	5,450,298	0	5,450,298
Interest on Debt	0	0	2,923,613	0	2,923,613
Other Debt Service	0	0	113,665	0	113,665
Capital Projects	148,708	0	0	18,508	167,216
Total Expenditures	\$ 17,476,641	\$ 2,760,252	\$ 8,487,576	\$ 132,495	\$ 28,856,964
Excess (Deficiency) of Revenues Over Expenditures	\$ 861,014	\$ 168,207	\$ (1,000,295)	\$ 23,382	\$ 52,308
<u>Other Financing Sources (Uses)</u>					
Refunding Debt Issued	\$ 0	\$ 0	\$ 2,700,000	\$ 0	\$ 2,700,000
Transfers In	27,570	0	0	300,000	327,570
Transfers Out	0	0	0	(327,570)	(327,570)
Payments to Refunded Debt Escrow Agent	0	0	(2,708,373)	0	(2,708,373)
Total Other Financing Sources (Uses)	\$ 27,570	\$ 0	\$ (8,373)	\$ (27,570)	\$ (8,373)
Net Change in Fund Balances	\$ 888,584	\$ 168,207	\$ (1,008,668)	\$ (4,188)	\$ 43,935
Fund Balance, July 1, 2011	11,638,712	779,623	3,595,256	677,531	16,691,122
Fund Balance, June 30, 2012	\$ 12,527,296	\$ 947,830	\$ 2,586,588	\$ 673,343	\$ 16,735,057

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, 2012

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)		\$ 43,935
(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	\$ 1,073,924	
Less: current-year depreciation expense	<u>(1,393,634)</u>	(319,710)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		
Add: gain on disposal of capital assets	\$ 1,821,783	
Less: proceeds from sale of capital assets	<u>(3,002,592)</u>	(1,180,809)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2012	\$ 4,564,420	
Less: deferred delinquent property taxes and other deferred June 30, 2011	<u>(2,005,265)</u>	2,559,155
(4) 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: refunding bond proceeds	\$ (2,700,000)	
Add: change in premium on debt issuances	37,692	
Less: change in deferred debt issuance costs	(42,370)	
Add: principal payments on bonds	3,230,000	
Add: principal payments on notes	1,738,298	
Add: principal payments on other loans	482,000	
Less: change in deferred amount on refunding debt	(10,320)	
Add: principal payment to refunding agent	<u>2,700,000</u>	5,435,300
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 73,956	
Change in compensated absences payable	1,016	
Change in other postemployment benefits liability	<u>(68,185)</u>	6,787
Change in net assets of governmental activities (Exhibit B)		<u>\$ 6,544,658</u>

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

Exhibit D

Bedford County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2012

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 982,826
Accounts Receivable	7,492
Due from Other Governments	<u>576,356</u>
Total Assets	<u>\$ 1,566,674</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 576,356
Due to Litigants, Heirs, and Others	<u>990,318</u>
Total Liabilities	<u>\$ 1,566,674</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, 2012

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. However, the primary government of Bedford County does not have any business-type activities to report. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The 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 or the Solid Waste Authority during the year ended June 30, 2012.

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 are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary 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 category. Bedford County has no proprietary funds to report.

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

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

Additionally, Bedford County reports the following fund types:

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

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

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

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

Additionally, the Bedford County School Department reports the following fund type:

Special Revenue Funds – These funds 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.

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

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

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

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

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 Debt Service and Central Cafeteria 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 two percent of total taxes levied.

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

Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arises. This date is January 1 and

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

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

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

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 governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$10,000 or more (\$25,000 infrastructure) and an estimated useful life of more than three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

Property, plant, equipment, and infrastructure of the primary government 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 governmental column 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, 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, 2012, Bedford County had \$60,504,000 in outstanding debt for capital purposes for the discretely presented Bedford County School Department and \$151,920 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 Commission, the Board of Education, and the Solid Waste Authority, as their respective highest level of decision-making 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.

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

Discretely Presented Bedford County Solid Waste Authority

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

Discretely Presented Bedford County Solid Waste Authority

Exhibit J-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

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.

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, 2012.

B. Capital Assets

Capital assets activity for the year ended June 30, 2012, was as follows:

Primary Government

Governmental Activities:

	Balance			Balance
	7-1-11	Increases	Decreases	6-30-12
Capital Assets Not Depreciated:				
Land	\$ 1,225,867	\$ 0	\$ (150,149)	\$ 1,075,718
Construction in Progress	131,642	31,709	(59,900)	103,451
Total Capital Assets Not Depreciated	<u>\$ 1,357,509</u>	<u>\$ 31,709</u>	<u>\$ (210,049)</u>	<u>\$ 1,179,169</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 14,640,739	\$ 161,992	\$ (1,570,351)	\$ 13,232,380
Other Capital Assets	6,802,090	110,116	(1,294,874)	5,617,332
Roads and Bridges	24,176,628	830,007	0	25,006,635
Total Capital Assets Depreciated	<u>\$ 45,619,457</u>	<u>\$ 1,102,115</u>	<u>\$ (2,865,225)</u>	<u>\$ 43,856,347</u>

Governmental Activities (Cont.):

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 6,152,849	\$ 370,009	\$ (896,814)	\$ 5,626,044
Other Capital Assets	4,560,605	414,846	(937,751)	4,037,700
Roads and Bridges	5,429,410	608,779	0	6,038,189
Total Accumulated Depreciation	<u>\$ 16,142,864</u>	<u>\$ 1,393,634</u>	<u>\$ (1,834,565)</u>	<u>\$ 15,701,933</u>
Total Capital Assets Depreciated, Net	<u>\$ 29,476,593</u>	<u>\$ (291,519)</u>	<u>\$ (1,030,660)</u>	<u>\$ 28,154,414</u>
Governmental Activities Capital Assets, Net	<u>\$ 30,834,102</u>	<u>\$ (259,810)</u>	<u>\$ (1,240,709)</u>	<u>\$ 29,333,583</u>

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

Governmental Activities:

General Government	\$ 64,536
Public Safety	404,031
Public Health and Welfare	270,233
Agriculture and Natural Resources	10,645
Highway/Public Works	<u>644,189</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,393,634</u>

Discretely Presented Bedford County School Department

Governmental Activities:

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Capital Assets Not Depreciated:				
Land	\$ 2,785,691	\$ 0	\$ 0	\$ 2,785,691
Total Capital Assets Not Depreciated	<u>\$ 2,785,691</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,785,691</u>

Governmental Activities (Cont.):

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Capital Assets Depreciated:				
Buildings and Improvements	\$ 118,059,434	\$ 137,548	\$ 0	\$ 118,196,982
Other Capital Assets	8,445,998	467,204	(206,181)	8,707,021
Total Capital Assets Depreciated	<u>\$ 126,505,432</u>	<u>\$ 604,752</u>	<u>\$ (206,181)</u>	<u>\$ 126,904,003</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 25,598,229	\$ 2,880,092	\$ 0	\$ 28,478,321
Other Capital Assets	4,569,073	632,298	(191,330)	5,010,041
Total Accumulated Depreciation	<u>\$ 30,167,302</u>	<u>\$ 3,512,390</u>	<u>\$ (191,330)</u>	<u>\$ 33,488,362</u>
Total Capital Assets Depreciated, Net	<u>\$ 96,338,130</u>	<u>\$ (2,907,638)</u>	<u>\$ (14,851)</u>	<u>\$ 93,415,641</u>
Governmental Activities Capital Assets, Net	<u>\$ 99,123,821</u>	<u>\$ (2,907,638)</u>	<u>\$ (14,851)</u>	<u>\$ 96,201,332</u>

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

Governmental Activities:

Instruction	\$ 2,937,360
Support Services	540,135
Operation of Non-Instructional Services	<u>34,895</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 3,512,390</u>

Discretely Presented Bedford County Solid Waste Authority

Governmental Activities:

	Balance 7-1-11	Increases	Decreases	Balance 6-30-12
Capital Assets Not Depreciated:				
Land	\$ 10,200	\$ 0	\$ 0	\$ 10,200
Total Capital Assets Not Depreciated	\$ 10,200	\$ 0	\$ 0	\$ 10,200
Capital Assets Depreciated:				
Buildings and Improvements	\$ 298,246	\$ 0	\$ 0	\$ 298,246
Other Capital Assets	1,026,326	0	(111,630)	914,696
Total Capital Assets Depreciated	\$ 1,324,572	\$ 0	\$ (111,630)	\$ 1,212,942
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 123,297	\$ 7,095	\$ 0	\$ 130,392
Other Capital Assets	419,256	38,565	(96,746)	361,075
Total Accumulated Depreciation	\$ 542,553	\$ 45,660	\$ (96,746)	\$ 491,467
Total Capital Assets Depreciated, Net	\$ 782,019	\$ (45,660)	\$ (14,884)	\$ 721,475
Governmental Activities Capital Assets, Net	\$ 792,219	\$ (45,660)	\$ (14,884)	\$ 731,675

Depreciation expense of \$45,660 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, 2012, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	\$ 82,538

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

Due to/from Primary Government and Component Unit:

Receivable Fund	Payable Fund	Amount
Primary Government: General	Component Unit: Emergency Communications District	\$ 8,861

Interfund Transfers:

Interfund transfers for the year ended June 30, 2012, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In	
	General Fund	Nonmajor Governmental Fund
Nonmajor governmental funds	\$ 27,570	\$ 300,000

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

D. Special Item

In the prior year, the Bedford County Nursing Home (an enterprise fund) was closed. On February 14, 2012, Bedford County sold all assets related to the nursing home. Bedford County realized proceeds from the sale of \$3,000,000. A gain of \$1,821,783 has been recognized as a special item in the government-wide statement of activities. Because the county did not receive this \$3,000,000 payment until August 9, 2012, which is after the county's availability period of 30 days, these proceeds are presented as deferred revenue on the balance sheet of the county's General Fund.

E. 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, 2012, will be retired from the General Debt Service Fund.

General obligation bonds, capital outlay notes, and other loans outstanding as of June 30, 2012, for governmental activities are as follows:

<u>Type</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Original Amount of Issue</u>	<u>Balance 6-30-12</u>
General Obligation Bonds	2 to 5%	4-1-1937	\$ 68,790,000	\$ 58,105,000
General Obligation Bonds - Refunding	1.8 to 4.5	4-1-2016	6,135,000	3,930,000
Capital Outlay Notes	2.7 to 3.94	5-23-2016	6,743,000	1,780,200
Other Loans	variable	5-25-2017	8,000,000	2,819,000

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, 2012, the variable interest rate was .45 percent, and other fees totaled approximately .21 percent (letter of credit), .07 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, 2012, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Notes		
	Principal	Interest	Total
2013	\$ 1,310,185	\$ 58,216	\$ 1,368,401
2014	221,015	15,859	236,874
2015	189,000	8,077	197,077
2016	60,000	1,620	61,620
Total	<u>\$ 1,780,200</u>	<u>\$ 83,772</u>	<u>\$ 1,863,972</u>

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2013	\$ 508,000	\$ 12,665	\$ 8,964	\$ 529,629
2014	534,000	10,383	7,533	551,916
2015	562,000	7,984	6,028	576,012
2016	592,000	5,459	4,444	601,903
2017	623,000	2,799	2,691	628,490
Total	<u>\$ 2,819,000</u>	<u>\$ 39,290</u>	<u>\$ 29,660</u>	<u>\$ 2,887,950</u>

Year Ending June 30	Bonds		
	Principal	Interest	Total
2013	\$ 3,350,000	\$ 2,585,959	\$ 5,935,959
2014	3,470,000	2,471,066	5,941,066
2015	2,950,000	2,348,302	5,298,302
2016	3,070,000	2,250,084	5,320,084
2017	2,435,000	2,138,804	4,573,804
2018-2022	13,675,000	9,155,667	22,830,667
2023-2027	11,695,000	6,354,189	18,049,189
2028-2032	9,540,000	4,000,000	13,540,000
2033-2037	11,850,000	1,645,874	13,495,874
Total	<u>\$ 62,035,000</u>	<u>\$ 32,949,945</u>	<u>\$ 94,984,945</u>

There is \$2,586,588 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$1,377, based on the 2010 federal census. Debt per capita, including bonds, notes, and other loans, totaled \$1,479, based on the 2010 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2012, was as follows:

Governmental Activities:

	Bonds	Notes	Other Loans
Balance, July 1, 2011	\$ 65,265,000	\$ 3,518,498	\$ 3,301,000
Additions	2,700,000	0	0
Reductions	<u>(5,930,000)</u>	<u>(1,738,298)</u>	<u>(482,000)</u>
Balance, June 30, 2012	<u>\$ 62,035,000</u>	<u>\$ 1,780,200</u>	<u>\$ 2,819,000</u>
Balance Due Within One Year	<u>\$ 3,350,000</u>	<u>\$ 1,310,185</u>	<u>508,000</u>

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2011	\$ 264,169	\$ 318,160
Additions	416,862	79,217
Reductions	<u>(417,878)</u>	<u>(11,032)</u>
Balance, June 30, 2012	<u>\$ 263,153</u>	<u>\$ 386,345</u>
Balance Due Within One Year	<u>\$ 13,159</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2012	\$ 67,283,698
Less: Balance Due Within One Year	(5,181,344)
Add: Unamortized Premium on Debt	409,075
Less: Deferred Amount on Refunding	<u>(19,799)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 62,491,630</u>

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

Current Refunding

On April 26, 2012, Bedford County currently refunded a general obligation school refunding bond with a separate bond issue. The county issued \$2,700,000 of general obligation school refunding bonds to provide resources to retire the bonds. As a result of the current refunding, total debt service payments over the next four years will be reduced by \$189,233, and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$185,159 was obtained.

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, 2012, was as follows:

Governmental Activities:

	<u>Other Postemployment Benefits</u>
Balance, July 1, 2011	\$ 371,655
Additions	583,086
Reductions	<u>(350,386)</u>
Balance, June 30, 2012	<u>\$ 604,355</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, 2012, was as follows:

Governmental Activities:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2011	\$ 12,817	\$ 3,208
Additions	15,791	2,613
Reductions	(14,579)	(565)
Balance, June 30, 2012	<u>\$ 14,029</u>	<u>\$ 5,256</u>
Balance Due Within One Year	<u>\$ 14,029</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2012	\$ 19,285
Less: Balance Due Within One Year	<u>(14,029)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 5,256</u>

F. 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, 2012, were \$598. 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, 2012, were \$106,844 and \$35,224, 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. 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.

C. Subsequent Event

Superintendent of Schools Ray Butrum resigned on November 1, 2012, and was succeeded by Mike Bone as Interim Superintendent of Schools effective November 2, 2012.

D. Contingent Liabilities

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

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 of 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.

E. Change in Administration

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

F. 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, 2012. As discussed in Note V.D. 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 of 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, 2012.

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, 2012.

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

G. 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.

H. 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. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2012, 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, 2012, Bedford County’s annual pension cost of \$999,419 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 three percent annual rate of inflation, (c) 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), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected postretirement 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 20 years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-12	\$999,419	100%	\$0
6-30-11	811,046	100	0
6-30-10	978,307	100	0

Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the plan was 91.74 percent funded. The actuarial accrued liability for benefits was \$44.75 million, and the actuarial value of assets was \$41.05 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$3.7 million. The covered payroll (annual payroll of active employees covered by the plan) was \$13.37 million, and the ratio of the UAAL to the covered payroll was 27.65 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.

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 salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2012, 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, 2012, 2011, and 2010, were \$2,462,823, \$2,367,708, and \$1,633,814 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 Section 457 establishes participation, contribution, and withdrawal provisions for the plan.

I. 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. Prior to reaching the age of 65, all members 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 plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop 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 \$11,032, \$565, and \$350,386, respectively, for postemployment health care during the year ended June 30, 2012.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	(County) Local Government Group Plan	(SWA) Local Government Group Plan
ARC	\$ 584,000	\$ 80,000	\$ 2,621
Interest on the NPO	14,866	12,726	128
Adjustment to the ARC	(15,780)	(13,509)	(136)
Annual OPEB cost	\$ 583,086	\$ 79,217	\$ 2,613
Amount of contribution	(350,386)	(11,032)	(565)
Increase/decrease in NPO	\$ 232,700	\$ 68,185	\$ 2,048
Net OPEB obligation, 7-1-11	371,655	318,160	3,208
Net OPEB obligation, 6-30-12	\$ 604,355	\$ 386,345	\$ 5,256

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-10	Local Education Group	\$ 426,534	78 %	\$ 318,761
6-30-11	"	445,758	88	371,655
6-30-12	"	583,086	60	604,355
6-30-10	Local Government Group (County)	132,234	21	202,769
6-30-11	"	137,482	16	318,160
6-30-12	"	79,217	14	386,345
6-30-10	Local Government Group (SWA)	1,909	54	1,687
6-30-11	"	2,625	42	3,208
6-30-12	"	2,613	22	5,256

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2011, was as follows:
(dollars in thousands)

	Local Education Group Plan	(County) Local Government Group Plan
Actuarial valuation date	7-1-11	7-1-11
Actuarial accrued liability (AAL)	\$ 5,010	\$ 506
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 5,010	\$ 506
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 33,694	\$ 9,938
UAAL as a % of covered payroll	15%	5%

	(SWA) Local Government Group Plan
Actuarial valuation date	7-1-11
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)	\$ 329
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, 2011, actuarial valuation for the Local Education Plan and Local Government Plan, the projected unit credit actuarial cost method was used and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 9.25 percent for fiscal year 2012. The trend will decrease to 8.75 percent in fiscal year 2013 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. Both rates include a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with June 30, 2008.

J. Office of Central Accounting, 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.

K. 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.

Basis of Presentation and Accounting – Private sector standards of accounting issued prior to December 1, 1989, generally are followed by the district to the extent that those standards do not conflict with or contradict guidance of GASB. Governments also have the option of following subsequent private-sector guidance, subject to this same limitation. The district has elected not to follow subsequent private-sector guidance.

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 funds account 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 district's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 modified 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 and depreciation expense is 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; ten years for office equipment, furniture and fixtures, and communications equipment; and 40 years for building 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, liabilities, 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, 2012, 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 significant for disclosure

as in-kind support and 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 types 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’s investments must be made in accordance with Section 5-8-301, *Tennessee Code Annotated*, which generally limits maturities to no greater than two years. The board of directors has not formally adopted deposit and investment policies that limit the district’s allowable deposits or investments; however, during the year ended June 30, 2012, the board of directors chose to limit the investment of funds to deposits at banks.

Cash – At June 30, 2012, the carrying amount of cash deposits was \$311,528, and the bank balance was \$318,720. At June 30, 2012, 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, 2012</u>	
		<u>Carrying Amount</u>	<u>Bank Balance</u>
Regions Bank checking	N/A	\$ 236,008	\$ 243,200
Regions Bank money market	.2%	75,520	75,520
Total		<u>\$ 311,528</u>	<u>\$ 318,720</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 funds 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, 2012:

AT&T	\$ 13,235
Charter Fiberlink	5,083
United Telephone	7,881
Others	<u>3,318</u>
Total	<u>\$ 29,517</u>

D. Accounts Payable

Accounts payable includes amounts due vendors totaling \$3,274 at June 30, 2012.

E. Investigative Audit

The State of Tennessee Comptroller's office is performing an investigative audit of the district. Once completed, the investigative audit report will be a matter of public record and will be available for public inspection. Any inquiries concerning the investigative audit should be directed toward the State of Tennessee Comptroller of the Treasury, Suite 1600, James K. Polk Building, Nashville, Tennessee 37243-1402.

F. Capital Assets

Capital assets are summarized as follows:

	Balance 7-1-11	Increases	Balance 6-30-12
Capital Assets			
Depreciated:			
Building and			
Improvements	\$ 236,231	\$ 6,250	\$ 242,481
Furniture and Fixtures	90,188	0	90,188
Office Equipment	65,856	2,049	67,905
Communications Equipment	847,571	8,262	855,833
Vehicle	45,150	0	45,150
Other Capital Assets	<u>143,564</u>	<u>0</u>	<u>143,564</u>
Total Capital Assets			
Depreciated	<u>\$ 1,428,560</u>	<u>\$ 16,561</u>	<u>\$ 1,445,121</u>

Capital Assets (Cont.)	Balance 7-1-11	Increases	Balance 6-30-12
Less Accumulated Depreciation For:			
Building and Improvements	\$ 17,418	\$ 5,983	\$ 23,401
Furniture and Fixtures	33,788	8,946	42,734
Office Equipment	30,016	8,501	38,517
Communications Equipment	387,935	82,627	470,562
Vehicle	26,471	5,747	32,218
Other Capital Assets	80,298	10,462	90,760
Total Accumulated Depreciation	<u>\$ 575,926</u>	<u>\$ 122,266</u>	<u>\$ 698,192</u>
Total Capital Assets Depreciated, Net	<u>\$ 852,634</u>	<u>\$ (105,705)</u>	<u>\$ 746,929</u>

The district had no capital asset decreases during the year.

G. 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 obtains insurance covering the above risks of loss through a public risk entity pool, Tennessee Risk Management Trust (TRMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The creation of the TRMT provides for it to be self-sustaining through member premiums. Settled claims have not exceeded the coverage in any of the past three fiscal years.

H. Long-term Debt

Long-term liability activity for capital leases for the year ended June 30, 2012, was as follows:

Balance 7-1-11	Payments	Balance 6-30-12	Due Within One Year
\$ 148,608	\$ 117,904	\$ 30,704	\$ 30,704

I. 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:	
Communications Equipment	\$ 604,591
Less: Accumulated Depreciation	<u>(277,105)</u>
 Total, Net	 <u><u>\$ 327,486</u></u>

The future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2012, are as follows:

Year Ending	
<u> June 30</u>	
 2013	 \$ 31,035
Total Minimum Lease Payments	<u>\$ 31,035</u>
Less: Amount Representing Interest	<u>(331)</u>
 Present Value of Minimum Lease Payments	 <u><u>\$ 30,704</u></u>

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

J. Related-party Transactions

Bedford County provides dispatch employees to the district. The county's cost of these employees' benefits is reimbursed by the district. Amounts included as expenses for these services for fiscal year 2012 totaled \$104,168. At June 30, 2012, there is a payable to Bedford County by the district of \$8,861.

K. Prior-period Restatement

The district is responsible for all salary and benefit costs of the director. As discussed in Note I, the district reimburses Bedford County for salary and benefit costs of the district's director incurred by Bedford County. Upon termination, the district is responsible for any vacation earned but not taken

by the director, which includes any amounts Bedford County would have incurred. As of June 30, 2011, this cost totaled \$14,019 but was not included as a liability in the June 30, 2011, financial statements. The June 30, 2012, financial statements include a restatement lowering equity \$14,019 to reflect this liability. Had this liability been recorded in the financial statements as of June 30, 2011, it would have had no effect on the change in net assets for the year ended June 30, 2011.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 11,070,478	\$ 0	\$ 0	\$ 11,070,478	\$ 9,574,727	\$ 9,574,727	\$ 1,495,751
Licenses and Permits	124,385	0	0	124,385	142,000	142,000	(17,615)
Fines, Forfeitures, and Penalties	495,773	0	0	495,773	481,933	481,933	13,840
Charges for Current Services	2,113,374	0	0	2,113,374	1,510,400	1,616,231	497,143
Other Local Revenues	497,419	0	0	497,419	508,000	684,979	(187,560)
Fees Received from County Officials	1,876,402	0	0	1,876,402	1,820,200	1,820,200	56,202
State of Tennessee	1,758,792	0	0	1,758,792	1,190,260	1,339,566	419,226
Federal Government	401,032	0	0	401,032	206,384	373,551	27,481
<u>Total Revenues</u>	<u>\$ 18,337,655</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 18,337,655</u>	<u>\$ 15,433,904</u>	<u>\$ 16,033,187</u>	<u>\$ 2,304,468</u>
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 100,452	\$ 0	\$ 0	\$ 100,452	\$ 105,469	\$ 105,469	\$ 5,017
Board of Equalization	1,820	0	0	1,820	8,000	8,000	6,180
Beer Board	475	0	0	475	1,000	1,000	525
Budget and Finance Committee	2,878	0	0	2,878	3,075	3,075	197
County Mayor/Executive	191,160	(684)	220	190,696	254,824	279,257	88,561
County Attorney	85,825	0	0	85,825	40,000	90,000	4,175
Election Commission	181,191	(1,836)	0	179,355	196,129	212,991	33,636
Register of Deeds	257,754	(535)	5,000	262,219	267,273	267,862	5,643
Planning	143,922	(94)	800	144,628	142,979	148,302	3,674
Codes Compliance	84,625	(1,858)	0	82,767	60,922	92,348	9,581
County Buildings	410,186	(27,182)	1,391	384,395	470,561	572,536	188,141
<u>Finance</u>							
Accounting and Budgeting	467,622	(5,483)	4,129	466,268	589,951	525,576	59,308

(Continued)

Exhibit E-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 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance (Cont.)</u>							
Property Assessor's Office	\$ 354,957	\$ (4,090)	0	\$ 350,867	\$ 353,568	\$ 355,134	\$ 4,267
Reappraisal Program	101,621	(400)	0	101,221	104,706	105,012	3,791
County Trustee's Office	267,095	(182)	0	266,913	325,428	327,561	60,648
County Clerk's Office	355,832	0	0	355,832	374,096	375,415	19,583
<u>Administration of Justice</u>							
Circuit Court	519,003	(2,079)	866	517,790	540,769	540,867	23,077
General Sessions Court	217,777	0	174	217,951	219,519	219,582	1,581
Chancery Court	278,118	(10,935)	1,877	269,060	276,073	276,247	7,187
Juvenile Court	193,995	0	0	193,995	204,367	209,775	15,780
Judicial Commissioners	183,648	(160)	0	183,488	175,997	183,512	24
Other Administration of Justice	109,734	0	0	109,734	106,965	109,734	0
Probation Services	269,189	0	0	269,189	269,370	275,927	6,738
<u>Public Safety</u>							
Sheriff's Department	2,475,967	(8,278)	4,515	2,472,204	2,407,909	2,500,582	28,378
Traffic Control	27,337	0	0	27,337	5,984	27,338	1
Jail	2,113,364	(8,342)	1,632	2,106,654	1,795,484	2,169,576	62,922
Workhouse	915,004	(1,134)	413	914,283	898,786	983,370	69,087
Juvenile Services	374,752	(500)	0	374,252	386,392	399,488	25,236
Other Emergency Management	1,330,937	(39,704)	22,174	1,313,407	1,254,016	1,432,618	119,211
County Coroner/Medical Examiner	9,525	0	0	9,525	20,000	20,000	10,475
Other Public Safety	387,731	0	0	387,731	548,351	550,640	162,909
<u>Public Health and Welfare</u>							
Local Health Center	405,588	(5,044)	1,260	401,804	502,744	539,588	137,784
Rabies and Animal Control	186,724	(1,128)	3,075	188,671	186,523	221,661	32,990

(Continued)

Exhibit E-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 7/1/2011	Add: Encumbrances 6/30/2012	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>							
Ambulance/Emergency Medical Services	\$ 2,174,846	\$ (7,992)	\$ 91,570	\$ 2,258,424	\$ 2,220,086	\$ 2,309,044	\$ 50,620
Other Local Health Services	65,821	0	0	65,821	74,440	74,440	8,619
Regional Mental Health Center	12,900	0	0	12,900	12,900	12,900	0
Appropriation to State	40,500	0	0	40,500	54,000	54,000	13,500
General Welfare Assistance	99,875	0	0	99,875	100,475	100,475	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	130,500	131,962	0
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	106,941	(40)	60	106,961	119,072	119,965	13,004
Soil Conservation	37,000	0	0	37,000	37,000	37,000	0
Other Agriculture and Natural Resources	55,198	(75)	1,111	56,234	59,185	59,343	3,109
<u>Other Operations</u>							
Tourism	3,948	0	0	3,948	3,948	3,948	0
Veterans' Services	27,113	0	425	27,538	29,437	29,894	2,356
Other Charges	179,424	0	0	179,424	181,202	199,429	20,005
Contributions to Other Agencies	120,449	0	0	120,449	122,000	122,000	1,551
Employee Benefits	48,169	0	0	48,169	0	48,169	0
Miscellaneous	338,279	(3,350)	0	334,929	381,957	337,959	3,030
<u>Capital Projects</u>							
Other General Government Projects	148,708	0	0	148,708	20,000	168,708	20,000
Total Expenditures	\$ 17,476,641	\$ (131,105)	\$ 140,692	\$ 17,486,228	\$ 16,668,132	\$ 18,818,929	\$ 1,332,701

(Continued)

Exhibit E-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 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Excess (Deficiency) of Revenues Over Expenditures	\$ 861,014	\$ 131,105	\$ (140,692)	\$ 851,427	\$ (1,234,228)	\$ (2,785,742)	\$ 3,637,169
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 17,770	\$ (17,770)
Transfers In	27,570	0	0	27,570	68,128	27,570	0
Transfers Out	0	0	0	0	(1,073,923)	(218,923)	218,923
Total Other Financing Sources (Uses)	\$ 27,570	\$ 0	\$ 0	\$ 27,570	\$ (1,005,795)	\$ (173,583)	\$ 201,153
Net Change in Fund Balance	\$ 888,584	\$ 131,105	\$ (140,692)	\$ 878,997	\$ (2,240,023)	\$ (2,959,325)	\$ 3,838,322
Fund Balance, July 1, 2011	11,638,712	(131,105)	0	11,507,607	9,512,094	5,182,598	6,325,009
Fund Balance, June 30, 2012	\$ 12,527,296	\$ 0	\$ (140,692)	\$ 12,386,604	\$ 7,272,071	\$ 2,223,273	\$ 10,163,331

Exhibit E-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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 454,786	\$ 0	\$ 0	454,786	\$ 430,250	\$ 441,250	\$ 13,536
Charges for Current Services	0	0	0	0	1,250	1,250	(1,250)
Other Local Revenues	33,848	0	0	33,848	32,000	38,000	(4,152)
State of Tennessee	2,434,098	0	0	2,434,098	2,178,221	2,388,221	45,877
Other Governments and Citizens Groups	5,727	0	0	5,727	14,000	14,000	(8,273)
Total Revenues	\$ 2,928,459	\$ 0	\$ 0	2,928,459	\$ 2,655,721	\$ 2,882,721	\$ 45,738
<u>Expenditures</u>							
<u>Other Operations</u>							
Contributions to Other Agencies	\$ 7,000	\$ 0	\$ 0	7,000	7,000	7,000	0
<u>Highways</u>							
Administration	219,488	0	0	219,488	241,606	260,990	41,502
Highway and Bridge Maintenance	1,026,493	(900)	73,896	1,099,489	1,278,089	1,211,789	112,300
Operation and Maintenance of Equipment	442,720	(22,550)	6,800	426,970	543,738	513,738	86,768
Litter and Trash Collection	51,839	0	0	51,839	62,960	72,960	21,121
Other Charges	98,485	(80)	0	98,405	107,615	112,615	14,210
Employee Benefits	37,086	0	0	37,086	38,224	38,224	1,138
Capital Outlay	877,141	(23,151)	77,570	931,560	593,000	984,300	52,740
Total Expenditures	\$ 2,760,252	\$ (46,681)	\$ 158,266	2,871,837	\$ 2,872,232	\$ 3,201,616	\$ 329,779
Excess (Deficiency) of Revenues Over Expenditures	\$ 168,207	\$ 46,681	\$ (158,266)	56,622	\$ (216,511)	\$ (318,895)	\$ 375,517
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 0	\$ 0	\$ 0	0	5,000	5,000	(5,000)

(Continued)

Exhibit E-2

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Other Financing Sources (Uses) (Cont.)</u>							
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	\$ 168,207 \$	46,681 \$	(158,266) \$	56,622 \$	(230,895) \$	(313,895) \$	370,517
Fund Balance, July 1, 2011	779,623	(46,681)	0	732,942	799,416	679,623	53,319
Fund Balance, June 30, 2012	\$ 947,830 \$	0 \$	(158,266) \$	789,564 \$	568,521 \$	365,728 \$	423,836

Exhibit E-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, 2012

(Dollar amounts in thousands)

Plan	Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial 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	7-1-11	\$ 41,052	\$ 44,750	\$ 3,698	91.74 %	\$ 13,372	27.65 %
"	7-1-09	34,356	38,393	4,037	89.49	14,351	28.13
"	7-1-07	33,805	33,831	26	99.92	12,583	.21

Exhibit E-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, 2012

(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	7-1-09	\$ 0	\$ 1,622	\$ 1,622	0 %	\$ 9,129	18 %
"	7-1-10	0	1,665	1,665	0	9,594	17
"	7-1-11	0	506	506	0	9,938	5
<u>DISCRETELY PRESENTED BEDFORD COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	7-1-09	0	4,040	4,040	0	31,598	13
"	7-1-10	0	4,199	4,199	0	30,807	14
"	7-1-11	0	5,010	5,010	0	33,694	15
<u>DISCRETELY PRESENTED BEDFORD COUNTY SOLID WASTE AUTHORITY</u>							
Local Government Group	7-1-09	0	13	13	0	321	4
"	7-1-10	0	17	17	0	297	5
"	7-1-11	0	17	17	0	329	5

BEDFORD COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2012

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.

**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. This fund was closed during the year.

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

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 grants 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 F-1

Bedford County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2012

	Special Revenue Fund	Capital Projects Funds			Total Nonmajor Governmental Funds
	Drug Control	General Capital Projects	Nursing Home Projects	Total	
<u>ASSETS</u>					
Equity in Pooled Cash and Investments	\$ 37,743	\$ 297,571	\$ 338,029	\$ 635,600	\$ 673,343
Total Assets	<u>\$ 37,743</u>	<u>\$ 297,571</u>	<u>\$ 338,029</u>	<u>\$ 635,600</u>	<u>\$ 673,343</u>
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Public Safety	\$ 37,743	\$ 0	\$ 0	\$ 0	\$ 37,743
Committed:					
Committed for Public Health and Welfare	0	0	338,029	338,029	338,029
Committed for Capital Projects	0	297,571	0	297,571	297,571
Total Fund Balances	<u>\$ 37,743</u>	<u>\$ 297,571</u>	<u>\$ 338,029</u>	<u>\$ 635,600</u>	<u>\$ 673,343</u>

Exhibit F-2

Bedford County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2012

	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	\$ 7,548	\$ 0	\$ 0	\$ 7,548	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,548
Charges for Current Services	0	0	364	364	0	0	0	0	364
Other Local Revenues	3,507	5,550	0	9,057	0	0	120,400	120,400	129,457
Federal Government	0	0	0	0	0	18,508	0	18,508	18,508
Total Revenues	\$ 11,055	\$ 5,550	\$ 364	\$ 16,969	\$ 0	\$ 18,508	\$ 120,400	\$ 138,908	\$ 155,877
<u>Expenditures</u>									
Current:									
Administration of Justice	\$ 0	\$ 0	\$ 364	\$ 364	\$ 0	\$ 0	\$ 0	\$ 0	\$ 364
Public Safety	5,908	0	0	5,908	0	0	0	0	5,908
Agriculture and Natural Resources	0	6,398	0	6,398	0	0	0	0	6,398
Other Operations	2,047	0	0	2,047	8,250	0	6,767	15,017	17,064
Capital Outlay	0	0	0	0	84,253	0	0	84,253	84,253
Capital Projects	0	0	0	0	0	18,508	0	18,508	18,508
Total Expenditures	\$ 7,955	\$ 6,398	\$ 364	\$ 14,717	\$ 92,503	\$ 18,508	\$ 6,767	\$ 117,778	\$ 132,495
Excess (Deficiency) of Revenues Over Expenditures	\$ 3,100	\$ (848)	\$ 0	\$ 2,252	\$ (92,503)	\$ 0	\$ 113,633	\$ 21,130	\$ 23,382
<u>Other Financing Sources (Uses)</u>									
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 300,000	\$ 0	\$ 0	\$ 300,000	\$ 300,000
Transfers Out	0	(27,570)	0	(27,570)	0	0	(300,000)	(300,000)	(327,570)
Total Other Financing Sources (Uses)	\$ 0	\$ (27,570)	\$ 0	\$ (27,570)	\$ 300,000	\$ 0	\$ (300,000)	\$ 0	\$ (27,570)
Net Change in Fund Balances	\$ 3,100	\$ (28,418)	\$ 0	\$ (25,318)	\$ 207,497	\$ 0	\$ (186,367)	\$ 21,130	\$ (4,188)
Fund Balance, July 1, 2011	34,643	28,418	0	63,061	90,074	0	524,396	614,470	677,531
Fund Balance, June 30, 2012	\$ 37,743	\$ 0	\$ 0	\$ 37,743	\$ 297,571	\$ 0	\$ 338,029	\$ 635,600	\$ 673,343

Exhibit F-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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Fines, Forfeitures, and Penalties	\$ 7,548 \$	0 \$	0 \$	7,548 \$	31,500 \$	31,500 \$	(23,952)
Other Local Revenues	3,507	0	0	3,507	8,000	11,521	(8,014)
Total Revenues	\$ 11,055 \$	0 \$	0 \$	11,055 \$	39,500 \$	43,021 \$	(31,966)
<u>Expenditures</u>							
<u>Public Safety</u>							
Drug Enforcement	\$ 5,908 \$	(100) \$	1,000 \$	6,808 \$	15,000 \$	18,474 \$	11,666
Other Operations	2,047	0	0	2,047	2,000	2,047	0
Miscellaneous							
Total Expenditures	\$ 7,955 \$	(100) \$	1,000 \$	8,855 \$	17,000 \$	20,521 \$	11,666
Excess (Deficiency) of Revenues Over Expenditures	\$ 3,100 \$	100 \$	(1,000) \$	2,200 \$	22,500 \$	22,500 \$	(20,300)
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ 3,100 \$	100 \$	(1,000) \$	2,200 \$	22,500 \$	22,500 \$	(20,300)
	34,643	(100)	0	34,543	57,366	34,643	(100)
Fund Balance, June 30, 2012	\$ 37,743 \$	0 \$	(1,000) \$	36,743 \$	79,866 \$	57,143 \$	(20,400)

Exhibit F-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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Other Local Revenues	\$ 5,550	\$ 0	\$ 5,550	\$ 4,000	\$ 4,000	\$ 1,550
Total Revenues	\$ 5,550	\$ 0	\$ 5,550	\$ 4,000	\$ 4,000	\$ 1,550
<u>Expenditures</u>						
<u>Agriculture and Natural Resources</u>						
Other Agriculture and Natural Resources	\$ 6,398	\$ (1,750)	\$ 4,648	\$ 10,000	\$ 10,000	\$ 5,352
Total Expenditures	\$ 6,398	\$ (1,750)	\$ 4,648	\$ 10,000	\$ 10,000	\$ 5,352
Excess (Deficiency) of Revenues Over Expenditures	\$ (848)	\$ 1,750	\$ 902	\$ (6,000)	\$ (6,000)	\$ 6,902
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (27,570)	\$ 0	\$ (27,570)	\$ 0	\$ (27,570)	\$ 0
Total Other Financing Sources (Uses)	\$ (27,570)	\$ 0	\$ (27,570)	\$ 0	\$ (27,570)	\$ 0
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ (28,418)	\$ 1,750	\$ (26,668)	\$ (6,000)	\$ (33,570)	\$ 6,902
	\$ 28,418	\$ (1,750)	\$ 26,668	\$ 30,815	\$ 28,418	\$ (1,750)
Fund Balance, June 30, 2012	\$ 0	\$ 0	\$ 0	\$ 24,815	\$ (5,152)	\$ 5,152

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 G

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, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 6,128,201	\$ 5,267,688	\$ 5,297,688	\$ 830,513
Other Local Revenues	357,486	413,337	413,337	(55,851)
State of Tennessee	0	30,000	0	0
Other Governments and Citizens Groups	1,001,594	0	0	1,001,594
Total Revenues	\$ 7,487,281	\$ 5,711,025	\$ 5,711,025	\$ 1,776,256
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 624,600	\$ 673,635	\$ 624,600	\$ 0
Highways and Streets	433,698	0	433,698	0
Education	4,392,000	3,452,000	4,392,000	0
<u>Interest on Debt</u>				
General Government	245,619	448,438	245,620	1
Highways and Streets	18,206	0	18,206	0
Education	2,659,788	2,600,897	2,670,865	11,077
<u>Other Debt Service</u>				
General Government	80,215	209,337	81,796	1,581
Education	33,450	20,000	43,714	10,264
Total Expenditures	\$ 8,487,576	\$ 7,404,307	\$ 8,510,499	\$ 22,923
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,000,295)	\$ (1,693,282)	\$ (2,799,474)	\$ 1,799,179
<u>Other Financing Sources (Uses)</u>				
Refunding Debt Issued	\$ 2,700,000	\$ 0	\$ 2,700,000	\$ 0
Transfers In	0	218,923	218,923	(218,923)
Payments to Refunded Debt Escrow Agent	(2,708,373)	0	(2,708,373)	0
Total Other Financing Sources (Uses)	\$ (8,373)	\$ 218,923	\$ 210,550	\$ (218,923)
Net Change in Fund Balance	\$ (1,008,668)	\$ (1,474,359)	\$ (2,588,924)	\$ 1,580,256
Fund Balance, July 1, 2011	3,595,256	2,866,507	3,595,256	0
Fund Balance, June 30, 2012	\$ 2,586,588	\$ 1,392,148	\$ 1,006,332	\$ 1,580,256

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 H-1

Bedford County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2012

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 982,826	\$ 982,826
Accounts Receivable	0	7,492	7,492
Due from Other Governments	576,356	0	576,356
Total Assets	<u>\$ 576,356</u>	<u>\$ 990,318</u>	<u>\$ 1,566,674</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 576,356	\$ 0	\$ 576,356
Due to Litigants, Heirs, and Others	0	990,318	990,318
Total Liabilities	<u>\$ 576,356</u>	<u>\$ 990,318</u>	<u>\$ 1,566,674</u>

Exhibit H-2

Bedford County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2012

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 3,480,107	\$ 3,480,107	\$ 0
Due from Other Governments	598,169	576,356	598,169	576,356
Total Assets	\$ 598,169	\$ 4,056,463	\$ 4,078,276	\$ 576,356
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 598,169	\$ 576,356	\$ 598,169	\$ 576,356
Total Liabilities	\$ 598,169	\$ 576,356	\$ 598,169	\$ 576,356
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,076,108	\$ 8,533,080	\$ 8,626,362	\$ 982,826
Accounts Receivable	2,828	7,492	2,828	7,492
Total Assets	\$ 1,078,936	\$ 8,540,572	\$ 8,629,190	\$ 990,318
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,078,936	\$ 8,540,572	\$ 8,629,190	\$ 990,318
Total Liabilities	\$ 1,078,936	\$ 8,540,572	\$ 8,629,190	\$ 990,318
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,076,108	\$ 8,533,080	\$ 8,626,362	\$ 982,826
Equity in Pooled Cash and Investments	0	3,480,107	3,480,107	0
Accounts Receivable	2,828	7,492	2,828	7,492
Due from Other Governments	598,169	576,356	598,169	576,356
Total Assets	\$ 1,677,105	\$ 12,597,035	\$ 12,707,466	\$ 1,566,674
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 598,169	\$ 576,356	\$ 598,169	\$ 576,356
Due to Litigants, Heirs, and Others	1,078,936	8,540,572	8,629,190	990,318
Total Liabilities	\$ 1,677,105	\$ 9,116,928	\$ 9,227,359	\$ 1,566,674

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 I-1

Bedford County, Tennessee
Statement of Activities
Discretely Presented Bedford County School Department
For the Year Ended June 30, 2012

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Instruction	\$ 39,752,244	\$ 323,993	\$ 5,333,194	\$ (34,095,057)
Support Services	19,200,604	141,914	451,285	(18,607,405)
Operation of Non-Instructional Services	4,752,865	1,164,126	3,079,976	(508,763)
Total Governmental Activities	\$ 63,705,713	\$ 1,630,033	\$ 8,864,455	\$ (53,211,225)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes			\$	8,286,550
Local Option Sales Tax				1,976,524
Other Local Taxes				2,776
Grants and Contributions Not Restricted to Specific Programs				38,709,171
Unrestricted Investment Earnings				88,905
Miscellaneous				171,076
Total General Revenues				\$ 49,235,002
Change in Net Assets				\$ (3,976,223)
Net Assets, July 1, 2011				111,832,148
Net Assets, June 30, 2012				\$ 107,855,925

Exhibit I-2

Bedford County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Bedford County School Department
June 30, 2012

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
	General Purpose School	Other Govern- mental Funds	Govern- mental Funds
<u>ASSETS</u>			
Cash	\$ 300	\$ 5,068	\$ 5,368
Equity in Pooled Cash and Investments	10,127,814	1,711,680	11,839,494
Inventories	0	78,958	78,958
Accounts Receivable	110,772	9,482	120,254
Due from Other Governments	768,940	564,283	1,333,223
Due from Other Funds	82,538	0	82,538
Property Taxes Receivable	8,285,330	0	8,285,330
Allowance for Uncollectible Property Taxes	(388,520)	0	(388,520)
Total Assets	<u>\$ 18,987,174</u>	<u>\$ 2,369,471</u>	<u>\$ 21,356,645</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 67,423	\$ 254	\$ 67,677
Payroll Deductions Payable	1,299,339	96,155	1,395,494
Due to Other Funds	0	82,538	82,538
Deferred Revenue - Current Property Taxes	7,551,988	0	7,551,988
Deferred Revenue - Delinquent Property Taxes	305,844	0	305,844
Other Deferred Revenues	178,511	0	178,511
Total Liabilities	<u>\$ 9,403,105</u>	<u>\$ 178,947</u>	<u>\$ 9,582,052</u>
<u>Fund Balances</u>			
Nonspendable:			
Inventory	\$ 0	\$ 78,958	\$ 78,958
Restricted:			
Restricted for Education	199,843	1,906,571	2,106,414
Committed:			
Committed for Education	483,315	204,995	688,310
Unassigned	8,900,911	0	8,900,911
Total Fund Balances	<u>\$ 9,584,069</u>	<u>\$ 2,190,524</u>	<u>\$ 11,774,593</u>
Total Liabilities and Fund Balances	<u>\$ 18,987,174</u>	<u>\$ 2,369,471</u>	<u>\$ 21,356,645</u>

Exhibit I-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, 2012

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$ 11,774,593
(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	89,718,661	
Add: other capital assets net of accumulated depreciation	<u>3,696,980</u>	96,201,332
(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		(604,355)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>484,355</u>
Net assets of governmental activities (Exhibit A)		<u><u>\$ 107,855,925</u></u>

Exhibit I-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, 2012

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 10,842,595	\$ 0	\$ 10,842,595
Licenses and Permits	2,813	0	2,813
Charges for Current Services	117,272	1,480,391	1,597,663
Other Local Revenues	227,000	89,421	316,421
State of Tennessee	37,718,020	0	37,718,020
Federal Government	598,190	8,754,221	9,352,411
Total Revenues	<u>\$ 49,505,890</u>	<u>\$ 10,324,033</u>	<u>\$ 59,829,923</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 32,688,421	\$ 3,736,738	\$ 36,425,159
Support Services	16,926,843	2,109,674	19,036,517
Operation of Non-Instructional Services	222,182	4,517,560	4,739,742
Capital Outlay	363,957	0	363,957
Total Expenditures	<u>\$ 50,201,403</u>	<u>\$ 10,363,972</u>	<u>\$ 60,565,375</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (695,513)</u>	<u>\$ (39,939)</u>	<u>\$ (735,452)</u>
Net Change in Fund Balances	\$ (695,513)	\$ (39,939)	\$ (735,452)
Fund Balance, July 1, 2011	<u>10,279,582</u>	<u>2,230,463</u>	<u>12,510,045</u>
Fund Balance, June 30, 2012	<u>\$ 9,584,069</u>	<u>\$ 2,190,524</u>	<u>\$ 11,774,593</u>

Exhibit I-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, 2012

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

Net change in fund balances - total governmental funds (Exhibit I-4)		\$	(735,452)
(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	\$	604,752	
Less: current-year depreciation expense		<u>(3,512,390)</u>	(2,907,638)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.			
Less: disposal of capital assets			(14,851)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Add: deferred delinquent property taxes and other deferred June 30, 2012	\$	484,355	
Less: deferred delinquent property taxes and other deferred June 30, 2011		<u>(569,937)</u>	(85,582)
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in other postemployment benefits liability			<u>(232,700)</u>
Change in net assets of governmental activities (Exhibit B)		\$	<u><u>(3,976,223)</u></u>

Exhibit I-6

Bedford County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Bedford County School Department
June 30, 2012

	<u>Special Revenue Funds</u>			Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Extended School Program	
<u>ASSETS</u>				
Cash	\$ 0	\$ 4,468	\$ 600	\$ 5,068
Equity in Pooled Cash and Investments	202,044	1,419,417	90,219	1,711,680
Inventories	0	78,958	0	78,958
Accounts Receivable	778	33	8,671	9,482
Due from Other Governments	313,359	245,419	5,505	564,283
Total Assets	<u>\$ 516,181</u>	<u>\$ 1,748,295</u>	<u>\$ 104,995</u>	<u>\$ 2,369,471</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 254	\$ 0	\$ 0	\$ 254
Payroll Deductions Payable	79,609	16,546	0	96,155
Due to Other Funds	82,538	0	0	82,538
Total Liabilities	<u>\$ 162,401</u>	<u>\$ 16,546</u>	<u>\$ 0</u>	<u>\$ 178,947</u>
<u>Fund Balances</u>				
Nonspendable:				
Inventory	\$ 0	\$ 78,958	\$ 0	\$ 78,958
Restricted:				
Restricted for Education	253,780	1,652,791	0	1,906,571
Committed:				
Committed for Education	100,000	0	104,995	204,995
Total Fund Balances	<u>\$ 353,780</u>	<u>\$ 1,731,749</u>	<u>\$ 104,995</u>	<u>\$ 2,190,524</u>
Total Liabilities and Fund Balances	<u>\$ 516,181</u>	<u>\$ 1,748,295</u>	<u>\$ 104,995</u>	<u>\$ 2,369,471</u>

Exhibit I-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, 2012

	<u>Special Revenue Funds</u>			Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Extended School Program	
<u>Revenues</u>				
Charges for Current Services	\$ 0	\$ 1,159,476	\$ 320,915	\$ 1,480,391
Other Local Revenues	0	89,421	0	89,421
Federal Government	5,714,749	3,039,472	0	8,754,221
Total Revenues	<u>\$ 5,714,749</u>	<u>\$ 4,288,369</u>	<u>\$ 320,915</u>	<u>\$ 10,324,033</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 3,736,738	\$ 0	\$ 0	\$ 3,736,738
Support Services	2,081,874	25,000	2,800	2,109,674
Operation of Non-Instructional Services	0	4,168,344	349,216	4,517,560
Total Expenditures	<u>\$ 5,818,612</u>	<u>\$ 4,193,344</u>	<u>\$ 352,016</u>	<u>\$ 10,363,972</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (103,863)</u>	<u>\$ 95,025</u>	<u>\$ (31,101)</u>	<u>\$ (39,939)</u>
Net Change in Fund Balances	\$ (103,863)	\$ 95,025	\$ (31,101)	\$ (39,939)
Fund Balance, July 1, 2011	<u>457,643</u>	<u>1,636,724</u>	<u>136,096</u>	<u>2,230,463</u>
Fund Balance, June 30, 2012	<u>\$ 353,780</u>	<u>\$ 1,731,749</u>	<u>\$ 104,995</u>	<u>\$ 2,190,524</u>

Exhibit I-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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 10,842,595	\$ 0	\$ 0	\$ 10,842,595	\$ 9,368,001	\$ 9,368,001	\$ 1,474,594
Licenses and Permits	2,813	0	0	2,813	3,000	3,000	(187)
Charges for Current Services	117,272	0	0	117,272	91,260	130,787	(13,515)
Other Local Revenues	227,000	0	0	227,000	96,687	184,433	42,567
State of Tennessee	37,718,020	0	0	37,718,020	37,365,812	38,034,135	(316,115)
Federal Government	598,190	0	0	598,190	305,000	625,237	(27,047)
Total Revenues	\$ 49,505,890	\$ 0	\$ 0	\$ 49,505,890	\$ 47,229,760	\$ 48,345,593	\$ 1,160,297
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 28,225,787	\$ (600,561)	\$ 220,519	\$ 27,845,745	\$ 28,239,587	\$ 29,264,455	\$ 1,418,710
Alternative Instruction Program	453,129	(9,540)	0	443,589	455,508	455,508	11,919
Special Education Program	2,772,017	(742)	0	2,771,275	2,940,461	2,946,059	174,784
Vocational Education Program	1,093,679	0	0	1,093,679	1,293,766	1,293,766	200,087
Adult Education Program	143,809	0	0	143,809	157,179	162,628	18,819
<u>Support Services</u>							
Attendance	91,752	0	237	91,989	90,752	92,252	263
Health Services	386,456	(969)	1,827	387,314	497,928	579,929	192,615
Other Student Support	1,134,358	(735)	1,378	1,135,001	1,143,704	1,143,704	8,703
Regular Instruction Program	1,154,929	(2,976)	1,974	1,153,927	1,290,025	1,290,025	136,098
Alternative Instruction Program	86,139	0	0	86,139	80,932	86,278	139
Special Education Program	264,909	(5,672)	1,610	260,847	224,203	285,755	24,908
Vocational Education Program	27,673	0	0	27,673	27,934	27,934	261
Adult Programs	93,952	0	0	93,952	113,992	122,616	28,664

(Continued)

Exhibit I-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 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Other Programs	\$ 142,068	\$ 0	\$ 0	\$ 142,068	\$ 0	\$ 142,068	\$ 0
Board of Education	607,574	(604)	160	607,130	616,631	661,016	53,886
Director of Schools	1,318,702	0	0	1,318,702	1,357,749	1,357,984	39,282
Office of the Principal	2,934,186	(900)	199	2,933,485	2,814,996	2,968,564	35,079
Human Services/Personnel	132,696	(125)	0	132,571	107,194	138,550	5,979
Operation of Plant	4,848,326	(62,536)	14,394	4,800,184	5,388,740	5,373,007	572,823
Maintenance of Plant	1,357,709	(73,558)	40,158	1,324,309	1,509,378	1,524,393	200,084
Transportation	2,169,113	(48,917)	7,779	2,127,975	2,386,993	2,413,651	285,676
Central and Other	176,301	0	0	176,301	244,108	244,108	67,807
<u>Operation of Non-Instructional Services</u>							
Food Service	58,577	0	0	58,577	58,577	58,577	0
Community Services	163,605	(164)	0	163,441	89,898	164,825	1,384
<u>Capital Outlay</u>							
Regular Capital Outlay	363,957	(133,893)	254,647	484,711	433,000	491,251	6,540
Total Expenditures	\$ 50,201,403	\$ (941,892)	\$ 544,882	\$ 49,804,393	\$ 51,563,235	\$ 53,288,903	\$ 3,484,510
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ (695,513)	\$ 941,892	\$ (544,882)	\$ (298,503)	\$ (4,333,475)	\$ (4,943,310)	\$ 4,644,807
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 18,559	\$ (18,559)
Transfers In	0	0	0	0	8,000	8,000	(8,000)
Transfers Out	0	0	0	0	(31,356)	0	0
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (23,356)	\$ 26,559	\$ (26,559)

(Continued)

Exhibit I-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 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ (695,513) \$ 10,279,582	941,892 \$ (941,892)	(544,882) \$ 0	(298,503) \$ 9,337,690	(4,356,831) \$ 7,019,527	(4,916,751) \$ 10,005,002	4,618,248 (667,312)
Fund Balance, June 30, 2012	\$ 9,584,069 \$	0 \$	(544,882) \$	9,039,187 \$	2,662,696 \$	5,088,251 \$	3,950,936

Exhibit I-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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Federal Government	\$ 5,714,749	\$ 0	\$ 0	\$ 5,714,749	\$ 6,204,456	\$ 7,406,663	\$ (1,691,914)
Total Revenues	\$ 5,714,749	\$ 0	\$ 0	\$ 5,714,749	\$ 6,204,456	\$ 7,406,663	\$ (1,691,914)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 2,469,302	\$ (206,795)	\$ 67,607	\$ 2,330,114	\$ 2,111,704	\$ 2,662,324	\$ 332,210
Special Education Program	1,208,445	(54,217)	0	1,154,228	1,898,839	1,907,625	753,397
Vocational Education Program	58,991	0	47,840	106,831	113,543	107,597	766
<u>Support Services</u>							
Health Services	104,260	0	0	104,260	236,933	236,933	132,673
Other Student Support	256,040	(2,513)	6,499	260,026	211,561	289,346	29,320
Regular Instruction Program	577,069	(44,677)	18,248	550,640	814,056	728,696	178,056
Special Education Program	363,952	(12,671)	1,025	352,306	456,974	456,974	104,668
Vocational Education Program	885	0	1,945	2,830	4,268	2,830	0
Office of the Principal	304,633	0	0	304,633	0	639,572	334,939
Transportation	475,035	0	0	475,035	471,038	489,723	14,688
Total Expenditures	\$ 5,818,612	\$ (320,873)	\$ 143,164	\$ 5,640,903	\$ 6,318,916	\$ 7,521,620	\$ 1,880,717
Excess (Deficiency) of Revenues Over Expenditures	\$ (103,863)	\$ 320,873	\$ (143,164)	\$ 73,846	\$ (114,460)	\$ (114,957)	\$ 188,803

(Continued)

Exhibit I-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 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 193,450	\$ 193,450	\$ (193,450)
Transfers Out	0	0	0	0	(221,754)	(221,624)	221,624
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	(28,304)	(28,174)	28,174
Net Change in Fund Balance	\$ (103,863)	\$ 320,873	\$ (143,164)	\$ 73,846	\$ (142,764)	\$ (143,131)	\$ 216,977
Fund Balance, July 1, 2011	457,643	(320,873)	0	136,770	143,131	143,131	(6,361)
Fund Balance, June 30, 2012	\$ 353,780	\$ 0	\$ (143,164)	\$ 210,616	\$ 367	\$ 0	\$ 210,616

Exhibit I-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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Add: Encumbrances 6/30/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 1,159,476	\$ 0	\$ 0	\$ 1,159,476	\$ 1,370,000	\$ 1,370,000	\$ (210,524)
Other Local Revenues	89,421	0	0	89,421	5,000	5,000	84,421
Federal Government	3,039,472	0	0	3,039,472	2,625,000	2,902,778	136,694
Total Revenues	\$ 4,288,369	\$ 0	\$ 0	\$ 4,288,369	\$ 4,000,000	\$ 4,277,778	\$ 10,591
<u>Expenditures</u>							
<u>Support Services</u>							
Board of Education	\$ 25,000	\$ 0	\$ 0	\$ 25,000	\$ 25,000	\$ 25,000	\$ 0
<u>Operation of Non-Instructional Services</u>							
Food Service	4,168,344	(107,961)	19,823	4,080,206	4,488,428	4,783,594	703,388
Total Expenditures	\$ 4,193,344	\$ (107,961)	\$ 19,823	\$ 4,105,206	\$ 4,513,428	\$ 4,808,594	\$ 703,388
Excess (Deficiency) of Revenues Over Expenditures	\$ 95,025	\$ 107,961	\$ (19,823)	\$ 183,163	\$ (513,428)	\$ (530,816)	\$ 713,979
<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, 2011	\$ 95,025	\$ 107,961	\$ (19,823)	\$ 183,163	\$ (530,816)	\$ (530,816)	\$ 713,979
	1,636,724	(107,961)	0	1,528,763	1,304,394	1,636,724	(107,961)
Fund Balance, June 30, 2012	\$ 1,731,749	\$ 0	\$ (19,823)	\$ 1,711,926	\$ 773,578	\$ 1,105,908	\$ 606,018

Exhibit I-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, 2012

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive Negative
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 320,915 \$	0 \$	320,915 \$	401,268 \$	401,268 \$	(80,353)
Total Revenues	\$ 320,915 \$	0 \$	320,915 \$	401,268 \$	401,268 \$	(80,353)
<u>Expenditures</u>						
<u>Support Services</u>						
Board of Education	\$ 2,800 \$	0 \$	2,800 \$	2,800 \$	2,800 \$	0
<u>Operation of Non-Instructional Services</u>						
Community Services	349,216	(8,138)	341,078	397,896	397,896	56,818
Total Expenditures	\$ 352,016 \$	(8,138) \$	343,878 \$	400,696 \$	400,696 \$	56,818
Excess (Deficiency) of Revenues Over Expenditures	\$ (31,101) \$	8,138 \$	(22,963) \$	572 \$	572 \$	(23,535)
Net Change in Fund Balance Fund Balance, July 1, 2011	\$ (31,101) \$	8,138 \$	(22,963) \$	572 \$	572 \$	(23,535)
	136,096	(8,138)	127,958	106,162	136,096	(8,138)
Fund Balance, June 30, 2012	\$ 104,995 \$	0 \$	104,995 \$	106,734 \$	136,668 \$	(31,673)

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 J-1

Bedford County, Tennessee
Balance Sheet - Governmental Fund
Discretely Presented Bedford County Solid Waste Authority
June 30, 2012

	<u>Solid Waste/ Sanitation Fund</u>
<u>ASSETS</u>	
Cash	\$ 30,358
Accounts Receivable	<u>2,755</u>
Total Assets	<u>\$ 33,113</u>
<u>LIABILITIES</u>	
Payroll Deductions Payable	<u>\$ 5,935</u>
Total Liabilities	<u>\$ 5,935</u>
<u>FUND BALANCE</u>	
Fund Balance:	
Committed for Public Health and Welfare	<u>\$ 27,178</u>
Total Fund Balance	<u>\$ 27,178</u>
Total Liabilities and Fund Balance	<u>\$ 33,113</u>

Exhibit J-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, 2012

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-1)		\$ 27,178
(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	167,854	
Add: other capital assets net of accumulated depreciation	<u>553,621</u>	731,675
(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	\$ (14,029)	
Less: other postemployment benefits liability	<u>(5,256)</u>	<u>(19,285)</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 739,568</u>

Exhibit J-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, 2012

	Actual
<hr/>	
<u>Revenues</u>	
Other Local Revenues	\$ 58,730
State of Tennessee	19,713
Other Governments and Citizens Groups	<u>855,000</u>
Total Revenues	<u>\$ 933,443</u>
 <u>Expenditures</u>	
<u>Public Health and Welfare</u>	
Convenience Centers	<u>\$ 952,009</u>
Total Expenditures	<u>\$ 952,009</u>
 Excess (Deficiency) of Revenues Over Expenditures	 <u>\$ (18,566)</u>
 Fund Balance, July 1, 2011	 <u>\$ 45,744</u>
 Fund Balance, June 30, 2012	 <u><u>\$ 27,178</u></u>

Exhibit J-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, 2012

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-3)		\$ (18,566)
(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:		
Less: current-year depreciation expense		(45,660)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		
Less: disposal of capital assets		(14,884)
(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 compensated absences payable	\$ (1,212)	
Change in other postemployment benefits liability	(2,048)	(3,260)
		<u>(3,260)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ (82,370)</u>

Exhibit J-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, 2012

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 58,730	\$ 55,500	\$ 65,500	\$ (6,770)
State of Tennessee	19,713	28,500	28,500	(8,787)
Other Governments and Citizens Groups	855,000	855,000	855,000	0
Total Revenues	<u>\$ 933,443</u>	<u>\$ 939,000</u>	<u>\$ 949,000</u>	<u>\$ (15,557)</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Convenience Centers	\$ 952,009	\$ 944,232	\$ 984,733	\$ 32,724
Total Expenditures	<u>\$ 952,009</u>	<u>\$ 944,232</u>	<u>\$ 984,733</u>	<u>\$ 32,724</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (18,566)</u>	<u>\$ (5,232)</u>	<u>\$ (35,733)</u>	<u>\$ 17,167</u>
Net Change in Fund Balance	\$ (18,566)	\$ (5,232)	\$ (35,733)	\$ 17,167
Fund Balance, July 1, 2011	45,744	15,794	45,744	0
Fund Balance, June 30, 2012	<u>\$ 27,178</u>	<u>\$ 10,562</u>	<u>\$ 10,011</u>	<u>\$ 17,167</u>

MISCELLANEOUS SCHEDULES

Exhibit K-1

Bedford County, Tennessee
 Schedule of Changes in Long-term Notes, Other Loans, and Bonds
 For the Year Ended June 30, 2012

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-11	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-12
NOTES PAYABLE									
<u>Payable through General Debt Service Fund</u>									
Highway Paving	\$ 2,000,000	4.14%	6-15-07	6-21-12	\$ 433,698	\$ 0	\$ 433,698	\$ 0	\$ 0
EMA Project	193,000	3.94	8-21-08	8-21-13	115,800	0	38,600	0	77,200
School Project	4,700,000	3.23	9-8-08	6-30-13	1,880,000	0	940,000	0	940,000
Tennessee Vocational Rehabilitation Center	1,100,000	3.75	2-3-05	1-1-15	489,000	0	116,000	0	373,000
County Projects	450,000	2.84	6-30-10	6-30-13	300,000	0	150,000	0	150,000
County Projects/Garbage Truck	300,000	2.7	5-23-11	5-23-16	300,000	0	60,000	0	240,000
Total Notes Payable					\$ 3,518,498	\$ 0	\$ 1,738,298	\$ 0	\$ 1,780,200
OTHER LOANS PAYABLE									
<u>Payable through General Debt Service Fund</u>									
School	8,000,000	variable	5-23-1997	5-25-17	\$ 3,301,000	\$ 0	\$ 482,000	\$ 0	\$ 2,819,000
Total Other Loans Payable					\$ 3,301,000	\$ 0	\$ 482,000	\$ 0	\$ 2,819,000
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	\$ 3,315,000	\$ 0	\$ 615,000	\$ 2,700,000	\$ 0
General Obligation School Refunding	2,700,000	1.8	4-12-12	4-1-16	0	2,700,000	0	0	2,700,000
School	14,000,000	2 to 4	6-12-03	6-30-23	9,760,000	0	665,000	0	9,095,000
School	4,290,000	3.25 to 4.3	4-15-05	4-25-25	3,415,000	0	190,000	0	3,225,000
General Obligation	6,500,000	3.75	12-14-06	6-30-27	5,550,000	0	260,000	0	5,290,000
School	44,000,000	4 to 5	6-14-07	4-1-37	41,420,000	0	925,000	0	40,495,000
General Obligation School Refunding	3,435,000	3 to 4.5	5-7-08	4-1-14	1,805,000	0	575,000	0	1,230,000
Total Bonds Payable					\$ 65,265,000	\$ 2,700,000	\$ 3,230,000	\$ 2,700,000	\$ 62,035,000

Exhibit K-2

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

Year Ending June 30	Notes		Total
	Principal	Interest	
2013	\$ 1,310,185	\$ 58,216	\$ 1,368,401
2014	221,015	15,859	236,874
2015	189,000	8,077	197,077
2016	60,000	1,620	61,620
Total	\$ 1,780,200	\$ 83,772	\$ 1,863,972

Year Ending June 30	Other Loans			Total
	Principal	Interest	Other Fees	
2013	\$ 508,000	\$ 12,665	\$ 8,964	\$ 529,629
2014	534,000	10,383	7,533	551,916
2015	562,000	7,984	6,028	576,012
2016	592,000	5,459	4,444	601,903
2017	623,000	2,799	2,691	628,490
Total	\$ 2,819,000	\$ 39,290	\$ 29,660	\$ 2,887,950

Year Ending June 30	Bonds		Total
	Principal	Interest	
2013	\$ 3,350,000	\$ 2,585,959	\$ 5,935,959
2014	3,470,000	2,471,066	5,941,066
2015	2,950,000	2,348,302	5,298,302
2016	3,070,000	2,250,084	5,320,084
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	\$ 62,035,000	\$ 32,949,945	\$ 94,984,945

Exhibit K-3

Bedford County, Tennessee
Schedule of Transfers
Primary Government
For the Year Ended June 30, 2012

From Fund	To Fund	Purpose	Amount
<u>PRIMARY GOVERNMENT</u>			
Agriculture Center	General	Close fund	\$ 27,570
Nursing Home Projects	General Capital Projects	Various projects	<u>300,000</u>
Total Transfers Primary Government			<u><u>\$ 327,570</u></u>

Exhibit K-4

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, 2012

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ 81,254	\$ 50,000	RLI Insurance Company
Highway Superintendent	Section 8-24-102, <i>TCA</i> , and County Commission	91,776 (1)	100,000	Ohio Casualty Insurance Company
Superintendent of Schools	State Board of Education and County Commission	108,000	100,000	RLI Insurance Company
Trustee	Section 8-24-102, <i>TCA</i>	64,954 (4)	1,865,700	Auto-Owners (Mutual) Insurance Company
Assessor of Property	Section 8-24-102, <i>TCA</i>	65,704 (5)	10,000	RLI Insurance Company
County Clerk	Section 8-24-102, <i>TCA</i>	63,954	50,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, <i>TCA</i> , and County Commission	71,349 (2)	50,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i> , and Chancery Court Judge	70,349 (3)	50,000	"
Register	Section 8-24-102, <i>TCA</i>	64,954 (4)	25,000	"
Sheriff	Section 8-24-102, <i>TCA</i>	77,984 (6)	25,000	"
Finance Director	County Commission	85,850	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 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.
- (6) Includes \$600 for a law enforcement training supplement.

Exhibit K-5

Bedford County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2012

	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>Local Taxes</u>											
County Property Taxes											
Current Property Tax	\$ 8,274,122	\$ 0	\$ 0	\$ 0	\$ 297,495	\$ 745,417	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,317,034
Trustee's Collections - Prior Year	453,068	0	0	0	16,304	40,115	0	0	0	0	509,487
Circuit/Clerk & Master Collections - Prior Years	295,352	0	0	0	10,643	26,608	0	0	0	0	332,603
Interest and Penalty	89,724	0	0	0	3,233	8,083	0	0	0	0	101,040
Payments in-Lieu-of Taxes - T.V.A.	397,006	0	0	0	14,307	35,766	0	0	0	0	447,079
Payments in-Lieu-of Taxes - Local Utilities	62,479	0	0	0	2,252	5,629	0	0	0	0	70,360
Payments in-Lieu-of Taxes - Other	96,380	0	0	0	3,473	8,683	0	0	0	0	108,536
<u>County Local Option Taxes</u>											
Local Option Sales Tax	220,659	0	0	0	0	5,112,548	0	0	0	0	5,333,207
Litigation Tax - General	229,837	0	0	0	0	0	0	0	0	0	229,837
Litigation Tax - Jail, Workhouse, or Courthouse	122,500	0	0	0	0	0	0	0	0	0	122,500
Litigation Tax - Courtroom Security	106,590	0	0	0	0	0	0	0	0	0	106,590
Business Tax	365,163	0	0	0	0	0	0	0	0	0	365,163
Mineral Severance Tax	0	0	0	0	107,079	0	0	0	0	0	107,079
Adequate Facilities/Development Tax	0	0	0	0	0	145,352	0	0	0	0	145,352
<u>Statutory Local Taxes</u>											
Bank Excise Tax	157,420	0	0	0	0	0	0	0	0	0	157,420
Wholesale Beer Tax	198,779	0	0	0	0	0	0	0	0	0	198,779
Interstate Telecommunications Tax	1,399	0	0	0	0	0	0	0	0	0	1,399
Total Local Taxes	\$ #####	\$ 0	\$ 0	\$ 0	\$ 454,786	\$ 6,128,201	\$ 0	\$ 0	\$ 0	\$ 0	\$ 17,653,465
<u>Licenses and Permits</u>											
<u>Licenses</u>											
Cable TV Franchise	\$ 27,137	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 27,137
<u>Permits</u>											
Beer Permits	2,178	0	0	0	0	0	0	0	0	0	2,178
Building Permits	73,680	0	0	0	0	0	0	0	0	0	73,680
Other Permits	21,390	0	0	0	0	0	0	0	0	0	21,390
Total Licenses and Permits	\$ 124,385	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 124,385

(Continued)

Exhibit K-5

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	\$ 3,444	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,444
Officers Costs	9,244	0	0	0	0	0	0	0	0	0	9,244
Data Entry Fee - Circuit Court	670	0	0	0	0	0	0	0	0	0	670
<u>Criminal Court</u>											
Interpreter Fees	3,239	0	0	0	0	0	0	0	0	0	3,239
<u>General Sessions Court</u>											
Officers Costs	62,852	0	0	0	0	0	0	0	0	0	62,852
Game and Fish Fines	526	0	0	0	0	0	0	0	0	0	526
Drug Control Fines	24	7,548	0	0	0	0	0	0	0	0	7,572
Jail Fees	1,567	0	0	0	0	0	0	0	0	0	1,567
DUI Treatment Fines	5,766	0	0	0	0	0	0	0	0	0	5,766
Data Entry Fee - General Sessions Court	8,161	0	0	0	0	0	0	0	0	0	8,161
<u>Juvenile Court</u>											
Fines	34,332	0	0	0	0	0	0	0	0	0	34,332
Jail Fees	339,266	0	0	0	0	0	0	0	0	0	339,266
<u>Chancery Court</u>											
Officers Costs	3,860	0	0	0	0	0	0	0	0	0	3,860
Data Entry Fee - Chancery Court	6,152	0	0	0	0	0	0	0	0	0	6,152
Courtroom Security Fee	154	0	0	0	0	0	0	0	0	0	154
<u>Other Courts - In-county</u>											
Fines	11,386	0	0	0	0	0	0	0	0	0	11,386
<u>Other Fines, Forfeitures, and Penalties</u>											
Other Fines, Forfeitures, and Penalties	5,130	0	0	0	0	0	0	0	0	0	5,130
Total Fines, Forfeitures, and Penalties	\$ 495,773	\$ 7,548	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 503,321
<u>Charges for Current Services</u>											
<u>General Service Charges</u>											
Patient Charges	\$ 1,449,660	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,449,660
Work Release Charges for Board	90	0	0	0	0	0	0	0	0	0	90
Other General Service Charges	95	0	0	0	0	0	0	0	0	0	95

(Continued)

Exhibit K-5

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	Capital Projects Funds			
Charges for Current Services (Cont.)												
<u>General Service Charges (Cont.)</u>												
<u>Fees</u>	\$	50 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	50
Copy Fees		335	0	0	0	0	0	0	0	0	0	335
Archives and Records Management Fee - County Clerk		5,606	0	0	0	0	0	0	0	0	0	5,606
Telephone Commissions		62,458	0	0	0	0	0	0	0	0	0	62,458
Constitutional Officers' Fees and Commissions		0	0	0	364	0	0	0	0	0	0	364
Data Processing Fee - Register		14,455	0	0	0	0	0	0	0	0	0	14,455
Probation Fees		506,928	0	0	0	0	0	0	0	0	0	506,928
Data Processing Fee - Sheriff		5,353	0	0	0	0	0	0	0	0	0	5,353
Sexual Offender Registration Fees - Sheriff		3,950	0	0	0	0	0	0	0	0	0	3,950
Data Processing Fee - County Clerk		3,621	0	0	0	0	0	0	0	0	0	3,621
<u>Other Charges for Services</u>												
Other Charges for Services		60,773	0	0	0	0	0	0	0	0	0	60,773
Total Charges for Current Services	\$	2,113,374 \$	0 \$	0 \$	364 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	2,113,738
<u>Other Local Revenues</u>												
<u>Recurring Items</u>												
Investment Income		0	0	0	0	0	0	0	0	0	0	223,752
Lease/Rentals		169,367	0	0	0	0	0	133,734	0	120,000	0	428,651
Sale of Materials and Supplies		0	0	0	0	0	2,621	0	0	0	0	2,621
Commissary Sales		7,450	0	0	0	0	0	0	0	0	0	7,450
Sale of Gasoline		0	0	0	0	0	13,915	0	0	0	0	13,915
Sale of Animals/Livestock		5,157	0	0	0	0	0	0	0	0	0	5,157
Miscellaneous Refunds		184,690	0	0	0	0	1,422	0	0	400	0	186,512
Expenditure Credits		73,768	0	0	0	0	0	0	0	0	0	73,768
<u>Nonrecurring Items</u>												
Sale of Equipment		11,614	3,507	0	0	0	15,890	0	0	0	0	31,011
Contributions and Gifts		30,232	0	0	0	0	0	0	0	0	0	30,232
<u>Other Local Revenues</u>												
Other Local Revenues		15,141	0	0	0	0	0	0	0	0	0	15,141
Total Other Local Revenues	\$	497,419 \$	3,507 \$	5,550 \$	0 \$	33,848 \$	357,486 \$	0 \$	120,400 \$	0 \$	0 \$	1,018,210

(Continued)

Exhibit K-5

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>Fees Received from County Officials</u>											
<u>Fees in-Lieu-of Salary</u>											
County Clerk	\$ 380,557	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 380,557
Circuit Court Clerk	85,700	0	0	0	0	0	0	0	0	0	85,700
General Sessions Court Clerk	328,784	0	0	0	0	0	0	0	0	0	328,784
Clerk and Master	259,094	0	0	0	0	0	0	0	0	0	259,094
Register	172,589	0	0	0	0	0	0	0	0	0	172,589
Sheriff	33,745	0	0	0	0	0	0	0	0	0	33,745
Trustee	615,933	0	0	0	0	0	0	0	0	0	615,933
Total Fees Received from County Officials	\$ 1,876,402	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,876,402
<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	598	0	0	0	0	0	0	0	0	0	598
Health and Welfare Grants											
Health Department Programs	317,976	0	0	0	0	0	0	0	0	0	317,976
<u>Public Works Grants</u>											
Bridge Program	0	0	0	0	268,534	0	0	0	0	0	268,534
State Aid Program	0	0	0	0	253,964	0	0	0	0	0	253,964
Litter Program	0	0	0	0	54,540	0	0	0	0	0	54,540
<u>Other State Revenues</u>											
Income Tax	70,741	0	0	0	0	0	0	0	0	0	70,741
Beer Tax	18,421	0	0	0	0	0	0	0	0	0	18,421
Alcoholic Beverage Tax	69,337	0	0	0	0	0	0	0	0	0	69,337
Mixed Drink Tax	5,111	0	0	0	0	0	0	0	0	0	5,111
Emergency Hospital - Prisoners	798	0	0	0	0	0	0	0	0	0	798
Contracted Prisoner Boarding	1,221,240	0	0	0	0	0	0	0	0	0	1,221,240
Gasoline and Motor Fuel Tax	0	0	0	0	1,824,549	0	0	0	0	0	1,824,549
Petroleum Special Tax	0	0	0	0	32,511	0	0	0	0	0	32,511
Registrar's Salary Supplement	15,164	0	0	0	0	0	0	0	0	0	15,164
State Shared Sales Tax - Cities	2,840	0	0	0	0	0	0	0	0	0	2,840

(Continued)

Exhibit K-5

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.)										
Other State Revenues	\$ 27,566	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 27,566
Total State of Tennessee	\$ 1,758,792	\$ 0	\$ 0	\$ 2,434,098	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,192,890
<u>Federal Government</u>										
Federal Through State										
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 18,508	\$ 0	\$ 0	\$ 18,508
Civil Defense Reimbursement	42,000	0	0	0	0	0	0	0	0	42,000
Homeland Security Grants	136,524	0	0	0	0	0	0	0	0	136,524
Other Federal through State	222,508	0	0	0	0	0	0	0	0	222,508
Total Federal Government	\$ 401,032	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 18,508	\$ 0	\$ 0	\$ 419,540
<u>Other Governments and Citizens Groups</u>										
Other Governments										
Paving and Maintenance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,760	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,760
Contributions	0	0	0	0	0	1,001,594	0	0	0	1,001,594
Contracted Services	0	0	0	0	2,967	0	0	0	0	2,967
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,727	\$ 1,001,594	\$ 0	\$ 0	\$ 0	\$ 1,007,321
Total	\$ #####	\$ 11,055	\$ 5,550	\$ 364	\$ 2,928,459	\$ 7,487,281	\$ 18,508	\$ 120,400	\$ 28,909,272	

Exhibit K-6

Bedford County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Bedford County School Department
For the Year Ended June 30, 2012

	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 7,603,239	\$ 0	\$ 0	\$ 0	\$ 7,603,239
Trustee's Collections - Prior Year	415,741	0	0	0	415,741
Circuit/Clerk & Master Collections - Prior Years	271,405	0	0	0	271,405
Interest and Penalty	81,885	0	0	0	81,885
Payments in-Lieu-of Taxes - T.V.A.	364,815	0	0	0	364,815
Payments in-Lieu-of Taxes - Local Utilities	57,413	0	0	0	57,413
Payments in-Lieu-of Taxes - Other	88,565	0	0	0	88,565
<u>County Local Option Taxes</u>					
Local Option Sales Tax	1,956,756	0	0	0	1,956,756
<u>Statutory Local Taxes</u>					
Interstate Telecommunications Tax	2,776	0	0	0	2,776
Total Local Taxes	\$ 10,842,595	\$ 0	\$ 0	\$ 0	\$ 10,842,595
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 2,813	\$ 0	\$ 0	\$ 0	\$ 2,813
Total Licenses and Permits	\$ 2,813	\$ 0	\$ 0	\$ 0	\$ 2,813
<u>Charges for Current Services</u>					
<u>Fees</u>					
Copy Fees	\$ 7	\$ 0	\$ 0	\$ 0	\$ 7
<u>Education Charges</u>					
Tuition - Summer School	1,070	0	0	0	1,070
Tuition - Other	0	0	0	320,915	320,915
Lunch Payments - Children	0	0	794,044	0	794,044
Lunch Payments - Adults	0	0	156,692	0	156,692
Income from Breakfast	0	0	172,466	0	172,466
A la carte Sales	0	0	36,274	0	36,274
Receipts from Individual Schools	114,194	0	0	0	114,194
<u>Other Charges for Services</u>					
Other Charges for Services	2,001	0	0	0	2,001
Total Charges for Current Services	\$ 117,272	\$ 0	\$ 1,159,476	\$ 320,915	\$ 1,597,663
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 88,905	\$ 0	\$ 88,905
Lease/Rentals	4,650	0	0	0	4,650
Refund of Telecommunication and Internet Fees (E-Rate)	27,720	0	0	0	27,720
Miscellaneous Refunds	163,865	0	516	0	164,381
<u>Nonrecurring Items</u>					
Sale of Equipment	21,546	0	0	0	21,546
Contributions and Gifts	9,219	0	0	0	9,219
Total Other Local Revenues	\$ 227,000	\$ 0	\$ 89,421	\$ 0	\$ 316,421
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-Behalf Contributions for OPEB	\$ 142,068	\$ 0	\$ 0	\$ 0	\$ 142,068

(Continued)

Exhibit K-6

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

	General Purpose School	School Federal Projects	Central Cafeteria	Extended School Program	Total
<u>State of Tennessee (Cont.)</u>					
<u>State Education Funds</u>					
Basic Education Program	\$ 36,243,000	\$ 0	\$ 0	\$ 0	\$ 36,243,000
Early Childhood Education	343,274	0	0	0	343,274
School Food Service	40,504	0	0	0	40,504
Energy Efficient School Initiative	104,950	0	0	0	104,950
Driver Education	21,006	0	0	0	21,006
Other State Education Funds	280,714	0	0	0	280,714
Career Ladder Program	287,536	0	0	0	287,536
Career Ladder - Extended Contract	121,500	0	0	0	121,500
Career Ladder - Extended Contract - ARRA	116,116	0	0	0	116,116
<u>Other State Revenues</u>					
Mixed Drink Tax	5,111	0	0	0	5,111
Other State Grants	3,053	0	0	0	3,053
Other State Revenues	9,188	0	0	0	9,188
Total State of Tennessee	\$ 37,718,020	\$ 0	\$ 0	\$ 0	\$ 37,718,020
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 2,121,998	\$ 0	\$ 2,121,998
USDA - Commodities	0	0	190,078	0	190,078
Breakfast	0	0	647,694	0	647,694
USDA - Other	0	0	79,702	0	79,702
Adult Education State Grant Program	149,794	0	0	0	149,794
Vocational Education - Basic Grants to States	0	136,399	0	0	136,399
Title I Grants to Local Education Agencies	0	1,777,881	0	0	1,777,881
Special Education - Grants to States	30,940	1,998,728	0	0	2,029,668
Special Education Preschool Grants	0	28,056	0	0	28,056
English Language Acquisition Grants	0	111,142	0	0	111,142
Safe and Drug-free Schools - State Grants	0	9,098	0	0	9,098
Rural Education	0	172,512	0	0	172,512
Eisenhower Professional Development State Grants	0	318,040	0	0	318,040
Race-to-the-Top - ARRA	0	451,285	0	0	451,285
Other Federal through State	56,158	711,608	0	0	767,766
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	361,298	0	0	0	361,298
Total Federal Government	\$ 598,190	\$ 5,714,749	\$ 3,039,472	\$ 0	\$ 9,352,411
Total	\$ 49,505,890	\$ 5,714,749	\$ 4,288,369	\$ 320,915	\$ 59,829,923

Exhibit K-7

Bedford County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Bedford County Solid Waste Authority
For the Year Ended June 30, 2012

	Solid Waste / Sanitation
<hr/>	
<u>Other Local Revenues</u>	
<u>Recurring Items</u>	
Sale of Recycled Materials	\$ 52,384
Miscellaneous Refunds	346
<u>Nonrecurring Items</u>	
Sale of Equipment	6,000
Total Other Local Revenues	<u>\$ 58,730</u>
<u>State of Tennessee</u>	
<u>General Government Grants</u>	
Solid Waste Grants	\$ 19,713
Total State of Tennessee	<u>\$ 19,713</u>
<u>Other Governments and Citizens Groups</u>	
<u>Other Governments</u>	
Contributions	\$ 855,000
Total Other Governments and Citizens Groups	<u>\$ 855,000</u>
Total	<u><u>\$ 933,443</u></u>

Exhibit K-8

Bedford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2012

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	86,942	
Social Security		5,390	
State Retirement		2,369	
Employer Medicare		1,261	
Advertising		4,490	
Total County Commission			\$ 100,452

Board of Equalization

Board and Committee Members Fees	\$	1,820	
Total Board of Equalization			1,820

Beer Board

Board and Committee Members Fees	\$	475	
Total Beer Board			475

Budget and Finance Committee

Board and Committee Members Fees	\$	2,625	
Social Security		163	
State Retirement		52	
Employer Medicare		38	
Total Budget and Finance Committee			2,878

County Mayor/Executive

County Official/Administrative Officer	\$	81,254	
Supervisor/Director		13,145	
Data Processing Personnel		29,093	
Secretary(ies)		27,617	
Clerical Personnel		390	
Part-time Personnel		145	
Longevity Pay		150	
In-Service Training		165	
Social Security		9,245	
State Retirement		8,597	
Life Insurance		154	
Medical Insurance		10,896	
Employer Medicare		2,162	
Communication		2,758	
Maintenance Agreements		1,302	
Postal Charges		737	
Travel		313	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

County Mayor/Executive (Cont.)

Other Contracted Services	\$	25	
Gasoline		90	
Office Supplies		1,463	
Other Charges		917	
Furniture and Fixtures		89	
Office Equipment		453	
Total County Mayor/Executive			\$ 191,160

County Attorney

County Official/Administrative Officer	\$	85,825	
Total County Attorney			85,825

Election Commission

County Official/Administrative Officer	\$	57,559	
Assistant(s)		29,242	
Custodial Personnel		4,800	
Part-time Personnel		1,724	
Longevity Pay		150	
Overtime Pay		157	
Election Commission		3,525	
Election Workers		7,609	
Social Security		5,744	
State Retirement		5,462	
Life Insurance		103	
Medical Insurance		5,452	
Employer Medicare		1,343	
Communication		1,187	
Data Processing Services		2,900	
Dues and Memberships		175	
Maintenance Agreements		8,052	
Maintenance and Repair Services - Equipment		110	
Postal Charges		13,692	
Printing, Stationery, and Forms		7,593	
Travel		1,448	
Office Supplies		2,927	
Other Supplies and Materials		2,396	
Office Equipment		17,841	
Total Election Commission			181,191

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds

County Official/Administrative Officer	\$	63,954	
Assistant(s)		112,194	
Educational Incentive - Official/Admin Officer		1,000	
Longevity Pay		2,700	
Social Security		10,364	
State Retirement		11,276	
Life Insurance		255	
Medical Insurance		16,584	
Employer Medicare		2,424	
Communication		2,261	
Dues and Memberships		609	
Maintenance Agreements		1,146	
Postal Charges		982	
Travel		954	
Other Contracted Services		8,000	
Office Supplies		5,176	
Other Charges		1,036	
Data Processing Equipment		16,839	
Total Register of Deeds			\$ 257,754

Planning

Part-time Personnel	\$	17,330	
Other Salaries and Wages		80,394	
Board and Committee Members Fees		4,375	
In-Service Training		144	
Social Security		5,811	
State Retirement		4,980	
Life Insurance		131	
Medical Insurance		12,389	
Employer Medicare		1,359	
Contracts with Government Agencies		13,125	
Legal Notices, Recording, and Court Costs		527	
Maintenance and Repair Services - Vehicles		422	
Postal Charges		180	
Travel		325	
Gasoline		192	
Office Supplies		641	
Other Charges		576	
Data Processing Equipment		938	
Office Equipment		83	
Total Planning			143,922

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

Codes Compliance

Longevity Pay	\$	450	
Other Salaries and Wages		64,820	
In-Service Training		1,311	
Social Security		3,962	
State Retirement		3,244	
Life Insurance		87	
Medical Insurance		5,452	
Employer Medicare		927	
Communication		375	
Dues and Memberships		295	
Legal Notices, Recording, and Court Costs		166	
Maintenance and Repair Services - Vehicles		504	
Postal Charges		14	
Travel		1,071	
Gasoline		1,214	
Office Supplies		597	
Office Equipment		136	
Total Codes Compliance			\$ 84,625

County Buildings

Custodial Personnel	\$	25,712
Maintenance Personnel		33,890
Longevity Pay		150
Social Security		2,118
State Retirement		1,622
Life Insurance		133
Medical Insurance		8,104
Employer Medicare		495
Communication		6,008
Maintenance Agreements		3,011
Maintenance and Repair Services - Buildings		55,670
Maintenance and Repair Services - Equipment		122
Pest Control		550
Other Contracted Services		15,600
Custodial Supplies		7,042
Utilities		91,990
Other Supplies and Materials		8,842
Other Charges		4,902
Building Improvements		123,878
Office Equipment		1,677

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Other Equipment	\$ 18,670	
Total County Buildings		\$ 410,186

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$ 85,850	
Accountants/Bookkeepers	194,198	
Clerical Personnel	34,172	
Longevity Pay	10,050	
In-Service Training	2,698	
Social Security	20,720	
State Retirement	17,929	
Life Insurance	430	
Medical Insurance	36,534	
Employer Medicare	4,419	
Communication	19,471	
Data Processing Services	11,596	
Dues and Memberships	1,675	
Postal Charges	4,109	
Travel	502	
Other Contracted Services	2,082	
Data Processing Supplies	4,480	
Office Supplies	8,409	
Premiums on Corporate Surety Bonds	1,020	
Other Charges	5,013	
Data Processing Equipment	658	
Office Equipment	1,607	
Total Accounting and Budgeting		467,622

Property Assessor's Office

County Official/Administrative Officer	\$ 63,954
Assistant(s)	30,716
Data Processing Personnel	28,966
Secretary(ies)	30,411
Clerical Personnel	54,801
Educational Incentive - Official/Admin Officer	1,000
Longevity Pay	7,900
Other Salaries and Wages	750
In-Service Training	230
Social Security	12,886

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

State Retirement	\$	13,700	
Life Insurance		314	
Medical Insurance		32,715	
Employer Medicare		3,014	
Communication		1,450	
Data Processing Services		11,954	
Dues and Memberships		1,785	
Maintenance Agreements		797	
Maintenance and Repair Services - Equipment		5,141	
Postal Charges		933	
Rentals		15,780	
Travel		2,455	
Other Contracted Services		22,200	
Gasoline		4,256	
Office Supplies		1,364	
Other Charges		644	
Data Processing Equipment		4,711	
Furniture and Fixtures		130	
Total Property Assessor's Office			\$ 354,957

Reappraisal Program

Clerical Personnel	\$	26,222	
Longevity Pay		2,000	
Other Salaries and Wages		40,029	
In-Service Training		315	
Social Security		4,034	
State Retirement		4,221	
Life Insurance		103	
Medical Insurance		10,905	
Employer Medicare		944	
Communication		40	
Data Processing Services		4,124	
Postal Charges		578	
Printing, Stationery, and Forms		325	
Travel		1,529	
Office Supplies		1,664	
Other Charges		1,192	
Office Equipment		3,396	
Total Reappraisal Program			101,621

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office

County Official/Administrative Officer	\$	63,954	
Deputy(ies)		114,725	
Educational Incentive - Official/Admin Officer		1,000	
Longevity Pay		5,000	
Overtime Pay		789	
Social Security		11,000	
State Retirement		11,439	
Life Insurance		253	
Medical Insurance		21,789	
Employer Medicare		2,573	
Communication		2,081	
Data Processing Services		5,357	
Dues and Memberships		784	
Legal Notices, Recording, and Court Costs		271	
Maintenance Agreements		5,425	
Postal Charges		5,887	
Travel		1,389	
Office Supplies		4,817	
Other Charges		182	
Office Equipment		8,380	
Total County Trustee's Office			\$ 267,095

County Clerk's Office

County Official/Administrative Officer	\$	63,954	
Deputy(ies)		187,287	
Longevity Pay		11,650	
Social Security		15,375	
State Retirement		16,264	
Life Insurance		354	
Medical Insurance		26,085	
Employer Medicare		3,596	
Communication		2,020	
Dues and Memberships		634	
Maintenance Agreements		11,195	
Postal Charges		9,808	
Travel		604	
Office Supplies		6,018	
Other Charges		79	
Office Equipment		909	
Total County Clerk's Office			355,832

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	70,349	
Deputy(ies)		258,625	
Part-time Personnel		2,273	
Educational Incentive - Official/Admin Officer		1,000	
Longevity Pay		12,250	
Other Salaries and Wages		36,821	
Jury and Witness Expense		18,829	
Social Security		23,001	
State Retirement		20,390	
Life Insurance		462	
Medical Insurance		35,353	
Employer Medicare		5,379	
Communication		3,435	
Dues and Memberships		574	
Maintenance Agreements		16,335	
Postal Charges		3,325	
Travel		559	
Office Supplies		6,614	
Other Charges		1,089	
Office Equipment		2,340	
Total Circuit Court			\$ 519,003

General Sessions Court

Judge(s)	\$	141,031	
Secretary(ies)		36,766	
Longevity Pay		1,800	
In-Service Training		275	
Social Security		8,309	
State Retirement		11,261	
Life Insurance		103	
Medical Insurance		10,977	
Employer Medicare		2,570	
Communication		585	
Postal Charges		100	
Rentals		4,000	
Total General Sessions Court			217,777

Chancery Court

County Official/Administrative Officer	\$	70,349
Assistant(s)		116,690

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Part-time Personnel	\$	13,488	
Educational Incentive - Official/Admin Officer		1,000	
Longevity Pay		2,100	
Social Security		11,728	
State Retirement		11,922	
Life Insurance		253	
Medical Insurance		10,905	
Employer Medicare		2,743	
Communication		1,329	
Data Processing Services		7,536	
Dues and Memberships		1,314	
Maintenance Agreements		1,665	
Postal Charges		1,300	
Office Supplies		6,362	
In Service/Staff Development		613	
Office Equipment		16,821	
Total Chancery Court			\$ 278,118

Juvenile Court

Youth Service Officer(s)	\$	42,555	
Social Workers		64,989	
Salary Supplements		9,439	
Longevity Pay		2,400	
In-Service Training		600	
Social Security		7,249	
State Retirement		7,485	
Life Insurance		141	
Medical Insurance		4,089	
Employer Medicare		1,695	
Communication		940	
Contracts with Government Agencies		4,475	
Postal Charges		400	
Rentals		8,000	
Travel		593	
Office Supplies		174	
Other Charges		38,771	
Total Juvenile Court			193,995

Judicial Commissioners

Deputy(ies)	\$	128,841	
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(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Judicial Commissioners (Cont.)

Part-time Personnel	\$	10,059	
Longevity Pay		1,750	
Social Security		7,671	
State Retirement		8,188	
Life Insurance		211	
Medical Insurance		23,556	
Employer Medicare		1,794	
Maintenance Agreements		986	
Office Supplies		592	
Total Judicial Commissioners			\$ 183,648

Other Administration of Justice

Probation Officer(s)	\$	31,985	
Guidance Personnel		42,981	
Longevity Pay		1,100	
In-Service Training		669	
Social Security		4,460	
State Retirement		4,769	
Life Insurance		106	
Medical Insurance		9,728	
Employer Medicare		1,043	
Communication		952	
Contracts with Government Agencies		7,050	
Postal Charges		350	
Rentals		4,000	
Travel		134	
Office Supplies		407	
Total Other Administration of Justice			109,734

Probation Services

County Official/Administrative Officer	\$	49,297	
Clerical Personnel		134,114	
Longevity Pay		4,500	
Social Security		10,783	
State Retirement		10,634	
Life Insurance		291	
Medical Insurance		16,498	
Employer Medicare		2,522	
Communication		4,680	
Maintenance Agreements		6,477	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Probation Services (Cont.)

Maintenance and Repair Services - Equipment	\$	504	
Postal Charges		616	
Printing, Stationery, and Forms		2,201	
Rentals		16,800	
Gasoline		52	
Office Supplies		5,089	
Other Charges		1,507	
Data Processing Equipment		2,232	
Furniture and Fixtures		392	
Total Probation Services			\$ 269,189

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	77,384
Assistant(s)		52,485
Deputy(ies)		494,123
Detective(s)		177,743
Captain(s)		110,330
Sergeant(s)		75,589
Data Processing Personnel		42,136
Salary Supplements		23,400
Dispatchers/Radio Operators		139,796
Secretary(ies)		62,898
Part-time Personnel		9,720
School Resource Officer		225,059
Overtime Pay		77,037
Other Salaries and Wages		53,091
In-Service Training		5,835
Social Security		97,787
State Retirement		98,954
Life Insurance		2,181
Medical Insurance		159,741
Employer Medicare		22,870
Communication		21,774
Dues and Memberships		1,625
Maintenance Agreements		2,097
Maintenance and Repair Services - Buildings		1,350
Maintenance and Repair Services - Equipment		1,340
Maintenance and Repair Services - Vehicles		34,829
Medical and Dental Services		212

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Postal Charges	\$	1,945	
Travel		4,206	
Other Contracted Services		2,112	
Custodial Supplies		2,414	
Gasoline		155,111	
Office Supplies		6,608	
Tires and Tubes		14,068	
Uniforms		14,210	
Utilities		23,868	
Other Supplies and Materials		2,651	
Other Charges		6,000	
Building Improvements		710	
Communication Equipment		270	
Law Enforcement Equipment		103,260	
Motor Vehicles		60,638	
Office Equipment		6,510	
Total Sheriff's Department			\$ 2,475,967

Traffic Control

Other Salaries and Wages	\$	17,446	
Social Security		1,082	
State Retirement		1,094	
Employer Medicare		253	
Other Charges		7,462	
Total Traffic Control			27,337

Jail

Captain(s)	\$	45,591	
Lieutenant(s)		76,764	
Sergeant(s)		121,777	
Data Processing Personnel		67,735	
Salary Supplements		150	
Guards		588,790	
Maintenance Personnel		34,273	
Overtime Pay		34,971	
In-Service Training		3,166	
Social Security		57,636	
State Retirement		52,674	
Life Insurance		1,526	
Medical Insurance		138,841	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Employer Medicare	\$	13,480	
Communication		8,558	
Maintenance Agreements		15,175	
Maintenance and Repair Services - Buildings		11,409	
Maintenance and Repair Services - Equipment		5,548	
Maintenance and Repair Services - Vehicles		1,349	
Medical and Dental Services		485,108	
Postal Charges		1,791	
Travel		539	
Other Contracted Services		4,343	
Custodial Supplies		19,077	
Food Supplies		190,357	
Instructional Supplies and Materials		105	
Office Supplies		5,905	
Prisoners Clothing		3,575	
Uniforms		6,158	
Utilities		95,132	
Other Supplies and Materials		3,863	
Office Equipment		9,998	
Other Equipment		8,000	
Total Jail			\$ 2,113,364

Workhouse

Captain(s)	\$	38,996
Sergeant(s)		137,011
Data Processing Personnel		34,074
Guards		299,556
Maintenance Personnel		37,909
Overtime Pay		28,753
In-Service Training		941
Social Security		34,350
State Retirement		34,781
Life Insurance		944
Medical Insurance		70,944
Employer Medicare		8,033
Communication		6,932
Maintenance Agreements		1,395
Maintenance and Repair Services - Buildings		2,332
Maintenance and Repair Services - Equipment		975
Postal Charges		260

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Workhouse (Cont.)

Travel	\$	83	
Other Contracted Services		2,315	
Custodial Supplies		13,146	
Food Supplies		102,790	
Office Supplies		3,654	
Prisoners Clothing		2,189	
Uniforms		3,318	
Utilities		46,114	
Other Supplies and Materials		1,793	
Office Equipment		803	
Other Equipment		613	
Total Workhouse			\$ 915,004

Juvenile Services

County Official/Administrative Officer	\$	34,822
Sergeant(s)		133,572
Guards		82,195
Overtime Pay		25,938
In-Service Training		2,794
Social Security		16,460
State Retirement		14,713
Life Insurance		377
Medical Insurance		39,377
Employer Medicare		3,850
Communication		600
Maintenance Agreements		568
Maintenance and Repair Services - Buildings		405
Maintenance and Repair Services - Equipment		290
Maintenance and Repair Services - Office Equipment		69
Medical and Dental Services		55
Postal Charges		266
Custodial Supplies		3,722
Food Supplies		3,843
Instructional Supplies and Materials		144
Office Supplies		1,123
Prisoners Clothing		780
Uniforms		907
Utilities		6,401
Other Supplies and Materials		530
Office Equipment		349

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Juvenile Services (Cont.)

Other Equipment	\$ 602	
Total Juvenile Services		\$ 374,752

Other Emergency Management

Assistant(s)	\$ 122,477	
Supervisor/Director	107,213	
Captain(s)	164,214	
Lieutenant(s)	76,867	
Secretary(ies)	7,055	
Longevity Pay	8,700	
Other Salaries and Wages	289,884	
Social Security	45,029	
State Retirement	47,409	
Life Insurance	1,050	
Medical Insurance	100,747	
Employer Medicare	10,531	
Communication	26,353	
Dues and Memberships	560	
Maintenance and Repair Services - Buildings	26,353	
Maintenance and Repair Services - Equipment	13,300	
Maintenance and Repair Services - Vehicles	1,380	
Travel	1,314	
Other Contracted Services	7,765	
Custodial Supplies	2,004	
Diesel Fuel	18,680	
Gasoline	15,755	
Office Supplies	8,228	
Uniforms	8,495	
Utilities	40,635	
Other Supplies and Materials	5,935	
Liability Insurance	6,917	
Vehicle and Equipment Insurance	11,813	
Workers' Compensation Insurance	28,380	
In Service/Staff Development	30,159	
Other Charges	1,399	
Other Equipment	94,336	
Total Other Emergency Management		1,330,937

County Coroner/Medical Examiner

Medical Personnel	\$ 9,525	
Total County Coroner/Medical Examiner		9,525

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Other Public Safety

Dispatchers/Radio Operators	\$	269,959	
Clerical Personnel		33,843	
Overtime Pay		59,247	
Other Salaries and Wages		24,682	
Total Other Public Safety			\$ 387,731

Public Health and Welfare

Local Health Center

Other Salaries and Wages	\$	284,464	
Social Security		16,959	
State Retirement		15,024	
Life Insurance		525	
Medical Insurance		29,080	
Employer Medicare		3,966	
Communication		10,900	
Janitorial Services		12,775	
Maintenance Agreements		996	
Maintenance and Repair Services - Buildings		6,864	
Maintenance and Repair Services - Equipment		136	
Travel		4,299	
Office Supplies		117	
Utilities		18,432	
Other Supplies and Materials		664	
Other Charges		387	
Total Local Health Center			405,588

Rabies and Animal Control

Assistant(s)	\$	50,809	
Supervisor/Director		26,257	
Overtime Pay		435	
In-Service Training		787	
Social Security		4,697	
State Retirement		3,331	
Life Insurance		126	
Medical Insurance		7,150	
Employer Medicare		1,098	
Communication		5,924	
Maintenance and Repair Services - Buildings		2,909	
Maintenance and Repair Services - Office Equipment		334	
Maintenance and Repair Services - Vehicles		308	

(Continued)

Exhibit K-8

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	\$	102	
Animal Food and Supplies		6,280	
Custodial Supplies		3,484	
Drugs and Medical Supplies		24,135	
Gasoline		1,676	
Office Supplies		1,584	
Uniforms		229	
Utilities		9,251	
Other Charges		16,225	
Building Improvements		18,158	
Other Equipment		1,435	
Total Rabies and Animal Control			\$ 186,724

Ambulance/Emergency Medical Services

Supervisor/Director	\$	59,838
Captain(s)		134,212
Medical Personnel		538,791
Salary Supplements		13,005
Mechanic(s)		22,305
Clerical Personnel		72,460
Part-time Personnel		137,186
Longevity Pay		22,850
Overtime Pay		491,386
In-Service Training		4,227
Social Security		89,492
State Retirement		71,685
Life Insurance		1,391
Medical Insurance		108,175
Employer Medicare		20,930
Advertising		139
Communication		15,703
Consultants		256
Dues and Memberships		1,272
Evaluation and Testing		1,767
Licenses		2,500
Maintenance Agreements		14,873
Maintenance and Repair Services - Buildings		5,374
Maintenance and Repair Services - Equipment		4,232
Maintenance and Repair Services - Office Equipment		708
Maintenance and Repair Services - Vehicles		73,851

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Postal Charges	\$	2,849	
Printing, Stationery, and Forms		2,000	
Travel		1,593	
Tuition		6,991	
Disposal Fees		6,545	
Custodial Supplies		2,424	
Data Processing Supplies		1,937	
Diesel Fuel		71,214	
Drugs and Medical Supplies		52,089	
Gasoline		13,407	
Natural Gas		4,012	
Office Supplies		3,269	
Periodicals		269	
Uniforms		13,114	
Utilities		21,440	
Other Charges		35,804	
Building Improvements		39	
Communication Equipment		1,451	
Data Processing Equipment		3,204	
Furniture and Fixtures		1,050	
Other Equipment		21,537	
Total Ambulance/Emergency Medical Services			\$ 2,174,846
<u>Other Local Health Services</u>			
Contracts with Private Agencies	\$	51,381	
Contributions		14,440	
Total Other Local Health Services			65,821
<u>Regional Mental Health Center</u>			
Contributions	\$	12,900	
Total Regional Mental Health Center			12,900
<u>Appropriation to State</u>			
Contracts with Government Agencies	\$	40,500	
Total Appropriation to State			40,500
<u>General Welfare Assistance</u>			
Contracts with Government Agencies	\$	99,875	
Total General Welfare Assistance			99,875

(Continued)

Exhibit K-8

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	\$ 81,467	
Social Security	2,752	
State Retirement	8,337	
Employer Medicare	816	
Communication	5,449	
Maintenance Agreements	1,024	
Maintenance and Repair Services - Buildings	762	
Utilities	6,334	
Total Agriculture Extension Service		106,941

Soil Conservation

Contributions	\$ 37,000	
Total Soil Conservation		37,000

Other Agriculture and Natural Resources

Maintenance Personnel	\$ 23,229	
Longevity Pay	150	
Overtime Pay	319	
Social Security	1,455	
State Retirement	1,486	
Life Insurance	53	
Employer Medicare	340	

(Continued)

Exhibit K-8

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.)

Communication	\$	992	
Diesel Fuel		370	
Gasoline		3,072	
Utilities		14,213	
Other Supplies and Materials		9,519	
Total Other Agriculture and Natural Resources			\$ 55,198

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		1,262	
Maintenance and Repair Services - Vehicles		1,782	
Postal Charges		176	
Gasoline		3,609	
Total Veterans' Services			27,113

Other Charges

Building and Contents Insurance	\$	112,280	
Workers' Compensation Insurance		62,144	
Liability Claims		5,000	
Total Other Charges			179,424

Contributions to Other Agencies

Contributions	\$	112,000	
Dues and Memberships		8,449	
Total Contributions to Other Agencies			120,449

Employee Benefits

Unemployment Compensation	\$	47,571	
On-Behalf Payments to OPEB		598	
Total Employee Benefits			48,169

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Other Operations (Cont.)

Miscellaneous

Audit Services	\$	13,517	
Contributions		37,364	
Rentals		27,348	
Other Contracted Services		30,664	
Trustee's Commission		224,553	
Other Charges		4,833	
Total Miscellaneous			\$ 338,279

Capital Projects

Other General Government Projects

Other Construction	\$	148,708	
Total Other General Government Projects			148,708

Total General Fund \$ 17,476,641

Drug Control Fund

Public Safety

Drug Enforcement

Other Supplies and Materials	\$	4,482	
Other Charges		500	
Office Equipment		926	
Total Drug Enforcement			\$ 5,908

Other Operations

Miscellaneous

Contributions	\$	2,000	
Trustee's Commission		47	
Total Miscellaneous			2,047

Total Drug Control Fund 7,955

Agriculture Center Fund

Agriculture and Natural Resources

Other Agriculture and Natural Resources

Building Improvements	\$	5,586	
Other Equipment		812	
Total Other Agriculture and Natural Resources			\$ 6,398

Total Agriculture Center Fund 6,398

(Continued)

Exhibit K-8

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

Constitutional Officers - Fees Fund

Administration of Justice

General Sessions Court

Constitutional Officers' Operating Expenses	\$ 364	
Total General Sessions Court		\$ 364

Total Constitutional Officers - Fees Fund \$ 364

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	\$ 77,376	
Assistant(s)	36,408	
Accountants/Bookkeepers	40,429	
Secretary(ies)	15,626	
Board and Committee Members Fees	4,950	
Social Security	12,575	
State Retirement	9,423	
Medical Insurance	14,522	
Unemployment Compensation	1,035	
Employer Medicare	635	
Data Processing Services	490	
Dues and Memberships	3,219	
Legal Services	800	
Legal Notices, Recording, and Court Costs	413	
Postal Charges	450	
Printing, Stationery, and Forms	164	
Travel	165	
Office Supplies	808	
Total Administration		219,488

Highway and Bridge Maintenance

Foremen	\$ 37,613
Equipment Operators	213,625
Truck Drivers	253,607
Laborers	31,720
Social Security	37,709
State Retirement	33,909

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Medical Insurance	\$	81,832	
Unemployment Compensation		4,650	
Employer Medicare		1,309	
Rentals		9,543	
Asphalt - Cold Mix		6,261	
Asphalt - Hot Mix		76,355	
Asphalt - Liquid		71,372	
Crushed Stone		148,317	
Other Road Supplies		1,084	
Pipe		9,913	
Road Signs		6,382	
Small Tools		742	
Wood Products		550	
Total Highway and Bridge Maintenance			\$ 1,026,493

Operation and Maintenance of Equipment

Mechanic(s)	\$	62,365	
Laborers		70,212	
Social Security		9,374	
State Retirement		8,313	
Medical Insurance		11,927	
Unemployment Compensation		1,080	
Employer Medicare		300	
Diesel Fuel		161,272	
Equipment and Machinery Parts		42,614	
Garage Supplies		9,429	
Gasoline		42,868	
Lubricants		7,824	
Tires and Tubes		11,831	
Other Supplies and Materials		3,311	
Total Operation and Maintenance of Equipment			442,720

Litter and Trash Collection

Other Salaries and Wages	\$	26,177	
Social Security		1,926	
State Retirement		1,556	
Medical Insurance		392	
Unemployment Compensation		322	
Employer Medicare		75	
Other Charges		21,391	
Total Litter and Trash Collection			51,839

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges

Communication	\$	8,606	
Electricity		9,606	
Natural Gas		3,140	
Trustee's Commission		26,433	
Vehicle and Equipment Insurance		47,212	
Other Charges		3,488	
Total Other Charges			\$ 98,485

Employee Benefits

Employee and Dependent Insurance	\$	3,523	
Uniforms		4,468	
Workers' Compensation Insurance		29,095	
Total Employee Benefits			37,086

Capital Outlay

Engineering Services	\$	61,236	
Bridge Construction		331,480	
Highway Construction		461,132	
Highway Equipment		23,293	
Total Capital Outlay			<u>877,141</u>

Total Highway/Public Works Fund \$ 2,760,252

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	260,000	
Principal on Notes		364,600	
Total General Government			\$ 624,600

Highways and Streets

Principal on Notes	\$	433,698	
Total Highways and Streets			433,698

Education

Principal on Bonds	\$	2,970,000	
Principal on Notes		940,000	
Principal on Other Loans		482,000	
Total Education			4,392,000

(Continued)

Exhibit K-8

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

General Debt Service Fund (Cont.)

Interest on Debt

General Government

Interest on Bonds	\$ 208,125	
Interest on Notes	37,494	
Total General Government	\$ 245,619	

Highways and Streets

Interest on Notes	\$ 18,206	
Total Highways and Streets		18,206

Education

Interest on Bonds	\$ 2,580,711	
Interest on Notes	61,594	
Interest on Other Loans	17,483	
Total Education		2,659,788

Other Debt Service

General Government

Trustee's Commission	\$ 72,842	
Other Debt Service	7,373	
Total General Government		80,215

Education

Other Debt Service	\$ 33,450	
Total Education		33,450

Total General Debt Service Fund \$ 8,487,576

General Capital Projects Fund

Other Operations

Miscellaneous

Other Charges	\$ 8,250	
Total Miscellaneous		\$ 8,250

Capital Outlay

Regular Capital Outlay

Building Improvements	\$ 80,401	
Communication Equipment	3,852	
Total Regular Capital Outlay		84,253

Total General Capital Projects Fund 92,503

(Continued)

Exhibit K-8

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

<u>Community Development/Industrial Park Fund</u>			
<u>Capital Projects</u>			
<u>Public Health and Welfare Projects</u>			
Engineering Services	\$	6,576	
Other Capital Outlay		<u>11,932</u>	
Total Public Health and Welfare Projects			<u>\$ 18,508</u>
Total Community Development/Industrial Park Fund			\$ 18,508
<u>Nursing Home Projects Fund</u>			
<u>Other Operations</u>			
<u>Miscellaneous</u>			
Other Contracted Services	\$	455	
Trustee's Commission		1,200	
Other Charges		<u>5,112</u>	
Total Miscellaneous			<u>\$ 6,767</u>
Total Nursing Home Projects Fund			<u>6,767</u>
Total Governmental Funds - Primary Government			<u><u>\$ 28,856,964</u></u>

Exhibit K-9

Bedford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Bedford County School Department
For the Year Ended June 30, 2012

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 17,842,237	
Career Ladder Program	185,351	
Career Ladder Extended Contracts	65,655	
Homebound Teachers	96,723	
Salary Supplements	16,914	
Clerical Personnel	70,493	
Educational Assistants	933,357	
Other Salaries and Wages	65,488	
Certified Substitute Teachers	339,748	
Social Security	1,152,209	
State Retirement	1,684,566	
Life Insurance	18,317	
Medical Insurance	3,017,900	
Unemployment Compensation	63,749	
Employer Medicare	270,970	
Maintenance and Repair Services - Equipment	15,274	
Travel	17,121	
Other Contracted Services	111,897	
Instructional Supplies and Materials	359,373	
Textbooks	687,306	
Other Supplies and Materials	53,289	
In Service/Staff Development	80,917	
Other Charges	95,349	
Motor Vehicles	42,544	
Regular Instruction Equipment	638,902	
Other Capital Outlay	300,138	
Total Regular Instruction Program		\$ 28,225,787

Alternative Instruction Program

Teachers	\$ 236,156
Career Ladder Program	2,000
Social Workers	79,487
Clerical Personnel	12,705
Educational Assistants	24,720
Other Salaries and Wages	1,521
Social Security	21,541
State Retirement	30,538
Medical Insurance	29,883
Employer Medicare	5,038

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Alternative Instruction Program (Cont.)

Other Equipment	\$ 9,540	
Total Alternative Instruction Program		\$ 453,129

Special Education Program

Teachers	\$ 1,675,083	
Career Ladder Program	15,358	
Career Ladder Extended Contracts	4,455	
Educational Assistants	112,887	
Speech Pathologist	202,064	
Other Salaries and Wages	5,584	
Certified Substitute Teachers	36,225	
Social Security	120,687	
State Retirement	177,397	
Medical Insurance	278,425	
Employer Medicare	28,228	
Other Contracted Services	56,478	
Instructional Supplies and Materials	48,950	
Other Charges	473	
Special Education Equipment	9,723	
Total Special Education Program		2,772,017

Vocational Education Program

Teachers	\$ 815,888	
Career Ladder Program	5,999	
Certified Substitute Teachers	12,385	
Social Security	47,769	
State Retirement	71,127	
Medical Insurance	103,209	
Employer Medicare	11,713	
Maintenance and Repair Services - Equipment	162	
Instructional Supplies and Materials	16,281	
Vocational Instruction Equipment	9,146	
Total Vocational Education Program		1,093,679

Adult Education Program

Teachers	\$ 81,739
Career Ladder Program	1,000
Clerical Personnel	7,846
Social Security	4,896

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Adult Education Program (Cont.)

State Retirement	\$	3,987	
Medical Insurance		10,241	
Employer Medicare		1,232	
Instructional Supplies and Materials		31,868	
Other Supplies and Materials		1,000	
Total Adult Education Program			\$ 143,809

Support Services

Attendance

Supervisor/Director	\$	70,948	
Career Ladder Program		1,000	
Social Security		4,396	
State Retirement		6,511	
Medical Insurance		5,345	
Employer Medicare		1,028	
Travel		449	
Other Supplies and Materials		1,741	
Other Charges		334	
Total Attendance			91,752

Health Services

Medical Personnel	\$	245,083	
Other Salaries and Wages		16,309	
Certified Substitute Teachers		1,006	
Social Security		15,858	
State Retirement		14,892	
Medical Insurance		17,459	
Employer Medicare		3,709	
Travel		5,946	
Other Contracted Services		1,430	
Drugs and Medical Supplies		7,129	
Other Supplies and Materials		56,230	
Other Charges		140	
Health Equipment		1,265	
Total Health Services			386,456

Other Student Support

Career Ladder Program	\$	11,999	
Guidance Personnel		773,673	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Other Salaries and Wages	\$	69,604	
Social Security		51,373	
State Retirement		77,402	
Medical Insurance		79,114	
Employer Medicare		12,015	
Evaluation and Testing		59,178	
Total Other Student Support			\$ 1,134,358

Regular Instruction Program

Supervisor/Director	\$	148,727	
Career Ladder Program		15,166	
Career Ladder Extended Contracts		7,200	
Librarians		689,376	
Secretary(ies)		44,261	
Other Salaries and Wages		1,415	
Social Security		47,944	
State Retirement		71,212	
Medical Insurance		87,399	
Employer Medicare		12,725	
Travel		2,356	
Library Books/Media		24,154	
In Service/Staff Development		2,994	
Total Regular Instruction Program			1,154,929

Alternative Instruction Program

Supervisor/Director	\$	68,266	
Career Ladder Program		1,000	
Social Security		4,262	
State Retirement		6,269	
Medical Insurance		5,345	
Employer Medicare		997	
Total Alternative Instruction Program			86,139

Special Education Program

Supervisor/Director	\$	75,319	
Career Ladder Program		1,000	
Psychological Personnel		50,785	
Secretary(ies)		11,327	
Other Salaries and Wages		24,871	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Social Security	\$	9,504	
State Retirement		13,625	
Medical Insurance		22,153	
Employer Medicare		2,223	
Travel		4,565	
Other Supplies and Materials		5,301	
In Service/Staff Development		16,333	
Other Charges		7,152	
Other Equipment		20,751	
Total Special Education Program			\$ 264,909

Vocational Education Program

Secretary(ies)	\$	18,409	
Other Salaries and Wages		510	
Social Security		1,065	
State Retirement		1,154	
Medical Insurance		4,000	
Employer Medicare		249	
Travel		2,286	
Total Vocational Education Program			27,673

Adult Programs

Supervisor/Director	\$	73,258	
Clerical Personnel		6,036	
Social Security		4,973	
State Retirement		6,630	
Employer Medicare		1,163	
Travel		99	
In Service/Staff Development		1,793	
Total Adult Programs			93,952

Other Programs

On-Behalf Payments to OPEB	\$	142,068	
Total Other Programs			142,068

Board of Education

Secretary to Board	\$	30,383	
Other Salaries and Wages		1,397	
Board and Committee Members Fees		22,936	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Social Security	\$	3,055	
State Retirement		1,905	
Medical Insurance		4,000	
Employer Medicare		714	
Audit Services		15,250	
Dues and Memberships		17,864	
Legal Services		8,260	
Travel		12,471	
Other Contracted Services		8,500	
Trustee's Commission		250,939	
Workers' Compensation Insurance		208,481	
In Service/Staff Development		8,650	
Criminal Investigation of Applicants - TBI		11,760	
Other Charges		1,009	
Total Board of Education			\$ 607,574

Director of Schools

County Official/Administrative Officer	\$	108,000	
Assistant(s)		90,000	
Career Ladder Extended Contracts		1,000	
Clerical Personnel		25,961	
Other Salaries and Wages		895	
Social Security		13,925	
State Retirement		19,637	
Medical Insurance		12,011	
Employer Medicare		3,257	
Communication		31,409	
Contributions		1,001,594	
Postal Charges		5,916	
Travel		3,472	
Other Contracted Services		1,500	
Other Charges		125	
Total Director of Schools			1,318,702

Office of the Principal

Principals	\$	1,019,285	
Career Ladder Program		22,998	
Accountants/Bookkeepers		101,833	
Career Ladder Extended Contracts		26,190	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Assistant Principals	\$	887,998	
Secretary(ies)		144,668	
Clerical Personnel		44,658	
Other Salaries and Wages		13,763	
Social Security		133,229	
State Retirement		194,907	
Medical Insurance		263,915	
Employer Medicare		31,164	
Communication		26,979	
Other Supplies and Materials		13,599	
Other Charges		9,000	
Total Office of the Principal			\$ 2,934,186

Human Services/Personnel

Supervisor/Director	\$	52,177	
Clerical Personnel		55,516	
Other Salaries and Wages		1,287	
Social Security		6,716	
State Retirement		6,752	
Medical Insurance		5,459	
Employer Medicare		1,571	
Maintenance and Repair Services - Equipment		1,152	
Travel		888	
Office Supplies		1,053	
Other Charges		125	
Total Human Services/Personnel			132,696

Operation of Plant

Supervisor/Director	\$	48,377	
Salary Supplements		5,136	
Custodial Personnel		990,294	
Other Salaries and Wages		19,071	
Social Security		63,952	
State Retirement		54,398	
Medical Insurance		53,324	
Unemployment Compensation		7,345	
Employer Medicare		14,956	
Maintenance and Repair Services - Equipment		3,788	
Other Contracted Services		332,311	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Custodial Supplies	\$	117,613	
Electricity		2,279,476	
Natural Gas		366,505	
Water and Sewer		278,043	
Other Supplies and Materials		500	
Building and Contents Insurance		195,759	
Other Charges		9,888	
Plant Operation Equipment		7,590	
Total Operation of Plant			\$ 4,848,326

Maintenance of Plant

Secretary(ies)	\$	25,590	
Maintenance Personnel		577,433	
Other Salaries and Wages		10,765	
Social Security		36,478	
State Retirement		33,096	
Medical Insurance		41,766	
Unemployment Compensation		3,682	
Employer Medicare		8,531	
Laundry Service		9,839	
Maintenance and Repair Services - Buildings		83,860	
Maintenance and Repair Services - Equipment		141,806	
Maintenance and Repair Services - Vehicles		16,837	
Other Contracted Services		100,209	
Gasoline		39,518	
Other Supplies and Materials		144,269	
Other Charges		24,179	
Maintenance Equipment		59,851	
Total Maintenance of Plant			1,357,709

Transportation

Supervisor/Director	\$	44,938	
Mechanic(s)		98,184	
Bus Drivers		819,097	
Clerical Personnel		26,832	
Other Salaries and Wages		19,871	
In-Service Training		840	
Social Security		58,672	
State Retirement		57,789	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Medical Insurance	\$	23,400	
Unemployment Compensation		1,269	
Employer Medicare		14,259	
Laundry Service		8,193	
Maintenance and Repair Services - Vehicles		3,086	
Medical and Dental Services		5,494	
Travel		328	
Diesel Fuel		410,776	
Garage Supplies		3,724	
Gasoline		25,400	
Lubricants		6,471	
Tires and Tubes		21,410	
Vehicle Parts		54,801	
Other Supplies and Materials		1,071	
Vehicle and Equipment Insurance		140,020	
Other Charges		16,012	
Transportation Equipment		307,176	
Total Transportation			\$ 2,169,113

Central and Other

Supervisor/Director	\$	56,160	
Data Processing Personnel		89,377	
Other Salaries and Wages		3,424	
Social Security		9,165	
State Retirement		10,686	
Medical Insurance		5,345	
Employer Medicare		2,144	
Total Central and Other			176,301

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	41,276	
Social Security		2,559	
State Retirement		3,735	
Medical Insurance		10,409	
Employer Medicare		598	
Total Food Service			58,577

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services

Bonus Payments	\$	111,881	
Social Security		6,917	
State Retirement		6,495	
Employer Medicare		1,618	
Travel		1,660	
Food Supplies		7,980	
Other Supplies and Materials		12,197	
Other Charges		12,532	
Other Equipment		2,325	
Total Community Services			\$ 163,605

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	341,978	
Other Capital Outlay		21,979	
Total Regular Capital Outlay			363,957

Total General Purpose School Fund \$ 50,201,403

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	1,188,455	
Educational Assistants		125,317	
Other Salaries and Wages		42,253	
Certified Substitute Teachers		11,055	
Social Security		78,226	
State Retirement		107,955	
Medical Insurance		50,379	
Employer Medicare		19,391	
Other Fringe Benefits		1,458	
Maintenance and Repair Services - Equipment		3,010	
Other Contracted Services		81,763	
Instructional Supplies and Materials		307,452	
Other Supplies and Materials		897	
Regular Instruction Equipment		451,691	
Total Regular Instruction Program			\$ 2,469,302

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program

Homebound Teachers	\$	850	
Educational Assistants		495,628	
Speech Pathologist		167,047	
Other Salaries and Wages		22,654	
Social Security		39,690	
State Retirement		41,979	
Life Insurance		3,600	
Medical Insurance		84,730	
Unemployment Compensation		3,493	
Employer Medicare		9,304	
Contracts with Private Agencies		85,236	
Instructional Supplies and Materials		41,642	
Textbooks		14,511	
Other Supplies and Materials		12,837	
Other Charges		8,977	
Special Education Equipment		176,267	
Total Special Education Program			\$ 1,208,445

Vocational Education Program

Clerical Personnel	\$	8,520	
Employer Medicare		139	
Instructional Supplies and Materials		9,117	
Vocational Instruction Equipment		41,215	
Total Vocational Education Program			58,991

Support Services

Health Services

Medical Personnel	\$	81,906	
Other Salaries and Wages		824	
Social Security		4,864	
State Retirement		4,538	
Life Insurance		100	
Medical Insurance		7,681	
Employer Medicare		1,138	
Travel		2,467	
Drugs and Medical Supplies		742	
Total Health Services			104,260

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Other Student Support

Guidance Personnel	\$	105,220	
Other Salaries and Wages		7,765	
Social Security		6,824	
State Retirement		9,854	
Medical Insurance		11,075	
Employer Medicare		1,596	
Evaluation and Testing		70,000	
Travel		24,468	
Other Supplies and Materials		483	
In Service/Staff Development		480	
Other Charges		18,275	
Total Other Student Support			\$ 256,040

Regular Instruction Program

Supervisor/Director	\$	146,129	
Secretary(ies)		19,037	
Clerical Personnel		15,697	
Certified Substitute Teachers		3,490	
Social Security		10,753	
State Retirement		15,402	
Medical Insurance		19,811	
Employer Medicare		2,515	
Other Fringe Benefits		1,597	
Maintenance and Repair Services - Equipment		3,556	
Postal Charges		837	
Travel		17,159	
Other Supplies and Materials		15,732	
In Service/Staff Development		295,719	
Other Equipment		9,635	
Total Regular Instruction Program			577,069

Special Education Program

Psychological Personnel	\$	52,200	
Assessment Personnel		88,698	
Secretary(ies)		12,136	
Clerical Personnel		15,697	
Other Salaries and Wages		3,026	
Social Security		10,146	
State Retirement		14,496	

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Life Insurance	\$	400	
Medical Insurance		22,818	
Employer Medicare		2,373	
Travel		29,571	
Other Contracted Services		40,733	
Other Supplies and Materials		528	
In Service/Staff Development		22,734	
Other Charges		4,829	
Other Equipment		43,567	
Total Special Education Program			\$ 363,952

Vocational Education Program

Travel	\$	241	
In Service/Staff Development		644	
Total Vocational Education Program			885

Office of the Principal

Principals	\$	1,745	
Assistant Principals		49,172	
Other Salaries and Wages		210,000	
Social Security		13,143	
State Retirement		17,855	
Medical Insurance		9,217	
Employer Medicare		3,501	
Total Office of the Principal			304,633

Transportation

Bus Drivers	\$	194,029	
Other Salaries and Wages		65,704	
Social Security		15,526	
State Retirement		12,323	
Life Insurance		425	
Medical Insurance		1,593	
Unemployment Compensation		864	
Employer Medicare		3,759	
Transportation Equipment		180,812	
Total Transportation			475,035

Total School Federal Projects Fund \$ 5,818,612

(Continued)

Exhibit K-9

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		\$ 25,000

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$ 20,000	
Accountants/Bookkeepers	15,263	
Clerical Personnel	42,756	
Cafeteria Personnel	1,137,178	
Maintenance Personnel	19,084	
Other Salaries and Wages	32,904	
Social Security	75,846	
State Retirement	62,864	
Medical Insurance	38,343	
Unemployment Compensation	12,525	
Employer Medicare	17,899	
Maintenance and Repair Services - Equipment	31,790	
Travel	8,357	
Other Contracted Services	11,867	
Food Preparation Supplies	198,187	
Food Supplies	2,018,643	
Office Supplies	9,599	
USDA - Commodities	190,078	
Other Supplies and Materials	92,073	
In Service/Staff Development	16,208	
Other Charges	339	
Food Service Equipment	116,541	
Total Food Service		<u>4,168,344</u>

Total Central Cafeteria Fund \$ 4,193,344

Extended School Program Fund

Support Services

Board of Education

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

(Continued)

Exhibit K-9

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

Extended School Program Fund (Cont.)

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	52,156	
Clerical Personnel		39,577	
Part-time Personnel		188,050	
Other Salaries and Wages		3,812	
Social Security		17,583	
State Retirement		8,446	
Employer Medicare		4,112	
Communication		724	
Maintenance and Repair Services - Equipment		3,122	
Travel		4,013	
Food Supplies		11,475	
Instructional Supplies and Materials		7,918	
Other Supplies and Materials		4,808	
Trustee's Commission		46	
In Service/Staff Development		1,498	
Other Charges		114	
Other Equipment		1,762	
Total Community Services			\$ <u>349,216</u>

Total Extended School Program Fund \$ 352,016

Total Governmental Funds - Bedford County School Department \$ 60,565,375

Exhibit K-10

Bedford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Bedford County Solid Waste Authority
For the Year Ended June 30, 2012

Solid Waste/Sanitation Fund

Public Health and Welfare

Convenience Centers

County Official/Administrative Officer	\$	14,400	
Assistant(s)		7,800	
Accountants/Bookkeepers		1,800	
Foremen		33,280	
Truck Drivers		95,028	
Laborers		6,883	
Secretary(ies)		19,864	
Attendants		151,301	
Other Salaries and Wages		5,580	
Board and Committee Members Fees		4,200	
Social Security		20,678	
State Retirement		17,387	
Employee and Dependent Insurance		54,312	
Unemployment Compensation		783	
Employer Medicare		4,284	
Audit Services		957	
Communication		6,543	
Contracts with Private Agencies		288,304	
Data Processing Services		3,301	
Legal Services		500	
Postal Charges		616	
Printing, Stationery, and Forms		395	
Travel		851	
Diesel Fuel		109,962	
Equipment and Machinery Parts		22,920	
Gasoline		2,462	
Lubricants		1,453	
Office Supplies		931	
Tires and Tubes		11,773	
Utilities		13,571	
Other Supplies and Materials		7,709	
Vehicle and Equipment Insurance		25,575	
Workers' Compensation Insurance		7,274	
Other Charges		6,208	
Other Capital Outlay		3,124	
Total Convenience Centers			\$ 952,009

Total Solid Waste/Sanitation Fund \$ 952,009

Total Governmental Funds - Bedford County Solid Waste Authority \$ 952,009

Exhibit K-11

Bedford County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2012

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 3,480,107
Total Cash Receipts	<u>\$ 3,480,107</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 3,445,306
Trustee's Commission	<u>34,801</u>
Total Cash Disbursements	<u>\$ 3,480,107</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2011	<u>0</u>
 Cash Balance, June 30, 2012	 <u><u>\$ 0</u></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	187-194
Revenue Capacity:		
These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.	7-11	195-199
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	200-204
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	205-206
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	207-210

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

Table 1

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

<u>Net Assets by Component</u> <u>Last Five Fiscal Years</u> <u>(accrual basis of accounting)</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Primary Government					
Governmental Activities					
Invested in Capital Assets, Net of Related Debt	\$ 20,004,135	\$ 21,868,974	\$ 21,777,268	\$ 23,918,548	\$ 23,433,157
Restricted	8,817,295	7,127,016	7,604,590	6,192,578	1,928,797
Unrestricted	(62,013,087)	(62,020,993)	(57,145,130)	(53,097,005)	(41,803,175)
Total Primary Government's Governmental Activities Net Assets	\$ (33,191,657)	\$ (33,025,003)	\$ (27,763,272)	\$ (22,985,879)	\$ (16,441,221)
Business-type Activities					
Invested in Capital Assets, Net of Related Debt	\$ 1,129,497	\$ 0	\$ 0	\$ 0	\$ 0
Invested in Capital Assets	0	1,170,287	1,047,850	0	0
Restricted	0	0	0	0	0
Unrestricted	597,328	644,297	162,257	0	0
Total Primary Government's Business-type Activities Net Assets	\$ 1,726,825	\$ 1,814,584	\$ 1,210,107	\$ 0	\$ 0
Total Primary Government	\$ 21,133,632	\$ 21,868,974	\$ 21,777,268	\$ 23,918,548	\$ 23,433,157
Invested in Capital Assets, Net of Related Debt	0	1,170,287	1,047,850	0	0
Invested in Capital Assets	8,817,295	7,127,016	7,604,590	6,192,578	1,928,797
Restricted	(61,415,759)	(61,376,696)	(56,982,873)	(53,097,005)	(41,803,175)
Unrestricted	(31,464,832)	(31,210,419)	(26,553,165)	(22,985,879)	(16,441,221)
Total Primary Government Net Assets	\$ (31,464,832)	\$ (31,210,419)	\$ (26,553,165)	\$ (22,985,879)	\$ (16,441,221)
Discretely Presented Bedford County School Department					
Governmental Activities					
Invested in Capital Assets	\$ 79,577,923	\$ 101,835,769	\$ 101,815,293	\$ 99,123,821	\$ 96,201,332
Restricted	24,333,296	6,346,445	1,765,912	3,405,462	2,185,372
Unrestricted	9,366,780	8,536,254	10,690,484	9,302,865	9,469,221
Total Discretely Presented Bedford County School Department's Governmental Activities Net Assets	\$ 113,277,999	\$ 116,718,468	\$ 114,271,689	\$ 111,832,148	\$ 107,855,925

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 School 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.

Table 2

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

	2008		2009		2010		2011		2012	
	Primary Government	Component Unit								
Expenses										
Governmental Activities:										
General Government	\$ 1,829,384	\$ 0	\$ 1,744,838	\$ 0	\$ 2,267,967	\$ 0	\$ 2,458,580	\$ 0	\$ 2,622,551	\$ 0
Finance	1,499,099	0	1,587,046	0	1,557,134	0	1,522,871	0	1,551,852	0
Administration of Justice	1,866,267	0	1,614,768	0	1,615,942	0	1,700,803	0	1,774,488	0
Public Safety	8,783,057	0	7,305,080	0	7,739,326	0	7,954,991	0	8,011,004	0
Public Health and Welfare	4,000,140	0	5,276,550	0	4,233,405	0	4,380,157	0	4,126,630	0
Social, Cultural, and Recreational Services	150,906	0	156,662	0	163,391	0	156,662	0	156,662	0
Agriculture and Natural Resources	246,007	0	212,999	0	251,793	0	216,955	0	260,546	0
Other Operations	554,046	0	92,789	0	0	0	0	0	0	0
Highways	2,605,250	0	1,195,559	0	2,331,309	0	2,736,615	0	2,583,006	0
Education	0	0	4,700,000	0	3,037,040	0	2,868,706	0	2,693,913	0
Capital Projects										
Debt Service:										
Interest on Long-term Debt	3,134,262	0	3,400,659	0	0	0	0	0	0	0
Other Debt Service	229,225	0	156,002	0	0	0	0	0	0	0
Business-type Activities										
Nursing Home	6,708,784	0	7,025,043	0	1,122,149	0	0	0	0	0
Component Unit - Bedford County School Department	0	49,513,368	0	54,009,406	0	58,395,797	0	61,487,565	0	63,705,713
Total Expenses	\$ 31,606,427	\$ 49,513,368	\$ 34,467,995	\$ 54,009,406	\$ 24,319,456	\$ 58,395,797	\$ 23,996,340	\$ 61,487,565	\$ 23,780,652	\$ 63,705,713
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 841,042	\$ 0	\$ 708,695	\$ 0	\$ 667,081	\$ 0	\$ 569,304	\$ 0	\$ 481,210	\$ 0
Finance	972,158	0	970,181	0	974,475	0	981,784	0	1,006,052	0
Administration of Justice	1,628,146	0	1,482,066	0	1,424,996	0	1,403,878	0	1,683,922	0
Public Safety	727,709	0	1,122,738	0	1,964,264	0	1,280,113	0	1,326,428	0
Public Health and Welfare	1,092,744	0	1,616,900	0	1,749,721	0	1,377,502	0	1,608,862	0
Social, Cultural, and Recreational Services	20,702	0	0	0	0	0	0	0	0	0
Agriculture and Natural Resources	0	0	0	0	8,550	0	7,800	0	5,550	0
Highways	34,949	0	97,222	0	12,172	0	19,436	0	22,263	0
Operating Grants and Contributions	3,827,410	0	3,598,823	0	3,838,749	0	3,805,231	0	3,365,287	0
Capital Grants and Contributions	257,308	0	670,265	0	191,388	0	698,513	0	837,862	0
Business-type Activities:										
Nursing Home:										
Charges for Services	6,599,099	0	7,112,743	0	517,163	0	0	0	0	0
Operating Grants and Contributions	99,393	0	0	0	0	0	0	0	0	0
Component Unit - Bedford County School Department:										
Charges for Services	0	1,783,300	0	1,851,467	0	1,636,002	0	1,733,479	0	1,630,033
Operating Grants and Contributions	0	5,511,207	0	6,095,074	0	6,511,375	0	8,502,993	0	8,864,455
Capital Grants and Contributions	0	0	0	4,693,000	0	890,377	0	71,571	0	0
Total Revenues	\$ 16,100,660	\$ 7,294,507	\$ 17,379,633	\$ 12,639,541	\$ 11,348,559	\$ 9,037,754	\$ 10,143,561	\$ 10,308,043	\$ 10,337,436	\$ 10,494,488
Net (Expense)/Revenue Total	\$ (15,505,767)	\$ (42,218,861)	\$ (17,088,362)	\$ (41,369,865)	\$ (12,970,897)	\$ (49,358,043)	\$ (13,852,779)	\$ (51,179,522)	\$ (13,443,216)	\$ (53,211,225)

(Continued)

Table 2

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

	2008		2009		2010		2011		2012	
	Primary Government	Component Unit								
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Taxes										
Property Taxes	\$ 9,641,137	\$ 7,905,927	\$ 9,799,026	\$ 7,964,843	\$ 9,790,424	\$ 7,988,153	\$ 9,731,369	\$ 7,941,311	\$ 10,155,790	\$ 8,286,550
Sales Taxes	5,023,451	1,840,590	4,814,308	1,773,676	4,809,429	1,771,641	5,142,959	1,888,559	5,365,336	1,976,524
Other Taxes	1,408,226	4,187	1,126,519	5,029	1,372,638	3,134	1,161,823	2,435	1,244,429	2,776
Unrestricted Grants and Contributions	333,573	34,010,955	698,500	34,893,374	830,886	36,891,817	698,542	38,654,298	909,020	38,709,171
Investment Earnings	2,563,080	48,986	713,713	14,496	375,462	3,440	336,696	1,870	223,752	88,905
Special Item (see Note IV.D)	0	0	0	0	0	0	0	0	1,821,783	0
Miscellaneous	39,123	57,446	190,650	158,916	534,805	120,554	401,887	251,508	267,764	171,076
Total Governmental Activities	\$ 19,008,590	\$ 43,868,091	\$ 17,342,716	\$ 44,810,334	\$ 17,713,644	\$ 46,778,739	\$ 17,473,276	\$ 48,739,981	\$ 19,987,874	\$ 49,235,002
Business-type Activities:										
Investment Earnings	\$ 65	\$ 0	\$ 59	\$ 0	\$ 509	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Transfers	0	0	0	0	0	0	0	0	0	0
Total Business-type Activities	\$ 65	\$ 0	\$ 59	\$ 0	\$ 509	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 19,008,655	\$ 43,868,091	\$ 17,342,775	\$ 44,810,334	\$ 17,714,153	\$ 46,778,739	\$ 17,473,276	\$ 48,739,981	\$ 19,987,874	\$ 49,235,002
Prior-period Adjustment	\$ (956,480)	\$ 0	\$ 0	\$ 0	\$ (86,002)	\$ 132,525	\$ (53,211)	\$ 0	\$ -	\$ 0
Change in Net Assets	\$ 2,546,408	\$ 1,649,230	\$ 254,413	\$ 3,440,469	\$ 4,657,254	\$ (2,446,779)	\$ 3,567,286	\$ (2,439,541)	\$ 6,544,658	\$ (3,976,223)

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

Table 3

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

Fiscal Year Ended	Property Tax	Local Option Sales Tax	Franchise Tax	Litigation Tax	Business Tax	Mineral Severance Tax	Wholesale Beer Tax	Other	Total
Primary Government									
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
2012	10,155,790	5,365,336	0	458,927	365,163	74,220	198,779	254,419	16,872,634
Component Unit									
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
2012	8,286,550	1,976,524	0	0	0	0	0	2,776	10,265,850

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

Table 4

**Bedford County, Tennessee
General Government and Discretely Presented Bedford County School Department
Fund Balances of Governmental Funds**

**Last Ten Fiscal Years
(modified accrual basis of accounting)**

	<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>	<u>2012</u>
Primary Government:										
General Fund										
Reserved	\$ 31,849	\$ 128,315	\$ 42,412	\$ 57,151	\$ 102,703	\$ 184,719	\$ 282,804	\$ 493,945	\$ 0	\$ 0
Unreserved	510,714	485,993	789,596	2,673,039	4,017,340	3,434,641	3,990,325	11,194,313	638,427	810,591
Restricted	0	0	0	0	0	0	0	0	0	0
Committed	0	0	0	0	0	0	0	0	131,105	166,862
Assigned	0	0	0	0	0	0	0	0	6,190,717	6,190,717
Unassigned	0	0	0	0	0	0	0	0	4,678,463	5,359,126
Total General Fund	\$ 542,563	\$ 614,308	\$ 832,008	\$ 2,730,190	\$ 4,120,043	\$ 3,619,360	\$ 4,273,129	\$ 11,688,258	\$ 11,638,712	\$ 12,527,296
All Other Governmental Funds										
Reserved	\$ 4,760,352	\$ 4,040,063	\$ 4,991,760	\$ 6,149,374	\$ 4,185,068	\$ 2,581,807	\$ 666,701	\$ 15,529	\$ 0	\$ 0
Unreserved, Reported in:										
Special Revenue Funds	2,642,510	2,599,134	1,079,715	7,740,284	9,343,189	8,226,868	7,440,991	914,960	0	0
Debt Service Funds	685,672	441,216	269,254	429,110	1,689,527	3,686,389	4,332,615	4,745,230	0	0
Capital Projects Funds	(607,955)	91,053	99,929	104,941	3,259,358	231,780	64,539	610,931	0	0
Restricted	0	0	0	0	0	0	0	0	814,266	985,573
Committed	0	0	0	0	0	0	0	0	4,238,144	3,222,188
Total All Other Governmental Funds	\$ 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	\$ 4,207,761
Component Unit:										
General Fund (General Purpose School)										
Reserved	\$ 1,692,852	\$ 2,119,347	\$ 2,182,018	\$ 3,019,162	\$ 2,639,156	\$ 2,429,978	\$ 3,458,476	\$ 391,001	\$ 0	\$ 0
Unreserved	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	0
Restricted	0	0	0	0	0	0	0	0	213,477	199,843
Committed	0	0	0	0	0	0	0	0	941,892	483,315
Unassigned	0	0	0	0	0	0	0	0	9,124,213	8,900,911
Total General Fund	\$ 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	\$ 9,584,069
All Other School Funds										
Reserved	\$ 367,687	\$ 14,871,633	\$ 2,115,265	\$ 522,289	\$ 17,019,351	\$ 26,252,895	\$ 1,577,570	\$ 129,800	\$ 0	\$ 0
Unreserved, Reported in:										
Special Revenue Funds	585,227	786,453	1,100,201	1,371,563	1,236,951	1,220,548	1,349,478	1,636,112	0	0
Capital Projects Funds	14,159,173	(2,083,146)	655,038	669,710	25,690,557	(4,945,341)	1,080,491	0	0	0
Nonspendable	0	0	0	0	0	0	0	0	154,382	78,958
Restricted	0	0	0	0	0	0	0	0	1,839,985	1,906,571
Committed	0	0	0	0	0	0	0	0	236,096	204,995
Total All Other Governmental Funds	\$ 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	\$ 2,190,524

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.

Table 5

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Taxes	\$ 9,752,001	\$ 11,805,371	\$ 12,637,329	\$ 14,866,540	\$ 15,489,944	\$ 16,054,169	\$ 15,974,804	\$ 16,097,920	\$ 16,657,679	\$ 17,653,465
Licenses and Permits	31,862	45,720	73,933	153,269	298,936	206,756	162,490	108,911	110,558	124,385
Fines and Forfeitures	586,183	485,765	569,239	505,218	532,322	483,882	408,577	376,180	323,633	503,321
Charges for Service	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	2,113,738
Other Local Revenue	371,570	284,420	387,188	7,921,576	3,064,019	3,081,408	1,410,494	1,252,468	1,253,095	1,018,210
Fees from Co. Officials	0	463,315	551,925	859,798	1,388,662	1,886,861	1,878,701	1,824,044	1,812,097	1,876,400
State Revenues	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	4,192,890
Federal Revenues	265,564	281,016	551,148	453,488	698,997	559,095	619,997	318,997	665,073	419,540
Other Govt/Citizens	335,401	95,330	93,363	208,441	94,686	166,476	1,193,499	2,154,927	1,044,387	1,007,321
Total Revenues	\$ 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	\$ 28,909,272
Expenditures										
General Government	\$ 983,505	\$ 840,642	\$ 958,335	\$ 842,698	\$ 1,131,972	\$ 957,128	\$ 1,132,685	\$ 1,085,169	\$ 1,330,518	\$ 1,460,288
Finance	824,821	822,160	920,844	936,555	910,450	1,273,122	1,575,772	1,541,838	1,550,567	1,547,127
Admin. of Justice	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	1,771,828
Public Safety	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	7,640,525
Public Health/Welfare	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	3,841,254
Social, Cultural/Rec. Agriculture and	119,941	130,941	147,152	147,197	150,906	150,906	156,662	163,391	156,662	156,662
Natural Resource	162,111	170,098	188,622	188,875	209,328	208,244	198,356	239,482	206,310	205,537
Other Operations	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	741,446
Highway and Bridge	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	2,753,252
Debt Service:										
Principal	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	5,450,298
Interest	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	2,923,613
Other Charges	53,829	100,614	87,956	99,222	109,193	196,355	103,312	94,615	95,474	113,665
Capital Projects	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	251,469
Total Expenditures	\$ 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	\$ 28,856,964
Excess of Revenues Over (Under) Expenditures	\$ (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)	\$ 52,308

(Continued)

Table 5

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Other Financing Sources (Uses)										
Transfers In	\$ 382,816	\$ 300,412	\$ 10,875	\$ 227,755	\$ 230,000	\$ 349,400	\$ 509,980	\$ 7,359,412	\$ 162,257	\$ 327,570
Transfers Out	(474,241)	(300,412)	(10,875)	(227,755)	(304,000)	(349,400)	(509,980)	(7,359,412)	0	(327,570)
Bond Proceeds	14,000,000	0	4,290,000	0	50,500,000	3,435,000	0	0	0	0
Note Proceeds	2,276,100	1,075,000	1,100,000	834,000	2,000,000	0	4,893,000	450,000	300,000	0
Insurance Recovery	0	0	0	0	0	0	0	135,398	0	0
Proceeds on Refunded Bonds	0	0	0	0	0	0	0	0	0	2,700,000
Payments to Refunded Bond Escrow Agent	0	0	0	0	0	(3,501,939)	0	0	0	(2,708,373)
Premiums on Bonds Sold	43,250	0	3,445	0	443,599	134,854	0	0	0	0
Transfer to Component Unit	0	0	0	0	0	0	0	0	0	0
Transfer from Component Unit	0	0	0	0	0	0	0	0	0	0
Total Other Financing Sources (Uses)	\$ 16,227,925	\$ 1,075,000	\$ 5,393,445	\$ 834,000	\$ 52,869,599	\$ 67,915	\$ 4,893,000	\$ 585,398	\$ 462,257	\$ (8,373)
Net Change in Fund Balances	\$ 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)	\$ 43,935
Debt Service as a Percentage of Noncapital Expenditures	16.9%	15.6%	16.0%	19.4%	7.1%	26.0%	28.4%	31.7%	30.8%	30.1%
Capital Expenditures	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	1,073,924

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Property Tax	\$ 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	\$ 10,159,124
Sales Tax	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	5,333,207
Litigation Tax	230,506	192,426	204,993	211,220	243,802	207,680	276,344	416,066	371,284	458,927
Business Tax	258,091	273,437	285,712	311,223	297,586	320,908	311,258	313,324	317,681	365,163
Mineral Severance	133,818	219,031	161,986	198,688	154,085	154,595	81,093	81,218	109,964	107,079
Development Tax	0	0	0	0	90,154	364,074	283,189	216,164	342,536	145,352
Wholesale Beer Tax	135,727	136,016	141,249	175,744	165,798	180,448	181,799	193,502	197,564	198,779
Bank Excise Tax	43,288	44,227	87,470	91,920	133,593	40,565	73,489	36,160	21,032	157,420
Other Statutory Tax	3,757	3,440	3,404	3,521	3,781	2,796	257,779	2,011	1,507	1,399
	\$ 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	\$ 16,926,450

Table 6

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Local Taxes	\$ 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	\$ 10,842,595
Licenses and Permits	2,288	2,427	2,241	2,361	2,241	2,268	2,693	5,994	2,274	2,813
Charges for Current Services	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	1,597,663
Investment Earnings	13,964	145,552	248,046	95,890	131,081	48,986	14,496	0	0	0
Other Local Revenues	33,478	33,761	115,049	149,703	90,317	80,885	176,867	134,793	436,815	316,421
State of Tennessee	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	37,718,020
Federal Government	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	9,352,411
Other Governments and Citizens Groups	13,852,979	0	4,204,232	720,000	47,886,090	0	4,693,000	0	0	0
Total Revenues	\$ 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	\$ 59,829,923
Expenditures										
Current:										
Instruction	\$ 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	\$ 36,425,159
Support Services	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	19,036,517
Operation of Non-Instructional Services	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	4,739,742
Capital Outlay	351,942	301,784	479,132	505,346	490,529	542,722	721,148	889,597	345,621	363,957
Capital Projects	225,534	1,691,114	14,686,248	2,354,176	6,818,110	20,954,500	23,590,317	2,074,584	0	0
Debt Service	0	3,708	3,708	3,708	3,708	2,163	0	0	0	0
Total Expenditures	\$ 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	\$ 60,565,375
Excess of Revenues Over (Under) Expenditures	\$ 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	\$ (735,452)
Other Financing Sources (Uses)										
Transfers In	\$ 16,862	\$ 14,496	\$ 11,274	\$ 37,279	\$ 18,185	\$ 11,619	\$ 25,149	\$ 118,300	\$ 103,192	\$ 0
Transfers Out	(16,862)	(14,496)	(11,274)	(37,279)	(18,185)	(11,619)	(25,149)	(118,300)	(103,192)	0
Total Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Net Change in Fund Balances	\$ 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	\$ (735,452)

Table 7

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

Fiscal Year Ended	Property Tax 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:										
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
2012	10,159,124	5,333,207	458,927	365,163	74,220	198,779	157,420	1,399	905,226	17,653,465
Component Unit:										
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
2012	8,290,385	1,956,756	0	0	0	0	0	2,776	592,678	10,842,595

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 option sales tax received by the primary government was increased by 1/4 of a percent on all taxable items during the 2000 fiscal year.

Table 8

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

Fiscal Year Ended June 30	Real Property Assessed		Tangible Personal Property Assessed		Public Utility Property	Total Taxable Assessed Value (City of Shelbyville)	Total Taxable Assessed Value (Outside City of Shelbyville)	Total Direct Tax Rate Outside	Total Direct Tax Rate Inside	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Farm and Forest Property	Commercial Industrial and Mineral Property	Commercial Property	Assessed Commercial and Industrial Property							
2003	\$ 321,957,600	\$ 114,566,080	\$ 73,308,324	\$ 34,717,800	\$ 194,598,605	\$ 241,925,075	\$ 544,549,804	\$ 2.23	\$ 1.47	\$ 1,945,540,834	27.99%
2004	332,545,225	111,382,840	66,468,040	32,860,629	193,594,730	250,333,335	543,256,734	2.49	1.47	1,948,337,973	27.88%
2005	344,552,900	116,806,640	82,975,225	34,354,871	201,984,425	259,375,115	578,689,636	2.49	1.47	2,043,086,490	28.32%
2006	361,120,075	121,064,920	60,943,665	33,420,235	211,113,160	271,071,835	576,548,895	2.77	1.47	2,030,505,565	28.39%
2007	473,364,250	152,388,840	79,812,896	40,293,721	267,529,215	358,223,875	745,859,707	2.27	1.41	2,668,811,186	27.95%
2008	486,143,975	155,443,760	80,930,381	42,859,029	274,877,045	366,710,690	765,377,145	2.27	1.41	2,694,715,806	28.40%
2009	494,876,925	156,984,600	77,397,381	42,495,975	347,652,527	381,611,096	771,754,881	2.27	1.41	2,715,534,416	28.42%
2010	503,591,300	167,263,520	74,874,856	42,775,968	358,027,759	387,701,937	788,505,644	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	778,482,783	2.27	1.41	2,731,324,772	28.50%
2012	518,228,375	170,176,360	60,074,596	46,706,116	346,455,651	402,023,680	795,185,447	2.27	1.41	2,783,539,733	28.57%

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

Note(s): Exempt properties are not included in the assessed or estimated value. Tax rates are per \$100 of assessed value. A reappraisal was performed during the 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%

Table 9

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
		Fund	Fund		Fund	Fund			Tennessee ^{2,3}	Tennessee ^{2,3}	Tennessee ^{2,3}	Tennessee ^{2,3}			
2003	2002	\$ 1.13	\$ 0.05	\$ 0.05	\$ 1.29	\$ 0.02	\$ 2.49	\$	1.47	\$	0.21	\$	1.00	\$	3.96
2004	2003	1.13	0.05	0.05	1.29	0.02	2.49		1.47		0.21		1.00		3.96
2005	2004	1.41	0.05	0.05	1.29	0.02	2.77		1.47		0.21		1.00		4.24
2006	2005 ⁴	1.05	0.04	0.04	1.06	0.12	2.27		1.41		0.15		1.00		3.68
2007	2006	1.09	0.04	0.04	1.02	0.12	2.27		1.41		0.15		1.00		3.68
2008	2007	1.11	0.04	0.04	1.02	0.10	2.27		1.41		0.15		1.00		3.68
2009	2008	1.11	0.04	0.04	1.02	0.10	2.27		1.41		0.15		1.00		3.68
2010	2009	1.11	0.04	0.04	1.02	0.10	2.27		1.41		0.16		1.00		3.68
2011	2010 ⁴	1.11	0.04	0.04	1.02	0.10	2.27		1.41		0.16		1.00		3.68
2012	2011	1.11	0.04	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.

Table 10

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

<u>Taxpayer</u>	<u>Fiscal Year Ended</u> 2012			<u>Fiscal Year Ended</u> 2003		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
Duck River Electric	\$ 19,395,769	1	2.4%	\$ 11,299,980	2	1.4%
Calsonic Manufacturing	19,279,573	2	2.4%	30,144,638	1	3.8%
Walmart Stores East	13,250,762	3	1.7%	4,476,682	7	0.6%
Sanford Corporation	11,867,797	4	1.5%	6,167,323	6	0.8%
Bemis	9,968,512	5	1.3%	4,575,867	8	0.6%
Tyson Foods	8,276,094	6	1.0%	7,865,349	4	1.0%
Pechiney Plastics (Twist Packaging)	7,280,395	7	0.9%	10,053,017	3	1.3%
Bellsouth Telecom	4,650,472	8	0.6%	6,643,472	5	0.8%
CSX Transportation	4,342,197	9	0.5%	-	-	-
United Telephone	3,616,619	10	0.5%	3,802,775	10	0.5%
Eaton Corp.	-	-	-	3,537,057	9	0.4%
Totals	\$ 101,928,190		12.8%	\$ 88,566,160		11.1%

Table 11

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

Fiscal Year Ended June 30	Tax Year	Adjusted Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
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%
2012	2011	18,044,364	16,637,710	92.20%	431,626	17,069,336	94.60%

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

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

Table 12

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

Fiscal Year Ended June 30	Governmental Activities				Capital Outlay Notes	Other		Total Primary Government ¹	Percentage of Personal Income ²	Per Capita ²
	General Obligation Bonds	Rural School Bonds	Loans Payable							
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	8.86%	1,600			
2012	5,290,000	56,745,000	1,780,200	2,819,000	66,634,200	7.93%	1,464			

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.

Table 13

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

Fiscal Year Ended June 30	General Obligation Bonds		Rural School Bonds		Total Bonded Debt ¹		Less: Amounts Available in General Debt Service Fund		Total	Percentage of Estimated Actual Taxable Value of Property ²		Per Capita ³
	\$	\$	\$	\$	\$	\$	\$	\$				
2003	567,500	21,330,000	21,330,000	\$	21,897,500	\$	3,059,581	\$	18,837,919	0.97%		472
2004	5,265,000	21,085,000	21,085,000		26,350,000		4,274,548		22,075,452	1.13%		540
2005	4,835,000	24,180,000	24,180,000		29,015,000		5,189,955		23,825,045	1.17%		565
2006	4,390,000	23,125,000	23,125,000		27,515,000		6,548,740		20,966,260	1.03%		486
2007	10,425,000	65,880,000	65,880,000		76,305,000		4,485,627		71,819,373	2.69%		1,630
2008	6,275,000	68,035,000	68,035,000		74,310,000		6,076,445		68,233,555	2.53%		1,515
2009	6,040,000	65,350,000	65,350,000		71,390,000		4,963,594		66,426,406	2.45%		1,461
2010	5,800,000	62,585,000	62,585,000		68,385,000		4,745,230		63,639,770	2.31%		1,399
2011	5,550,000	59,715,000	59,715,000		65,265,000		3,595,256		61,669,744	2.26%		1,369
2012	5,290,000	56,745,000	56,745,000		62,035,000		2,586,588		59,448,412	2.14%		1,306

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.

Table 14

Bedford County, Tennessee
Direct and Overlapping Governmental Activities Debt
General Obligation Bonds and Notes
As of June 30, 2012

		<u>% of Estimated Property Value</u>	<u>% of Assessed Property Value</u>
<u>Direct Debt</u>			
General Bonded Debt	\$ 62,035,000	2.23%	7.80%
Capital Outlay Notes	1,780,200		
Other Loans Payable	2,819,000		
Less: General Debt Service Funds	<u>(2,586,588)</u>		
Total Direct Debt	\$ 64,047,612	2.30%	8.05%
<u>Overlapping Debt</u>			
City of Shelbyville	\$ 210,045	0.01%	0.03%
City of Bell Buckle	1,117,497	0.04%	0.14%
City of Wartrace	1,813,229	0.07%	0.23%
City of Normandy	-	0.00%	0.00%
Total Overlapping Debt	<u>3,140,771</u>		
Total Direct and Overlapping Debt	<u>\$ 67,188,383</u>	2.41%	8.45%

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 \$ 795,185,447

Estimated Value 2,783,539,733

Table 15

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

Not Applicable to Bedford County, Tennessee

Table 16

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

Not Applicable to Bedford County, Tennessee

Table 17

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

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}
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%
2012	45,509	840,597	18,471	35.1	7,966	10.4%

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 and 2012 were calculated by multiplying population by per capita income.

²⁾ Fiscal years 2001-06 and 2012 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.

Table 18

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

	2012			2003		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment¹</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment²</u>
<u>Employer³</u>						
Tyson Foods	1,300	1	7.96%	1,000	1	6.30%
Calsonic Manufacturing	712	2	4.36%	1,000	1	6.30%
National Pen Corp	485	3	2.97%	400	5	2.52%
Walmart Distribution Center	436	4	2.67%	458	3	2.88%
Jostens, Inc.	375	5	2.30%	450	4	2.83%
Bemis	240	6	1.47%	140	7	0.88%
Sanford Distribution	220	7	1.35%	900	2	5.67%
Albea (Pechiney, Alcan, American Can)	194	8	1.19%	408	6	2.57%
Corsicana Bedding, Inc.	131	9	0.80%	-	-	-
Century Mold Co., Inc.	100	10	0.61%	-	-	-
Aramark Uniform Services, Inc.	-	-	-	123	8	0.77%
Cooper Steel	-	-	-	115	9	0.72%
Economy Pencil Company	-	-	-	115	9	0.72%
Musgrave Pencil Company	-	-	-	100	10	0.63%
Total	4,193		25.67%	5,209		32.80%

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

Note(s):

¹ Percentage is based on March 2012 employment data provided by the U.S. Department of Labor, Bureau of Labor Statistics.

² Percentage is based on June 2003 employment data provided by the U.S. Department of Labor, Bureau of Labor Statistics.

³ Employer information does not include local governments' employees.

Table 19

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

Function:	<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>	<u>2012</u>
General Government	133	144	150	152	194	194	205	173	76	72
Finance	0	0	0	0	8	8	10	10	10	9
Justice	20	19	19	17	19	24	34	29	34	33
Public Safety	93	87	93	122	110	110	108	134	129	130
Health and Welfare	11	13	13	18	20	18	10	12	15	14
Agriculture	1	1	1	1	1	1	1	1	1	1
Other	0	0	0	0	0	0	0	0	1	1
Road and Bridge	42	45	42	40	40	38	27	26	26	26
Total	301	310	318	350	392	393	395	385	292	286
Component Unit:										
Education	865	890	905	925	945	961	972	1,060	1,096	1,199

Source: Bedford County Finance Department

Table 20

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

Function	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<u>General Government</u>										
Registered voters	17,581	18,390	19,596	20,586	21,069	23,238	23,124	23,824	23,461	24,264
Building permits issued										
Single family homes	n/a	n/a	n/a	294	169	135	78	74	42	58
All other permits	n/a	n/a	n/a	195	158	137	201	172	343	383
<u>Public Safety</u>										
Physical arrests	n/a	n/a	1,598	1,628	1,641	1,776	569	3,151	3,298	9,726
Traffic citations	n/a	n/a	1,847	1,894	2,008	2,092	2,003	412	1,016	2,122
Warrants served	n/a	n/a	10,281	10,305	10,418	10,716	13,458	13,732	10,542	11,827
Summary of inmate days:										
Felons-convicted	n/a	n/a	20,151	21,254	20,452	23,660	28,467	22,848	22,898	45,740
Misdemeanant-convicted	n/a	n/a	52,864	55,757	53,653	62,069	26,317	24,681	9,447	35,834
Pretrial	n/a	n/a	239	252	242	280	22,866	23,552	23,472	1,315
Other	n/a	n/a	111	117	113	130	422	319	129	4,920
Total inmate days			73,365	77,380	74,460	86,139	78,072	71,400	55,946	87,809
Other daily inmate information										
Average daily population	n/a	n/a	201	212	204	236	243	195	250	231
Daily inmate capacity of facility	n/a	n/a	215	204	217	217	217	216	206	206
<u>Public Health</u>										
Ambulance - call volume	n/a	4,764	4,618	4,769	4,810	5,418	5,135	4,818	5,206	5,465
Response time - average minutes	n/a	11	11	11	11	11	10	10	11	11
Animal control										
Requests for service	n/a	n/a	1,291	912	796	1,494	922	998	733	283
Animals impounded	n/a	n/a	1,720	1,475	1,701	1,977	1,615	1,515	1,192	929
Animals adopted	n/a	n/a	77	103	171	266	211	696	692	465

(Continued)

Table 20

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

Function (Cont.)	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Road and Bridge										
Street resurfaced (miles)	34	20	22	25	35	20	11	9	12	10
Sanitation										
Solid Waste Department	n/a	n/a	n/a	n/a	11,400	11,448	11,115	10,932	10,579	10,179
Refuse collected (in tons)	n/a	n/a	n/a	n/a	121	126	116	92	235	249
Recyclables collected (in tons)	n/a	n/a	n/a	n/a	7	6	5	4	1	1
Paper	n/a	n/a	n/a	n/a	0	0	0	0	0	0
Batteries	n/a	n/a	n/a	n/a	365	397	498	412	301	190
Plastics	n/a	n/a	n/a	n/a	680	675	679	701	676	413
Metals	n/a	n/a	n/a	n/a	85	80	4,604	5,472	8,100	9,705
Tires										
Used oil (gallons)										
Component Unit:										
Bedford County School Department										
Weighted Full-time Equivalent Average	8,160	8,110	8,227	8,352	8,352	8,517	8,628	7,521	7,400	7,599
Daily Attendance	380	426	408	426	458	478	505	532	455	522
Number Graduated										

n/a = Information is not available for this time period.

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

Table 21

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

Function	<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>	<u>2012</u>
Highways and Streets										
Number of Miles	N/A	663	668	673	678	679	683	683	683	683
Number of Bridges	N/A	189	189	191	191	191	191	191	188	188
Public Safety										
Number of Correctional Facilities	1	1	2	2	2	2	2	2	2	2
Health and Welfare										
Nursing Home	1	1	1	1	1	1	1	1	0	0
Number of Beds	90	90	90	90	90	90	90	90	0	0
Dispatch Station	1	1	1	1	1	1	1	1	1	1
Ambulance Stations	3	3	3	3	4	4	4	4	5	5
Number of Ambulance Units	7	7	7	7	8	8	8	8	6	8
Sanitation/Solid Waste Department										
Number of Trucks	4	4	4	4	4	4	4	4	4	4
Health Department Facilities	1	1	1	1	1	1	1	1	1	1

Facilities and Services Not Included in the Primary Government

Education:

Form of Administration

Number of Schools
 Elementary Schools
 Middle Schools
 High Schools
 Alternative School

	7	7	7	7	7	7	7	7	8	8
	1	1	1	1	1	1	1	1	2	3
	3	3	3	3	3	3	3	3	3	3
	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 LOCAL GOVERNMENT 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 13, 2012

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 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, 2012, which collectively comprise Bedford County's basic financial statements and have issued our report thereon dated November 13, 2012. 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

The management of Bedford County is responsible for establishing and maintaining effective 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: 12.02, 12.04, and 12.05. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

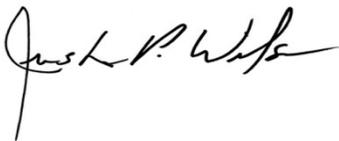
As part of obtaining reasonable assurance about whether Bedford County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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: 12.01 and 12.03.

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,



Justin P. Wilson
Comptroller of the Treasury

JPW/sb



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
SUITE 1500
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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

INDEPENDENT AUDITOR'S REPORT

November 13, 2012

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

To the County Mayor and Board of County Commissioners:

Compliance

We have audited Bedford County's compliance 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, 2012. 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, 2012.

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 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 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, 2012, and have issued our report thereon dated November 13, 2012. 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 Bedford County, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a prominent initial "J" and "W".

Justin P. Wilson
Comptroller of the Treasury

JPW/sb

Bedford County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year-Ended June 30, 2012

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	(2)	\$ 647,694
National School Lunch Program	10.555	(2)	2,121,998 (7)
Fresh Fruit and Vegetable Program	10.582	(2)	79,702
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	(2)	190,078 (7)
Total U.S. Department of Agriculture			<u>\$ 3,039,472</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	\$ 18,508
Passed-through Tennessee Housing Development Agency:			
Home Investment Partnerships Program	14.239	HM09-04-01	148,707
Total U.S. Department of Housing and Urban Development			<u>\$ 167,215</u>
U.S. Department of Justice:			
Passed-through State Administrative Office of the Courts:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	GG-11-33306-00	\$ 12,647
Total U.S. Department of Justice			<u>\$ 12,647</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
State and Community Highway Safety	20.600	Z-11-GHS295	\$ 44,681
Total U.S. Department of Transportation			<u>\$ 44,681</u>
U.S. Department of Education:			
Direct Program:			
Fund for the Improvement of Education	84.215	N/A	\$ 361,298
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	(3)	149,794
Passed-through State Department of Education:			
Title I Cluster:			
Title I Grants to Local Educational Agencies	84.010	N/A	1,820,114
Title I Grants to Local Educational Agencies, Recovery Act	84.389	N/A	104,622
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,842,619
Special Education - Preschool Grants	84.173	N/A	56,537
Special Education - Grants to States, Recovery Act	84.391	N/A	271,507
Special Education - Preschool Grants, Recovery Act	84.392	N/A	11,164
Career and Technical Education - Basic Grants to States	84.048	N/A	82,724
Rehabilitation Services Vocational Grants to States	84.126	(2)	33,652
Safe and Drug-free Schools and Communities - State Grants	84.186	(2)	12,828
Twenty-first Century Community Learning Centers	84.287	(2)	22,507
Educational Technology Cluster:			
Education Technology State Grants	84.318	(2)	585
Education Technology State Grants, Recovery Act	84.386	(2)	2,664
Rural Education	84.358	N/A	177,998
English Language Acquisition State Grants	84.365	N/A	113,066
Improving Teacher Quality State Grants	84.367	N/A	247,132
State Fiscal Stabilization Funds (SFSF) - Race-to-the-Top			
Incentive Grants, Recovery Act	84.395	(2)	435,789
State Fiscal Stabilization Funds (SFSF) - Government Services, Recovery Act	84.397	(2)	116,117
Education Jobs Fund	84.410	(2)	670,203
Total U.S. Department of Education			<u>\$ 6,532,920</u>

(Continued)

Bedford County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Election Assistance Commission:			
Passed through Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.401	4149	\$ 16,473
Total U.S. Election Assistance Commission			<u>\$ 16,473</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	2686	\$ 42,000
Homeland Security Grant Program	97.067	2529	136,524
Total U.S. Department of Homeland Security			<u>\$ 178,524</u>
Total Expenditures of Federal Awards			<u>\$ 9,991,932</u>
<u>State Grants</u>			
		<u>Contract Number</u>	
Juvenile Justice - State Commission on Children and Youth	N/A	GG-10-29451	\$ 9,000
Lottery for Education - After-school Programs - State Department of Education	N/A	(2)	96,895
Adult Education - State Department of Labor and Workforce Development	N/A	(4)	49,932
Connection - State Department of Education	N/A	(2)	27,740
Litter Program - State Department of Transportation	N/A	(5)	54,540
Rural Local Health Services - State Department of Health	N/A	(6)	360,557
Waste Tire Grant - State Department of Environment and Conservation	N/A	DG-12-35171-00	19,713
Pilot - Lottery for Pre-K Classrooms - State Department of Education	N/A	(2)	343,274
Safe Schools Act 2003 - State Department of Education	N/A	(2)	40,265
Student Ticket Subsidy Grant- State Arts Commission	N/A	(2)	3,053
Coordinated School Health - State Department of Education	N/A	(2)	<u>65,882</u>
Total State Grants			<u>\$ 1,070,851</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: \$30; Z-10-218449-00: \$2,934; DG-11-31220-00: \$1,145; DG-12-34580-00: \$17,657; DG-12-34579-00: \$86,759; 33709-12511: \$20,659; 33709-21411: \$20,610.
- (4) Z-10-218486-00: \$10; Z-10-218449-00: \$978; DG-11-31220-00: \$382; DG-12-34580-00: \$5,886; DG-12-34579-00: \$28,920; 33709-12511: \$6,886; 33709-21411: \$6,870.
- (5) Z-11-LIT002-00: \$3,753; 40100-76212: \$50,787.
- (6) Z-12-43696-00: \$321,049; GG-11-31869-00: \$39,508.
- (7) Total for CFDA No. 10.555 is \$2,312,076.

Bedford County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2012

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, 2011, which have not been corrected.

OFFICE OF COUNTY MAYOR

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
11.01	225	The Office of Zoning and Building Inspections did not deposit some funds within three days of collection

OFFICES OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK AND SHERIFF

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
11.09	229	Duties were not segregated adequately

BEDFORD COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2012

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 Fund for the Improvement of Education (CFDA No. 84.215); 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 – Race-to-the-Top, Recovery Act (CFDA No. 84.395); and the Education Jobs Fund (CFDA No. 84.410) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Bedford County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The written responses of the finance director and highway superintendent are paraphrased in this report. Other management officials did not provide responses for inclusion in this report.

OFFICE OF COUNTY MAYOR

FINDING 12.01 **THE OFFICE OF ZONING AND BUILDING INSPECTIONS DID NOT DEPOSIT SOME FUNDS WITHIN THREE DAYS OF COLLECTION**
(Noncompliance Under *Government Auditing Standards*)

The Office of Zoning and Building Inspections did not deposit some funds within three days of collection. Section 5-8-207, *Tennessee Code Annotated*, requires county officials to deposit public funds within three days of collection. This deficiency is the result of a lack of management oversight. The delay in depositing funds increases the risks of fraud and misappropriation.

RECOMMENDATION

Officials should ensure that all funds are deposited within three days of collection as required by state statute.

MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

We concur with this finding. Steps have been taken to ensure compliance with the state statute.

FINDING 12.02 **THE OFFICE OF PROBATION SERVICES ACCOUNTING SOFTWARE DID NOT IDENTIFY THE USER WHO PROCESSED TRANSACTIONS**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Although each employee had been assigned a unique username and password for accessing the office's accounting software, the software did not record the user who processed each transaction. Since the vendor did not design the system with these controls, the employee responsible for this activity would not be easily identified if inappropriate activity were to occur. Sound business practices dictate that each transaction be identified to the individual creating the transaction.

RECOMMENDATION

Management should contact the software vendor concerning the addition of controls to the software that would identify the user who performed each transaction.

OFFICE OF HIGHWAY SUPERINTENDENT

FINDING 12.03 A COUNTY ROAD LIST WAS NOT SUBMITTED TO THE COUNTY COMMISSION FOR APPROVAL
(Noncompliance Under *Government Auditing Standards*)

The highway superintendent did not prepare and submit a list of county roads to the County Commission as required by state statute. The highway superintendent submitted only a summary of road changes. Section 54-10-103, *Tennessee Code Annotated*, requires the highway superintendent to submit a list of county roads to the County Commission for its approval at the January session each year. This list must include the classification, width and distance of each county-maintained road, and a summary of changes from the prior year that provides the road name, date the change was approved by the County Commission, and the reason for the change. Highway Department officials need a current approved list of county roads to determine which roads the department is authorized to work.

RECOMMENDATION

The highway superintendent should submit to the County Commission a list of county roads that includes the classification, width and distance of each road, and a summary of changes as required by state statute.

MANAGEMENT'S RESPONSE – HIGHWAY SUPERINTENDENT

We concur with this finding. The entire road listing (which lists each individual road) was not presented to the County Commission for approval due to minimal activity (.10 miles, which affected one road) over the past year. Action will be taken immediately to rectify this situation.

OFFICE OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK

FINDING 12.04 USERNAMES AND PASSWORDS WERE SHARED BY EMPLOYEES
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Although each employee had been assigned a unique username and password for accessing the office's accounting software, this information was shared with other employees. If inappropriate activity were to occur, the employee responsible for this activity would not be

easily identified because employees had access to each other's username and password. Sound business practices dictate that each transaction be identified to the individual creating the transaction. This deficiency was the result of a lack of management oversight. This deficiency was corrected when it was brought to management's attention in June 2012.

RECOMMENDATION

Each employee should access the application using his or her unique username and password to ensure that transactions are properly identified to each employee. Usernames and passwords should be confidential and should not be shared among employees.

OFFICES OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK AND SHERIFF

FINDING 12.05 **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 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.

**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, 2012**

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