

COMPREHENSIVE ANNUAL FINANCIAL REPORT
BEDFORD COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2015



DIVISION OF LOCAL GOVERNMENT AUDIT

COMPREHENSIVE ANNUAL FINANCIAL REPORT
BEDFORD COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2015

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF LOCAL GOVERNMENT AUDIT
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This financial report is available at www.comptroller.tn.gov

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Summary of Audit Findings

Comprehensive Annual Financial Report
Bedford County, Tennessee
For the Year Ended June 30, 2015

Scope

We have audited the basic financial statements of Bedford County as of and for the year ended June 30, 2015.

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICE OF COUNTY MAYOR

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

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ Computer system backups were not regularly stored off-site.

INTRODUCTORY SECTION



BEDFORD COUNTY, TENNESSEE

Letter of Transmittal

September 24, 2015

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, 2015, 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.

Management assumes full responsibility for the completeness and reliability of all the information contained in this report based upon a comprehensive internal control framework that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The State of Tennessee's Comptroller of the Treasury, Division of Local Government Audit has issued an unmodified ("clean") opinion on the financial statements of Bedford County, Tennessee, for the fiscal year ended June 30, 2015. The independent auditor's report is presented at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the report of the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

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 46,627.

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 ordinances. 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 ordinances 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.

Bedford County is required to adopt an annual budget in compliance with state statutes. The annual budget serves as the foundation for Bedford County's financial planning and control. 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.

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. Major industries located within the Bedford County's boundaries include a hospital, nursing homes, deep chill processing and perishable food distributor, manufacturers of writing instruments, school supplies, printing and engraving supplies, automobile cooling/heating exhausts, retail stores, and several financial institutions. The school system and Bedford County also have a significant economic presence, employing more than 1,400 teachers, professionals and support staff.

As of June 2015, Bedford County had an estimated labor force of 19,950 with 18,460 employed resulting in a 7.5 percent unemployment rate. Bedford County's unemployment rate is slightly above the state average of 6.6 percent.

Median household incomes within Bedford County are lower than the state as a whole. According to the latest estimate from the US Census Bureau, the state's median household income was \$44,298 and the county's was \$40,759 in 2013. Bedford County had a population of 46,627. This is an increase of 3.5 percent since the 2010 census. The median price of a single home in Bedford County was \$114,600.

Due to its strong financial position, Bedford County has maintained a credit rating of Aa3 from Moody's Investor Service since 2011, which is the highest bond rating in the history of the county and shows the county has a very strong capacity to meet its financial commitments.

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 February 2015, Two Creeks LLC requested a rezoning so that it can operate a light industrial operation which fabricates stainless steel for food product test kitchens. The county also approved a Community Development Block Grant (CDBG) application on behalf of Bedford County Utility District. The \$435,000 grant would be used for a \$500,000 project to run water lines. The Bedford County Utility District would be responsible for the \$65,000 match. Two new industries have announced plans to relocate to Bedford County. One Source Recycling, a plastics recycling company that will initially employ 15-20 people and Z-Lite, a distributor of LED lighting based out of Canada that will employ 15 people.

Long-term Financial Planning and Major Initiatives

Unassigned fund balance in the general fund at year end was 26.1 percent of total general fund current-year expenditures and exceeds the amount set by policy (three percent of current-year expenditures). The excess is available to cover revenue shortfalls, unanticipated expenditures, and to ensure stable tax rates.

To better serve the needs of the commission and the public, the commission adopted a fund balance policy in the General Debt Service Fund. The policy requires a minimum of three percent of expenditures. The General Debt Service Fund policy requires revenues meet the actual debt requirements. Additionally, the policy of the county requires that at the beginning of each fiscal year, the county will maintain an adequate amount in cash or investments in the debt service fund that will meet cash flow needs. Also, the Bedford County Commission and the Bedford County Financial Management Committee has adopted a county Debt Policy.

Future initiatives may include the construction of a Jail facility, Justice Center and a new school at Cascade. Also, the Bedford County Board of Commissioners asked the State of Tennessee to consider finishing the Shelbyville bypass, extending it west and south to State Route 64.

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 Generally Accepted Accounting Principles (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 Bedford County for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2014. This was the sixth consecutive year that Bedford County has achieved this prestigious award. In order 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 for Excellence in Financial Reporting is valid for a period of one year only. However, we believe that our current CAFR continues to conform to the Certificate of Achievement for Excellence in Financial Reporting Program's 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 skill, effort and dedication of the entire Department of Finance. They are: Lori Schuler, Kelly Walker, Denice Reese, Heidi Farris, Mary Anna Mitchell, Sherrie Armstrong, Colette 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 is due to the

county mayor and the commission for their unfailing support for maintaining the highest standards of professionalism in the management of Bedford County.

Sincerely,

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

Robert Daniel, CPA, CGFM
Director of Finance



Government Finance Officers Association

**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, 2014

Executive Director/CEO

Bedford County Officials

June 30, 2015

Officials

Eugene Ray, County Mayor
Stanley Smotherman, Highway Superintendent
Don Embry, Superintendent of Schools
Tonya Davis, Trustee
Ronda Clanton, Assessor of Property
Donna Thomas, County Clerk
Michelle Murray, Circuit and General Sessions Courts Clerk
Curt Cobb, Clerk and Master
John H. Reed, Jr., Register of Deeds
Austin Swing, Sheriff
Robert Daniel, Director of Finance

Board of County Commissioners

Eugene Ray, County Mayor, Chairman	Tony Smith
Don Gallagher	Julie Sanders
Jimmy Woodson	Billy King, Jr.
Jimmy Patterson	Charles Heflin
Ed Castleman	Linda Yockey
Tony Barrett	William Anderson
Janice Brothers	Jeff Yoes
Bobby Fox	John Brown
Phillip Farrar	Mark Thomas
Bob Davis	

Financial Management Committee

Eugene Ray, County Mayor, Chairman	Jeff Yoes
Stanley Smotherman, Highway Superintendent	Don Gallagher
Don Embry, Superintendent of Schools	Tony Smith
Janice Brothers	

Audit Committee

Joe Tillet, Jr., Chairman	Bailey Little
Virgil Johnson	Bob Garner
Sheila Orrell	George Bruno

(Continued)

Bedford County Officials (Cont.)

Board of Education

Amy Martin, Chairman
Dixie Parker
Brian Crews
Michael Cook
Diane Neeley

Andrea Anderson
Chad Graham
John Boutwell
Glenn Forsee

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

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

To the County Mayor and County Commissioners:

Report on the Financial Statements

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, 2015, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 two percent, two percent, and two percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report 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 solely on the report of the other auditors. We conducted our audit in accordance with auditing

standards generally accepted in the United States of America and the 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2015, and the respective changes in financial position and the respective budgetary comparisons for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note V.B., Bedford County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*; GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*; and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to these matters.

Emphasis of Matter

We draw attention to Note I.D.10 to the financial statements, which describes a restatement increasing the beginning Governmental Activities net position by \$1,359,566 and decreasing the discretely presented Bedford County School Department net position by \$7,451,848 on the Government-wide Statement of Activities. These restatements were necessary because of the transitional requirements of GASB Statement No. 68, *Accounting*

and Financial Reporting for Pensions. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 22 - 33 and the schedule of changes in the county's net pension liability and related ratios, schedules of county and school contributions, schedule of school's proportionate share of the net pension liability, and schedule of funding progress - other postemployment benefits plan on pages 107 - 113 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.

Supplementary and Other Information

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

The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Bedford County School Department (a discretely presented component unit), and 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the procedures performed as described above, the combining and individual nonmajor fund financial statements, budgetary comparison

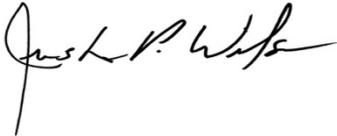
schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Bedford County School Department (a discretely presented component unit), and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2015, on our consideration of Bedford County's internal control over financial reporting and on 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bedford County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

September 24, 2015

JPW/yu

**Bedford County, Tennessee
Management's Discussion and Analysis
For the Year Ended June 30, 2015**

As management for Bedford County, Tennessee, we offer readers of Bedford County's financial statements, this narrative overview and analysis of the financial activities of Bedford County for the year ended June 30, 2015. 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 and deferred inflows of Bedford County exceeded its assets at the close of the most recent fiscal year by \$4,351,772 (net position). Of this amount, a negative \$33,328,675 represents unrestricted net position.
- Bedford County's total net position increased by \$4,675,486.
- At the close of the current fiscal year, Bedford County's governmental funds reported combined fund balances of \$17,802,679, an increase of \$142,239 in comparison with the prior year. The majority of this increase can be attributed to the transfer of the capital projects fund into general fund. Approximately 28.6 percent of this amount or \$5,086,174 is available for spending at the county's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unrestricted fund balance (the total of the *committed*, *assigned*, and *unassigned* components of *fund balance*) for the General Fund was \$11,019,967, or approximately 56.5 percent of total General Fund expenditures.
- Bedford County's total outstanding long-term debt decreased by \$1,512,000 or approximately 2.7 percent during the current fiscal year.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to Bedford County's basic financial statements. Bedford County's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) the notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of Bedford County's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of Bedford County's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position 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 how Bedford County's net position changed during the most recent fiscal year. All changes in net position 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 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; highway/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. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

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

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

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

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

Bedford County maintains six 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, which are considered to be major funds. Data from the other three 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 in the combining and individual fund statements and schedules of 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 General Purpose School Fund and special revenue funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with their budgets.

The basic governmental fund financial statements can be found in Exhibits C-1 through C-6 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* reported 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 necessary to acquire 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 *required supplementary information* concerning 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 Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of Bedford County, liabilities and deferred inflows exceeded assets and deferred outflows by \$4,351,772 at the close of the most recent 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, 2015, Bedford County had outstanding debt totaling \$49,025,000 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 position without a corresponding increase in the county's capital assets.

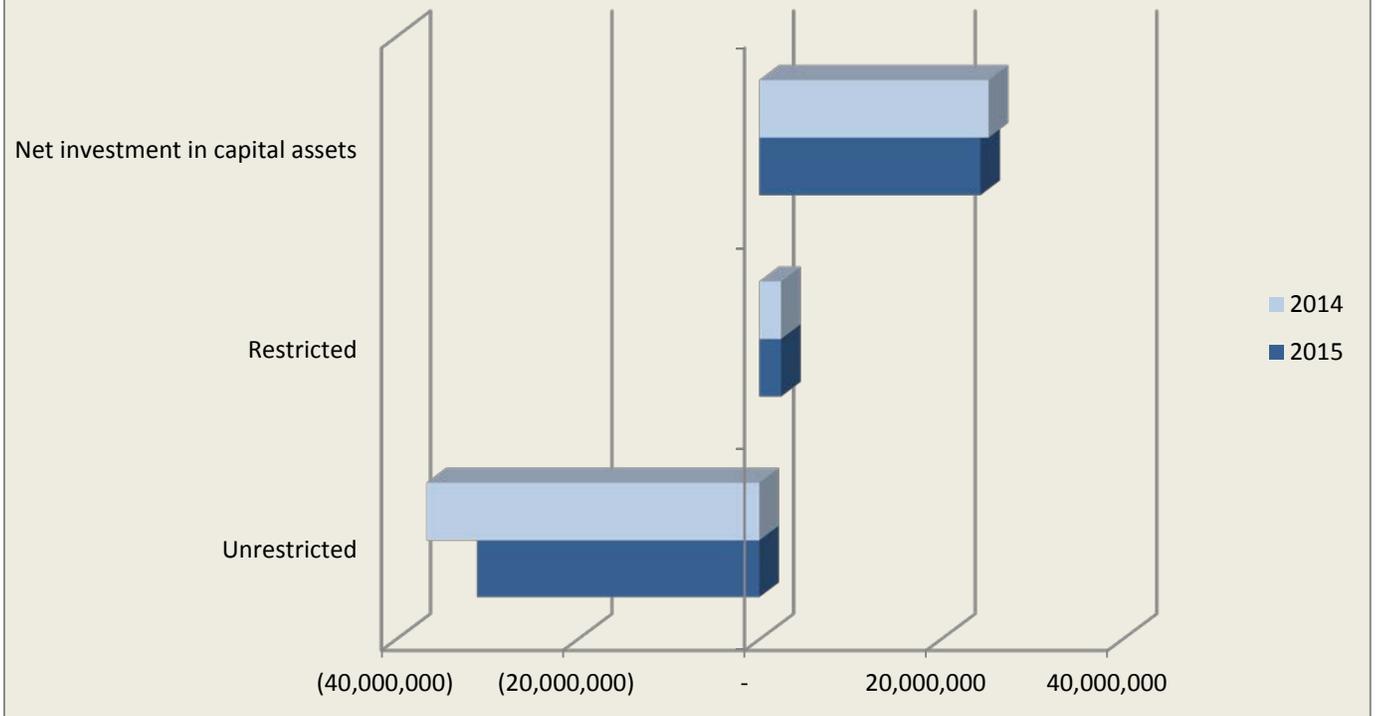
BEDFORD COUNTY'S Net Position

	Governmental Activities	
	2014-15	2013-14
Current and Other Assets	\$ 34,037,845	\$ 29,373,561
Capital Assets	30,800,496	29,991,263
Deferred Outflows of Resources	495,900	0
Total Assets and Deferred Outflows	<u>\$ 65,334,241</u>	<u>\$ 59,364,824</u>
Long-term Liabilities	\$ 56,613,950	\$ 58,087,475
Other Liabilities	1,107,577	288,348
Deferred Inflows of Resources	11,964,486	10,016,259
Total Liabilities and Deferred Inflows	<u>\$ 69,686,013</u>	<u>\$ 68,392,082</u>
Net Position:		
Net Investment in Capital Assets	\$ 24,345,496	\$ 25,246,263
Restricted	4,631,407	2,388,323
Unrestricted	<u>(33,328,675)</u>	<u>(36,661,844)</u>
Total Net Position	<u><u>\$ (4,351,772)</u></u>	<u><u>\$ (9,027,258)</u></u>

By far, the largest portion of Bedford County's net position totaling \$24,345,496 reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt used to acquire those assets. Bedford County uses these capital assets to provide a variety of services to citizens. Accordingly, 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 Bedford County's net position totaling \$4,631,407 represents resources that are subject to external restrictions on how they may be used. Any balance remaining is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

BEDFORD COUNTY'S Net Position June 30, 2014 and 2015

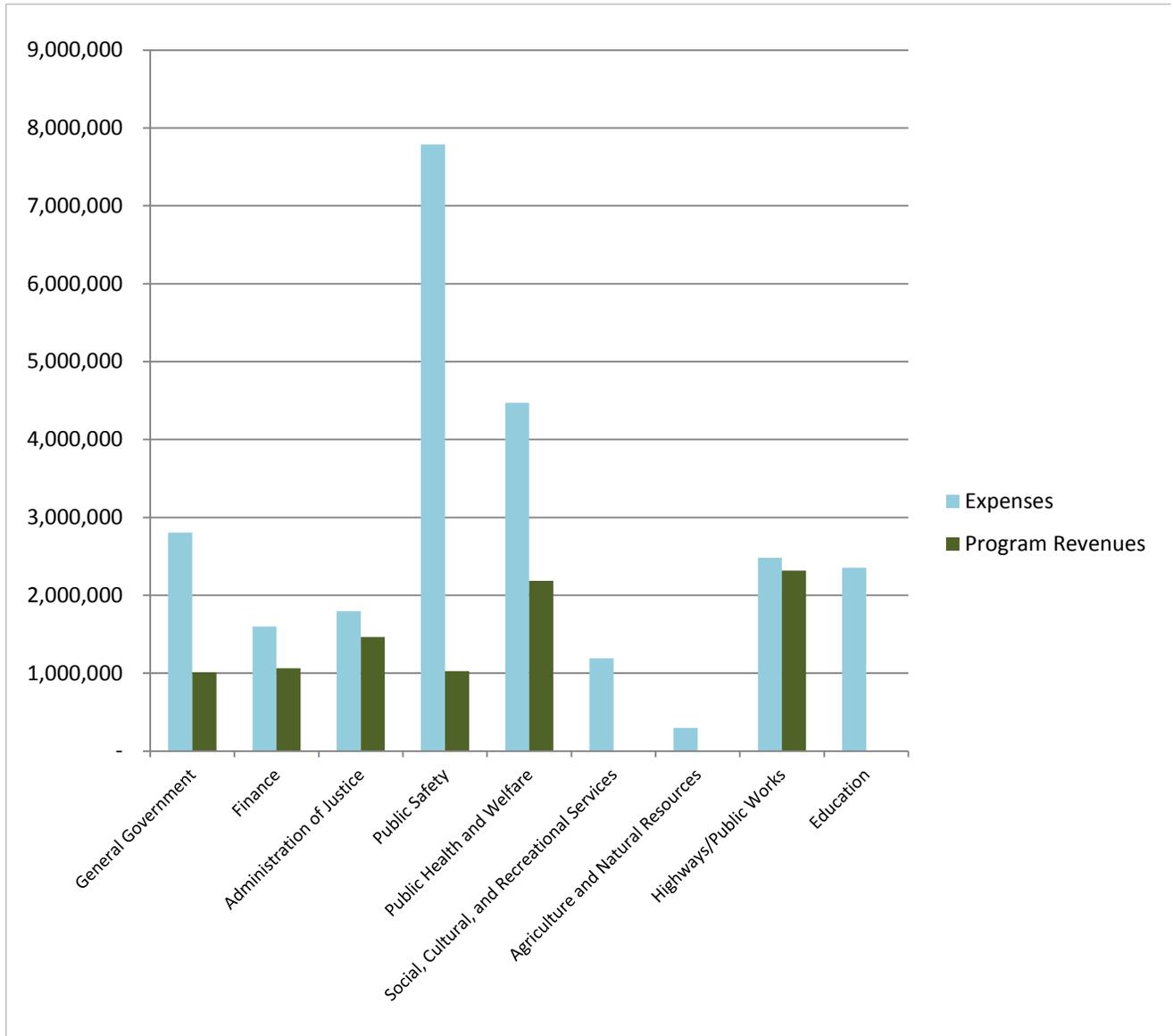


Governmental activities. During the current fiscal year, net position for governmental activities increased \$4,675,486 from the prior fiscal year for an ending balance of a negative \$4,351,772.

BEDFORD COUNTY'S Changes in Net Position

	Governmental Activities	
	2014-15	2013-14
Revenues:		
Program Revenues:		
Charges for Services	\$ 6,222,177	\$ 6,125,160
Operating Grants and Contributions	2,515,105	2,559,500
Capital Grants and Contributions	355,635	833,698
General Revenues:		
Property Taxes	10,367,833	10,385,599
Local Option Sales Taxes	5,777,154	5,473,609
Other Taxes	1,270,682	1,209,328
Grants and Contributions Not Restricted to Specific Programs	921,801	1,091,349
Pension Income	378,711	0
Unrestricted Investment Earnings	39,737	36,627
Miscellaneous	247,676	380,290
Total Revenues	<u>\$ 28,096,511</u>	<u>\$ 28,095,160</u>
Expenses:		
General Government	\$ 2,805,033	\$ 2,698,463
Finance	1,599,186	1,639,345
Administration of Justice	1,795,328	1,796,717
Public Safety	7,786,605	7,916,501
Public Health and Welfare	4,472,045	4,486,032
Social, Cultural, and Recreational Services	1,189,722	598,490
Agriculture and Natural Resources	297,833	266,214
Highway/Public Works	2,481,031	1,751,616
Education (Payment to CU)	2,353,808	2,318,241
Total Expenses	<u>\$ 24,780,591</u>	<u>\$ 23,471,619</u>
Increase (Decrease) in Net Position	\$ 3,315,920	\$ 4,623,541
Prior-period Restatement	1,359,566	0
Net position, July 1	<u>(9,027,258)</u>	<u>(13,650,799)</u>
Net position, June 30	<u>\$ (4,351,772)</u>	<u>\$ (9,027,258)</u>

Expenses and Program Revenues – Governmental Activities

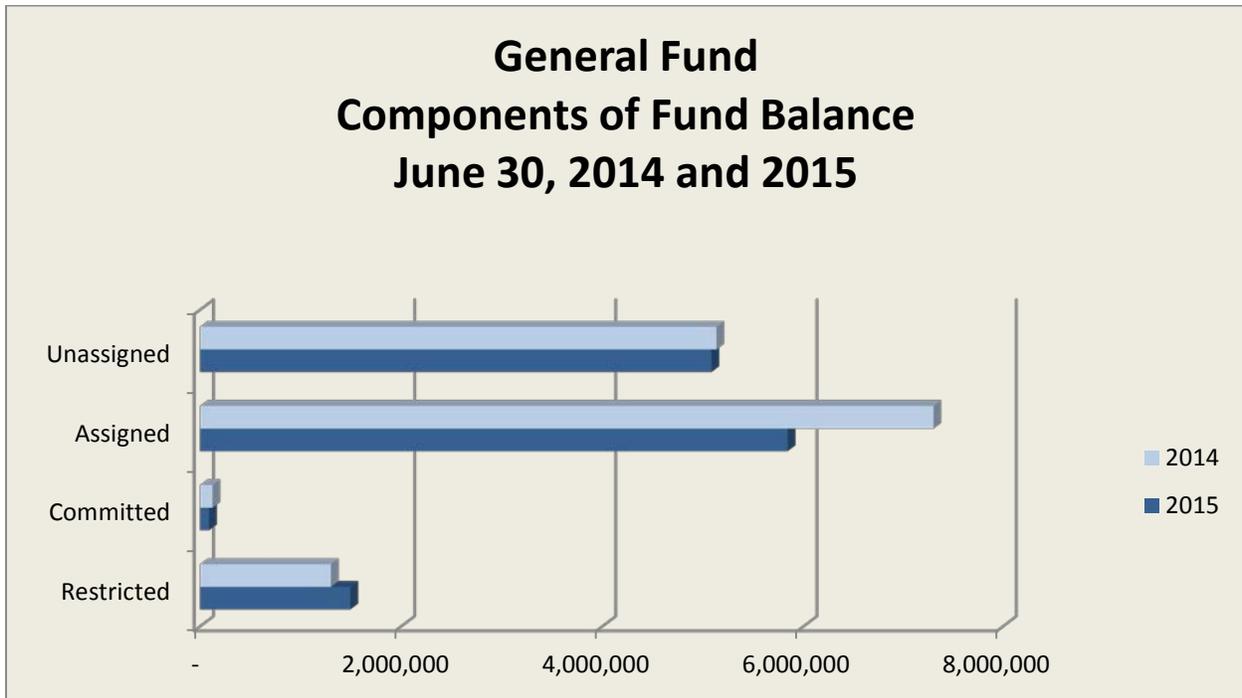


Financial Analysis of the Government’s Funds

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

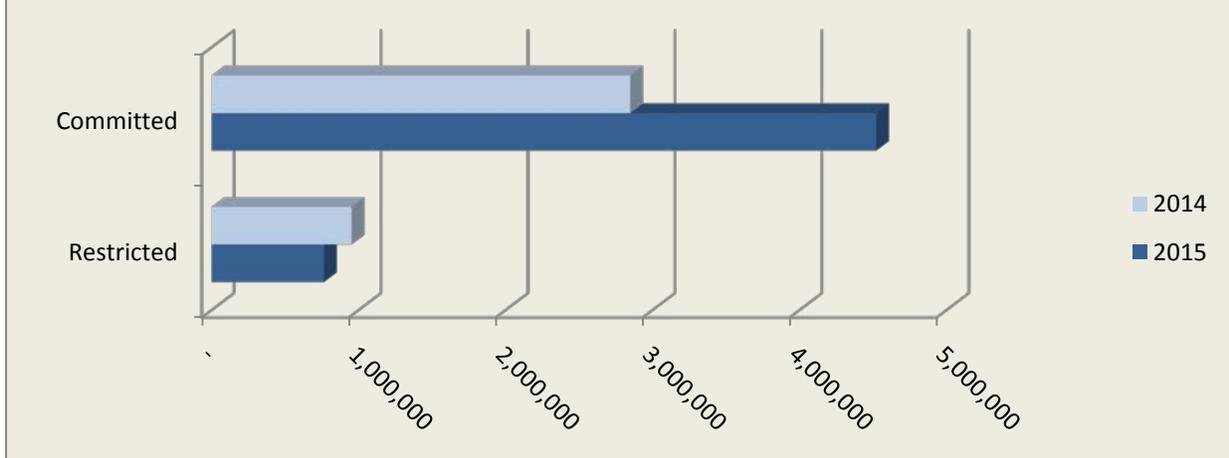
Governmental funds. The focus of Bedford County’s *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Bedford County government’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for discretionary use as they represent the portion of fund balance that has not yet been limited to use for a particular purpose by either an external party, Bedford County itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Bedford County Commission.

At June 30, 2015, Bedford County’s governmental funds reported combined ending fund balances of \$17,802,679, an increase of \$142,239, in comparison with the prior year. Approximately 28.6 percent of this amount or \$5,086,174 constitutes *unassigned fund balance*, which is available for spending at the government’s discretion. The remainder of fund balance is either restricted, committed, or assigned to indicate that it is 1) restricted for particular purposes (\$2,260,436); 2) committed for particular purposes (\$4,612,791); or 3) assigned for particular purposes (\$5,843,278).



The General Fund is the chief operating fund of Bedford County. At the end of the current fiscal year, unassigned fund balance was \$5,086,174, while total fund balance decreased to \$12,514,835. 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 General Fund expenditures. Unassigned fund balance represents approximately 26.1 percent of total General Fund expenditures, while total fund balance represents approximately 64.2 percent of that same amount.

Other Governmental Funds Components of Fund Balance June 30, 2014 and 2015



The fund balance of Bedford County’s General Fund decreased by \$1,344,165 during the current fiscal year. As discussed earlier in connection with governmental activities, the decrease was primarily due to the purchase of capital assets.

The General Debt Service Fund had an increase in fund balance during the current year of \$1,078,120 to bring the year-end fund balance to \$3,535,740. This increase was primarily due to a reduction of outstanding debt balances.

General Fund Budgetary Highlights

Original budget compared to final budget. During the fiscal year, there were increases to original estimated revenues and original budgeted appropriations. The increase in estimated revenues was not significant except for an increase in other local revenues and from the State of Tennessee, which was increased by \$45,619 and \$49,171, respectively. Generally, the movement of the appropriations between the departments was not significant. The exceptions were the appropriation for the Sheriff’s Department in the public safety function, which was increased by \$117,321 and the appropriation for the other general government operations, which was increased by \$252,490.

The increase in the Sheriff’s Department budget was primarily due to an increase in vehicle costs, overtime, and law enforcement equipment. The increase in other general government operations was due to the cost of a lawsuit.

Final budget compared to actual results. The most significant differences between estimated revenues and actual revenues in the final budget were in local taxes of \$661,910 and other local revenues with \$328,540 more than anticipated.

At the close of the fiscal year, General Fund revenues were \$1,195,480 more than budgetary estimates. This favorable variance was due primarily to conservative budget estimates for local taxes in anticipation of the current appeals.

A review of actual expenditures compared with the appropriations in the final budget yields no significant variances. At the close of the fiscal year, actual expenditures and encumbrances were \$1,860,868 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, 2015, totals \$30,800,496, (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 total increase in capital assets for the current fiscal year was approximately 2.7 percent.

Bedford County’s Capital Assets
(net of depreciation)

	Governmental Activities	
	2015	2014
Land	\$ 867,300	\$ 867,300
Construction in Progress	0	20,588
Buildings and Improvements	7,028,023	7,330,542
Other Capital Assets	1,980,667	2,284,776
Infrastructure	20,924,506	19,488,057
Total	\$ 30,800,496	\$ 29,991,263

Major capital asset increases during the current fiscal year included the following:

- Roads/Infrastructure totaling \$2,126,645.

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 \$55,480,000. All debt is backed by the full faith and credit of the government.

Bedford County’s Outstanding Debt

	Governmental Activities	
	2015	2014
General Obligation Bonds	\$ 52,265,000	\$ 55,215,000
Notes Payable	2,000,000	0
Other Debt Payable	1,215,000	1,777,000
Total	\$ 55,480,000	\$ 56,992,000

Bedford County’s total debt decreased by \$1,512,000 (2.7 percent) during the current fiscal year.

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

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

Economic Factors and Next Year’s Budget and Rates

The following economic factors currently affect Bedford County and were considered in developing the 2015-16 fiscal year budget.

- The unemployment rate for Bedford County is currently 7.5 percent, which is the same rate as a year ago. While the unemployment rate is likely to decrease, it is not expected to reach the pre-recession level for several years.
- Bedford County has experienced an upturn in the housing market, which affects several revenue items including excess fees from the register of deeds, development tax, building related permit fees, and an increase in local option sales tax collections.
- Interest rates are expected to remain at low levels throughout fiscal year 2015-16.
- Bedford County’s daytime population exceeds 32,000 persons a day, requiring 24-hour services for residents and non-residents alike.

Request for Information

This financial report is designed to provide a general overview of Bedford County'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 Position
June 30, 2015

	Primary Governmental Activities	Component Units	
		Bedford County School Department	Emergency Communications District
<u>ASSETS</u>			
Cash	\$ 555	\$ 4,462	\$ 1,374,834
Equity in Pooled Cash and Investments	17,102,767	13,551,395	0
Inventories	0	68,314	0
Accounts Receivable	2,321,632	42,148	0
Allowance for Uncollectibles	(1,263,059)	0	0
Due from Other Governments	1,781,493	805,944	0
Due from Primary Government	0	0	24,164
Property Taxes Receivable	10,800,253	8,813,007	0
Allowance for Uncollectible Property Taxes	(319,986)	(261,108)	0
Prepaid Items	0	132,000	33,267
Net Pension Asset	3,614,190	5,067,254	118,939
Restricted Assets	0	0	100
Capital Assets:			
Assets Not Depreciated:			
Land	867,300	2,785,691	0
Construction in Progress	0	146,461	0
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	7,028,023	81,914,031	0
Other Capital Assets	1,980,667	3,671,757	472,453
Infrastructure	20,924,506	0	0
Total Assets	<u>\$ 64,838,341</u>	<u>\$ 116,741,356</u>	<u>\$ 2,023,757</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension Changes in Contributions after Measurement Date	\$ 495,900	\$ 2,832,766	\$ 19,493
Pension Changes in Experience	0	288,144	0
Pensions Other Deferrals	0	137,745	0
Total Deferred Outflows of Resources	<u>\$ 495,900</u>	<u>\$ 3,258,655</u>	<u>\$ 19,493</u>

(Continued)

Exhibit A

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

	Primary Governmental Activities	Component Units	
		Bedford County School Department	Emergency Communications District
<u>LIABILITIES</u>			
Accounts Payable	\$ 411,921	\$ 6,631	\$ 14,600
Accrued Payroll	0	0	11,701
Accrued Interest Payable	421,322	0	0
Compensated Absences Payable	0	0	23,262
Payroll Deductions Payable	688	979,285	3,774
Claims and Judgements	243,250	0	0
Due to Component Units	24,164	0	0
Due to State of Tennessee	6,232	0	0
Noncurrent Liabilities:			
Due Within One Year	4,076,859	0	0
Due in More Than One Year (net of unamortized premium on debt)	52,537,091	781,449	0
Total Liabilities	<u>\$ 57,721,527</u>	<u>\$ 1,767,365</u>	<u>\$ 53,337</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 10,088,574	\$ 8,232,277	\$ 0
Pension Changes in Experience	508,196	695,825	16,724
Pension Changes in Investment Earnings	1,367,716	11,651,801	45,010
Total Deferred Inflows of Resources	<u>\$ 11,964,486</u>	<u>\$ 20,579,903</u>	<u>\$ 61,734</u>

(Continued)

Exhibit A

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

	Primary Governmental Activities	Component Units	
		Bedford County School Department	Emergency Communications District
<u>NET POSITION</u>			
Net Investment in Capital Assets	\$ 24,345,496	\$ 88,517,940	\$ 472,453
Restricted for:			
General Government	21,696	0	0
Finance	13,619	0	0
Administration of Justice	1,282,327	0	0
Public Safety	47,401	0	0
Public Health and Welfare	151,977	0	0
Highway/Public Works	880,209	0	0
Central Cafeteria	0	1,177,548	0
Education	0	165,809	0
Other Purposes	2,234,178	0	0
Unrestricted	(33,328,675)	7,791,446	1,455,726
Total Net Position	<u>\$ (4,351,772)</u>	<u>\$ 97,652,743</u>	<u>\$ 1,928,179</u>

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, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Units	
						Bedford County School Department	Emergency Communications District
Primary Government:							
Governmental Activities:							
General Government	\$ 2,805,033	\$ 996,046	\$ 17,670	\$ 0	\$ (1,791,317)	\$ 0	\$ 0
Finance	1,599,186	1,061,823	0	0	(537,363)	0	0
Administration of Justice	1,795,328	1,455,787	9,000	0	(330,541)	0	0
Public Safety	7,786,605	912,066	104,858	9,180	(6,760,501)	0	0
Public Health and Welfare	4,472,045	1,757,596	429,933	0	(2,284,516)	0	0
Social, Cultural, and Recreational Services	1,189,722	0	12,000	0	(1,177,722)	0	0
Agriculture and Natural Resources	297,833	9,300	2,100	0	(286,433)	0	0
Highways	2,481,031	29,559	1,939,544	346,455	(165,473)	0	0
Education	2,353,808	0	0	0	(2,353,808)	0	0
Total Primary Government	\$ 24,780,591	\$ 6,222,177	\$ 2,515,105	\$ 355,635	\$ (15,687,674)	\$ 0	\$ 0
Component Units:							
Bedford County School Department	\$ 61,607,980	\$ 717,591	\$ 9,084,465	\$ 0	\$ 0	\$ (51,805,924)	\$ 0
Emergency Communications District	916,730	545,252	2,790	0	0	0	(368,688)
Total Component Units	\$ 62,524,710	\$ 1,262,843	\$ 9,087,255	\$ 0	\$ 0	\$ (51,805,924)	\$ (368,688)

(Continued)

Exhibit B

Bedford County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Units	
						Bedford County School Department	Emergency Communications District
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes					\$ 9,557,504	\$ 8,497,841	\$ 0
Property Taxes Levied for Debt Service					810,329	0	0
Local Option Sales Tax					5,777,154	2,134,397	0
Business Tax					385,275	0	0
Litigation Tax - General					177,105	0	0
Wholesale Beer Tax					195,585	0	0
Adequate Facilities/Development Tax					229,295	0	0
Litigation Tax - Courtroom Security					99,355	0	0
Litigation Tax - Jail, Workhouse, or Courthouse					91,300	0	0
Mineral Severance Tax					85,765	0	0
Other Local Taxes					7,002	24,832	0
Grants and Contributions Not Restricted to Specific Programs					921,801	43,223,113	961,812
Unrestricted Investment Income					39,737	948	1,598
Gain on Sale of Capital Assets					0	28,182	0
Pension Income					378,711	597,366	12,463
Miscellaneous					247,676	162,279	22,392
Total General Revenues					<u>\$ 19,003,594</u>	<u>\$ 54,668,958</u>	<u>\$ 998,265</u>
Special Item - Impairment Gain					<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 8,780</u>
Change in Net Position					<u>\$ 3,315,920</u>	<u>\$ 2,863,034</u>	<u>\$ 638,357</u>
Net Position, July 1, 2014					(9,027,258)	102,241,557	1,245,080
Restatement - See Note I.D.10					<u>1,359,566</u>	<u>(7,451,848)</u>	<u>44,742</u>
Net Position, June 30, 2015					<u><u>\$ (4,351,772)</u></u>	<u><u>\$ 97,652,743</u></u>	<u><u>\$ 1,928,179</u></u>

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, 2015

	Major Funds			Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Fund Drug Control	
<u>ASSETS</u>					
Cash	\$ 555	\$ 0	\$ 0	\$ 0	\$ 555
Equity in Pooled Cash and Investments	12,323,528	1,776,423	2,980,664	22,152	17,102,767
Accounts Receivable	2,170,583	1,159	149,890	0	2,321,632
Allowance for Uncollectibles	(1,261,838)	0	(1,221)	0	(1,263,059)
Due from Other Governments	449,111	378,129	954,253	0	1,781,493
Due from Other Funds	0	1,872	0	0	1,872
Property Taxes Receivable	9,590,625	345,608	864,020	0	10,800,253
Allowance for Uncollectible Property Taxes	(284,147)	(10,240)	(25,599)	0	(319,986)
Total Assets	\$ 22,988,417	\$ 2,492,951	\$ 4,922,007	\$ 22,152	\$ 30,425,527
<u>LIABILITIES</u>					
Accounts Payable	\$ 154,187	\$ 257,734	\$ 0	\$ 0	\$ 411,921
Payroll Deductions Payable	0	688	0	0	688
Claims and Judgments Payable	243,250	0	0	0	243,250
Due to Other Funds	1,872	0	0	0	1,872
Due to Component Units	24,164	0	0	0	24,164
Due to State of Tennessee	6,232	0	0	0	6,232
Total Liabilities	\$ 429,705	\$ 258,422	\$ 0	\$ 0	\$ 688,127
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 8,958,654	\$ 322,834	\$ 807,086	\$ 0	\$ 10,088,574
Deferred Delinquent Property Taxes	337,173	12,150	30,376	0	379,699
Other Deferred/Unavailable Revenue	748,050	169,593	548,805	0	1,466,448
Total Deferred Inflows of Resources	\$ 10,043,877	\$ 504,577	\$ 1,386,267	\$ 0	\$ 11,934,721

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Fund	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Drug Control	
<u>FUND BALANCES</u>					
Restricted:					
Restricted for General Government	\$ 21,696	\$ 0	\$ 0	\$ 0	\$ 21,696
Restricted for Finance	13,619	0	0	0	13,619
Restricted for Administration of Justice	1,282,327	0	0	0	1,282,327
Restricted for Public Safety	25,249	0	0	22,152	47,401
Restricted for Public Health and Welfare	151,977	0	0	0	151,977
Restricted for Highways/Public Works	0	743,416	0	0	743,416
Committed:					
Committed for General Government	43,154	0	0	0	43,154
Committed for Finance	1,821	0	0	0	1,821
Committed for Public Safety	4,200	0	0	0	4,200
Committed for Public Health and Welfare	8,502	0	0	0	8,502
Committed for Agriculture and Natural Resources	32,838	0	0	0	32,838
Committed for Debt Service	0	0	3,535,740	0	3,535,740
Committed for Capital Projects	0	986,536	0	0	986,536
Assigned:					
Assigned for Capital Projects	5,843,278	0	0	0	5,843,278
Unassigned	5,086,174	0	0	0	5,086,174
Total Fund Balances	<u>\$ 12,514,835</u>	<u>\$ 1,729,952</u>	<u>\$ 3,535,740</u>	<u>\$ 22,152</u>	<u>\$ 17,802,679</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 22,988,417</u>	<u>\$ 2,492,951</u>	<u>\$ 4,922,007</u>	<u>\$ 22,152</u>	<u>\$ 30,425,527</u>

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 Position
June 30, 2015

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$	17,802,679
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	867,300	
Add: buildings and improvements net of accumulated depreciation		7,028,023	
Add: other capital assets net of accumulated depreciation		1,980,667	
Add: infrastructure net of accumulated depreciation		<u>20,924,506</u>	30,800,496
(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	\$	(2,000,000)	
Less: other loans payable		(1,215,000)	
Less: bonds payable		(52,265,000)	
Less: compensated absences payable		(297,166)	
Less: other postemployment benefits liability		(513,357)	
Less: accrued interest on notes and bonds		(421,322)	
Less: unamortized premium on debt		<u>(323,427)</u>	(57,035,272)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years:			
Add: deferred outflows of resources related to pensions	\$	495,900	
Less: deferred inflows of resources related to pensions		<u>(1,875,912)</u>	(1,380,012)
(4) Net pension assets of the county agent plan are not current financial resources and are therefore not reported in the governmental funds.			3,614,190
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>1,846,147</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>(4,351,772)</u></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, 2015

	Major Funds			Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 11,055,910	\$ 439,353	\$ 6,701,967	\$ 0	\$ 18,197,230
Licenses and Permits	185,493	0	0	0	185,493
Fines, Forfeitures, and Penalties	474,330	0	0	4,681	479,011
Charges for Current Services	1,861,881	0	0	47	1,861,928
Other Local Revenues	951,592	17,510	39,737	7,356	1,016,195
Fees Received From County Officials	1,882,048	0	0	0	1,882,048
State of Tennessee	1,408,938	2,287,576	0	0	3,696,514
Federal Government	85,994	0	0	0	85,994
Other Governments and Citizens Groups	0	12,870	0	0	12,870
Total Revenues	<u>\$ 17,906,186</u>	<u>\$ 2,757,309</u>	<u>\$ 6,741,704</u>	<u>\$ 12,084</u>	<u>\$ 27,417,283</u>
<u>Expenditures</u>					
Current:					
General Government	\$ 1,557,454	\$ 0	\$ 0	\$ 0	\$ 1,557,454
Finance	1,651,339	0	0	0	1,651,339
Administration of Justice	1,859,036	0	0	0	1,859,036
Public Safety	7,508,059	0	0	47	7,508,106
Public Health and Welfare	4,395,761	0	0	0	4,395,761
Social, Cultural, and Recreational Services	1,167,090	0	0	0	1,167,090
Agriculture and Natural Resources	245,158	0	0	0	245,158
Other Operations	1,118,671	7,000	0	47	1,125,718
Highways	0	3,963,081	0	0	3,963,081
Capital Outlay	0	0	0	22,632	22,632
Debt Service:					
Principal on Debt	0	0	3,512,000	0	3,512,000
Interest on Debt	0	0	2,246,816	0	2,246,816

(Continued)

Exhibit C-3

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

	Major Funds			Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Funds Other Govern- mental Funds	
<u>Expenditures (Cont.)</u>					
Debt Service (Cont.)					
Other Debt Service	\$ 0	\$ 0	\$ 2,728,386	\$ 0	\$ 2,728,386
Total Expenditures	\$ 19,502,568	\$ 3,970,081	\$ 8,487,202	\$ 22,726	\$ 31,982,577
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,596,382)	\$ (1,212,772)	\$ (1,745,498)	\$ (10,642)	\$ (4,565,294)
<u>Other Financing Sources (Uses)</u>					
Notes Issued	\$ 0	\$ 2,000,000	\$ 0	\$ 0	\$ 2,000,000
Refunding Debt Issued	0	0	2,610,000	0	2,610,000
Insurance Recovery	97,533	0	0	0	97,533
Transfers In	368,302	0	213,618	0	581,920
Transfers Out	(213,618)	0	0	(368,302)	(581,920)
Total Other Financing Sources (Uses)	\$ 252,217	\$ 2,000,000	\$ 2,823,618	\$ (368,302)	\$ 4,707,533
Net Change in Fund Balances	\$ (1,344,165)	\$ 787,228	\$ 1,078,120	\$ (378,944)	\$ 142,239
Fund Balance, July 1, 2014	13,859,000	942,724	2,457,620	401,096	17,660,440
Fund Balance, June 30, 2015	\$ 12,514,835	\$ 1,729,952	\$ 3,535,740	\$ 22,152	\$ 17,802,679

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, 2015

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)		\$ 142,239
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 2,443,200	
Less: current-year depreciation expense	<u>(1,536,056)</u>	907,144
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		
Less: book value of capital assets disposed		(97,911)
(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, 2015	\$ 1,846,147	
Less: deferred delinquent property taxes and other deferred June 30, 2014	<u>(1,560,466)</u>	285,681
(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 position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:		
Add: principal payment on refunding	\$ 2,610,000	
Add: principal payments on bonds	2,950,000	
Add: principal payments on other loans	562,000	
Add: change in premium on debt issuances	14,836	
Less: refunding bond proceeds	(2,610,000)	
Less: note proceeds	<u>(2,000,000)</u>	1,526,836
(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	\$ (269,370)	
Change in compensated absences payable	(30,103)	
Change in net pension asset	2,254,624	
Change in deferred outflows of resources related to pensions	495,900	
Change in deferred inflows of resources related to pensions	(1,875,912)	
Change in other postemployment benefits liability	<u>(23,208)</u>	551,931
Change in net position of governmental activities (Exhibit B)		<u>\$ 3,315,920</u>

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

Exhibit C-5

Bedford County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 11,055,910	\$ 0	\$ 0	\$ 11,055,910	\$ 10,394,000	\$ 10,394,000	\$ 661,910
Licenses and Permits	185,493	0	0	185,493	128,000	128,000	57,493
Fines, Forfeitures, and Penalties	474,330	0	0	474,330	432,625	444,472	29,858
Charges for Current Services	1,861,881	0	0	1,861,881	1,695,500	1,702,152	159,729
Other Local Revenues	951,592	0	0	951,592	577,433	623,052	328,540
Fees Received From County Officials	1,882,048	0	0	1,882,048	1,820,200	1,825,330	56,718
State of Tennessee	1,408,938	0	0	1,408,938	1,485,780	1,534,951	(126,013)
Federal Government	85,994	0	0	85,994	43,350	58,749	27,245
Total Revenues	\$ 17,906,186	\$ 0	\$ 0	\$ 17,906,186	\$ 16,576,888	\$ 16,710,706	\$ 1,195,480
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 111,935	\$ (100)	\$ 0	\$ 111,835	\$ 116,397	\$ 117,297	\$ 5,462
Board of Equalization	1,450	0	0	1,450	8,000	8,000	6,550
Beer Board	250	0	0	250	1,000	1,000	750
Budget and Finance Committee	1,985	0	0	1,985	3,048	3,048	1,063
County Mayor/Executive	189,918	0	0	189,918	260,961	264,590	74,672
County Attorney	78,664	0	0	78,664	65,000	94,000	15,336
Election Commission	193,588	0	0	193,588	210,517	210,517	16,929
Register of Deeds	282,323	(550)	0	281,773	287,274	287,386	5,613
Planning	208,735	0	0	208,735	230,713	230,713	21,978
Codes Compliance	56,421	0	0	56,421	68,101	68,101	11,680
County Buildings	432,185	(7,735)	43,154	467,604	641,203	730,265	262,661
<u>Finance</u>							
Accounting and Budgeting	479,942	(810)	1,201	480,333	610,734	532,614	52,281
Property Assessor's Office	345,824	0	520	346,344	371,277	371,677	25,333
Reappraisal Program	103,735	0	0	103,735	115,374	114,974	11,239
County Trustee's Office	286,754	0	0	286,754	324,539	333,523	46,769
County Clerk's Office	435,084	0	100	435,184	457,327	467,713	32,529

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Administration of Justice</u>							
Circuit Court	\$ 552,102	\$ 0	\$ 0	\$ 552,102	\$ 555,823	\$ 578,392	\$ 26,290
General Sessions Court	214,929	0	0	214,929	231,527	231,527	16,598
Chancery Court	303,458	0	0	303,458	311,445	312,479	9,021
Juvenile Court	197,426	0	0	197,426	214,284	214,811	17,385
Judicial Commissioners	174,506	0	0	174,506	179,124	179,124	4,618
Other Administration of Justice	116,291	0	0	116,291	119,960	119,960	3,669
Probation Services	300,324	0	0	300,324	329,965	329,965	29,641
<u>Public Safety</u>							
Sheriff's Department	2,628,819	(1,050)	100	2,627,869	2,703,238	2,820,559	192,690
Traffic Control	39,303	(350)	0	38,953	31,181	43,781	4,828
Jail	1,826,923	0	0	1,826,923	1,819,008	1,868,293	41,370
Workhouse	825,008	0	0	825,008	964,709	861,343	36,335
Juvenile Services	435,093	0	0	435,093	468,284	468,284	33,191
Other Emergency Management	1,324,955	(675)	4,100	1,328,380	1,372,293	1,397,692	69,312
County Coroner/Medical Examiner	18,375	0	0	18,375	20,000	20,000	1,625
Other Public Safety	409,583	0	0	409,583	450,125	450,125	40,542
<u>Public Health and Welfare</u>							
Local Health Center	451,114	0	3,900	455,014	600,500	698,964	243,950
Rabies and Animal Control	237,991	(4,347)	0	233,644	252,256	294,080	60,436
Ambulance/Emergency Medical Services	2,393,941	(84,725)	4,602	2,313,818	2,529,183	2,540,401	226,583
Other Local Health Services	68,106	0	0	68,106	68,107	68,107	1
Regional Mental Health Center	12,900	0	0	12,900	12,900	12,900	0
Appropriation to State	54,000	0	0	54,000	54,000	54,000	0
General Welfare Assistance	99,875	0	0	99,875	100,475	100,475	600
Convenience Centers	1,077,834	0	0	1,077,834	1,092,351	1,189,967	112,133
<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	1,142,390	0	0	1,142,390	1,142,390	1,142,390	0

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	\$ 119,991	\$ 0	\$ 0	\$ 119,991	\$ 125,719	\$ 125,719	\$ 5,728
Soil Conservation	58,000	0	0	58,000	37,000	58,000	0
Other Agriculture and Natural Resources	67,167	0	0	67,167	77,059	77,059	9,892
<u>Other Operations</u>							
Tourism	3,948	0	0	3,948	3,948	3,948	0
Veterans' Services	49,202	0	0	49,202	30,171	51,131	1,929
Other Charges	310,170	0	0	310,170	319,629	327,389	17,219
Contributions to Other Agencies	120,449	0	0	120,449	122,000	122,000	1,551
Miscellaneous	634,902	0	0	634,902	445,298	697,788	62,886
Total Expenditures	\$ 19,502,568	\$ (100,342)	\$ 57,677	\$ 19,459,903	\$ 20,580,117	\$ 21,320,771	\$ 1,860,868
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,596,382)	\$ 100,342	\$ (57,677)	\$ (1,553,717)	\$ (4,003,229)	\$ (4,610,065)	\$ 3,056,348
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 97,533	\$ 0	\$ 0	\$ 97,533	\$ 9,171	\$ 125,158	\$ (27,625)
Transfers In	368,302	0	0	368,302	78,121	368,302	0
Transfers Out	(213,618)	0	0	(213,618)	0	(213,618)	0
Total Other Financing Sources	\$ 252,217	\$ 0	\$ 0	\$ 252,217	\$ 87,292	\$ 279,842	\$ (27,625)
Net Change in Fund Balance	\$ (1,344,165)	\$ 100,342	\$ (57,677)	\$ (1,301,500)	\$ (3,915,937)	\$ (4,330,223)	\$ 3,028,723
Fund Balance, July 1, 2014	13,859,000	(100,342)	0	13,758,658	12,269,233	13,767,627	(8,969)
Fund Balance, June 30, 2015	\$ 12,514,835	\$ 0	\$ (57,677)	\$ 12,457,158	\$ 8,353,296	\$ 9,437,404	\$ 3,019,754

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

Exhibit C-6

Bedford County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 439,353	\$ 0	\$ 439,353	\$ 413,525	\$ 416,929	\$ 22,424
Other Local Revenues	17,510	0	17,510	23,500	23,500	(5,990)
State of Tennessee	2,287,576	0	2,287,576	2,625,000	2,625,000	(337,424)
Other Governments and Citizens Groups	12,870	0	12,870	9,000	9,000	3,870
Total Revenues	<u>\$ 2,757,309</u>	<u>\$ 0</u>	<u>\$ 2,757,309</u>	<u>\$ 3,071,025</u>	<u>\$ 3,074,429</u>	<u>\$ (317,120)</u>
<u>Expenditures</u>						
<u>Other Operations</u>						
Contributions to Other Agencies	\$ 7,000	\$ 0	\$ 7,000	\$ 7,000	\$ 7,000	\$ 0
<u>Highways</u>						
Administration	253,406	0	253,406	254,018	274,002	20,596
Highway and Bridge Maintenance	1,269,733	0	1,269,733	1,387,169	1,394,369	124,636
Operation and Maintenance of Equipment	425,898	(125)	425,773	549,951	473,951	48,178
Litter and Trash Collection	46,371	0	46,371	74,145	74,346	27,975
Other Charges	129,785	0	129,785	142,200	142,450	12,665
Employee Benefits	57,001	0	57,001	65,000	65,000	7,999
Capital Outlay	1,780,887	0	1,780,887	830,000	2,897,749	1,116,862
Total Expenditures	<u>\$ 3,970,081</u>	<u>\$ (125)</u>	<u>\$ 3,969,956</u>	<u>\$ 3,309,483</u>	<u>\$ 5,328,867</u>	<u>\$ 1,358,911</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,212,772)</u>	<u>\$ 125</u>	<u>\$ (1,212,647)</u>	<u>\$ (238,458)</u>	<u>\$ (2,254,438)</u>	<u>\$ 1,041,791</u>
<u>Other Financing Sources (Uses)</u>						
Notes Issued	\$ 2,000,000	\$ 0	\$ 2,000,000	\$ 0	\$ 2,000,000	\$ 0
Insurance Recovery	0	0	0	2,500	2,500	(2,500)
Transfers Out	0	0	0	(19,384)	0	0
Total Other Financing Sources	<u>\$ 2,000,000</u>	<u>\$ 0</u>	<u>\$ 2,000,000</u>	<u>\$ (16,884)</u>	<u>\$ 2,002,500</u>	<u>\$ (2,500)</u>
Net Change in Fund Balance	\$ 787,228	\$ 125	\$ 787,353	\$ (255,342)	\$ (251,938)	\$ 1,039,291
Fund Balance, July 1, 2014	<u>942,724</u>	<u>(125)</u>	<u>942,599</u>	<u>563,190</u>	<u>942,724</u>	<u>(125)</u>
Fund Balance, June 30, 2015	<u>\$ 1,729,952</u>	<u>\$ 0</u>	<u>\$ 1,729,952</u>	<u>\$ 307,848</u>	<u>\$ 690,786</u>	<u>\$ 1,039,166</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, 2015

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,655,103
Accounts Receivable	5,715
Due from Other Governments	<u>660,345</u>
Total Assets	<u>\$ 2,321,163</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 660,345
Due to Litigants, Heirs, and Others	<u>1,660,818</u>
Total Liabilities	<u>\$ 2,321,163</u>

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

BEDFORD COUNTY, TENNESSEE
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BEDFORD COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

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, 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 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 does not issue separate financial statements from those of the county. Therefore, basic financial statements of the Bedford County School Department 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 Position 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 component unit only reports governmental activities in the government-wide financial statements.

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

Bedford County issues all debt for the discretely presented Bedford County School Department. There were no debt issues contributed by the county to the School Department during the year ended June 30, 2015.

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary 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, deferred outflow of resources, liabilities, deferred inflow of resources, 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.

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.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

1. Deposits and Investments

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

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Bedford County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Debt Service Fund. 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 are reported at cost. Investments in the State Treasurer's Investment Pool are reported at fair value. 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. Accordingly, the pool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. 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

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.

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

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

3. Inventories and Prepaid Items

Inventories of the discretely presented School Department are recorded at cost, determined on the first-in, first-out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Inventories are offset in the nonspendable fund balance account in governmental funds.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as an expenditure when consumed rather than when

purchased. Prepaids 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

5. **Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position

and the governmental funds balance sheet. These items are for pension changes in experience, changes in proportionate share of net pension asset, as well as employer contributions made to the pension plan after the measurement date.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue, etc.) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are from the following sources: current and delinquent property taxes, pension changes in experience, changes in investment earnings, and various receivables for revenues, which do not meet the availability criteria for governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

6. Compensated Absences

Primary Government

It is the policy of the county 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 does not have policies to pay any amounts when employees separate from service with the government. Personnel of the Highway Department 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.

7. 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 Position. Debt premiums and discounts are deferred and amortized over the life of the new debt

using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner 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.

8. Net Position and Fund Balance

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

- a. Net investment in capital assets – 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 position – Consists of net position 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 position – All other net position that does not meet the definition of restricted or net investment in capital assets.

On the government-wide Statement of Net Position (Exhibit A), the account Restricted for Other Purposes for the primary government consists of net pension obligations.

As of June 30, 2015, Bedford County had \$49,025,000 in outstanding debt for capital purposes for the discretely presented Bedford County School Department. This debt is a liability of Bedford County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Bedford County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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.

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 and the Board of Education, the School Department's highest level of decision-making authority, and shall remain binding unless removed in the same manner.

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 makes assignments by resolution for the general government. The Board of Education makes assignments by resolution for the School Department.

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.

9. Minimum Fund Balance Policy

To provide management with appropriate guidelines and direction to assist in making sound decisions related to managing the fund balance of certain governmental funds, the following minimum fund balance policy exists and consists of the sum of committed, assigned, and unassigned fund balances:

General Fund – Three percent of the next year’s budget is to be maintained in unassigned fund balance.

Debt Service Fund – An amount equal to the first two months of principal and interest expense of the total indebtedness of the county for the upcoming year is to be maintained in committed fund balance.

10. Restatement

In prior years, the government was not required to recognize a liability for its defined benefit pension plans. However, with the implementation of GASB Statement No. 68, government employers are required to recognize a net pension asset/liability in their Statement of Net Position. Therefore, a restatement to Bedford County’s and the Bedford County School Department’s beginning net position has been recognized on the Statement of Activities totaling \$1,359,566 and (\$7,451,848); respectively.

E. Pension Plans

Primary Government

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Bedford County’s participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Bedford County’s fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

Discretely Presented Bedford County School Department

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher Retirement Plan and the Teacher Legacy Pension Plan in the Tennessee Consolidated Retirement System, and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the TCRS. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Teacher Retirement Plan and the Teacher Legacy Pension Plan. Investments are reported at fair value.

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 Position

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 Position.

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 Position.

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 position 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 position of governmental activities reported in the government-wide Statement of Activities.

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

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

B. Cash Shortage

On December 18, 2013, the State Comptroller's Office issued a special investigative report on the Bedford County Sheriff's Department for the period January 1, 2006, through December 31, 2011. This report disclosed a number of deficiencies in accounting for sexual offender registry payments, including a cash shortage of at least \$31,460. The former officer responsible for this theft was indicted by the Bedford County Grand Jury on December 16, 2013, on charges of theft over \$10,000, forgery, and official misconduct. A trial date was set for October 20, 2014; however, all criminal charges were retired in a pre-trial settlement, which included no provisions for restitution.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Bedford County 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 position as Equity in Pooled Cash and Investments. Cash reflected on the balance sheets or statements of net position 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, 2015.

B. Capital Assets

Capital assets activity for the year ended June 30, 2015, was as follows:

Primary Government – Governmental Activities:

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Capital Assets Not Depreciated:				
Land	\$ 867,300	\$ 0	\$ 0	\$ 867,300
Construction in Progress	20,588	0	(20,588)	0
Total Capital Assets Not Depreciated	\$ 887,888	\$ 0	\$ (20,588)	\$ 867,300
Capital Assets Depreciated:				
Buildings and Improvements	\$ 13,389,242	\$ 45,911	\$ 0	\$ 13,435,153
Other Capital Assets	7,931,876	291,232	(201,421)	8,021,687
Infrastructure	26,786,208	2,126,645	0	28,912,853
Total Capital Assets Depreciated	\$ 48,107,326	\$ 2,463,788	\$ (201,421)	\$ 50,369,693
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 6,058,700	\$ 348,430	\$ 0	\$ 6,407,130
Other Capital Assets	5,647,100	497,430	(103,510)	6,041,020
Infrastructure	7,298,151	690,196	0	7,988,347
Total Accumulated Depreciation	\$ 19,003,951	\$ 1,536,056	\$ (103,510)	\$ 20,436,497
Total Capital Assets Depreciated, Net	\$ 29,103,375	\$ 927,732	\$ (97,911)	\$ 29,933,196
Governmental Activities Capital Assets, Net	\$ 29,991,263	\$ 927,732	\$ (118,499)	\$ 30,800,496

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

Governmental Activities:

General Government	\$ 92,741
Public Safety	395,302
Public Health and Welfare	293,630
Agriculture and Natural Resources	10,645
Highway/Public Works	<u>743,738</u>

Total Depreciation Expense - Governmental Activities \$ 1,536,056

Discretely Presented Bedford County School Department

Governmental Activities:

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Capital Assets Not Depreciated:				
Land	\$ 2,785,691	\$ 0	\$ 0	\$ 2,785,691
Construction in Progress	0	146,461	0	146,461
Total Capital Assets Not Depreciated	<u>\$ 2,785,691</u>	<u>\$ 146,461</u>	<u>\$ 0</u>	<u>\$ 2,932,152</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 118,807,836	\$ 144,255	\$ 0	\$ 118,952,091
Other Capital Assets	10,145,917	706,768	(682,804)	10,169,881
Total Capital Assets Depreciated	<u>\$ 128,953,753</u>	<u>\$ 851,023</u>	<u>\$ (682,804)</u>	<u>\$ 129,121,972</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 34,214,590	\$ 2,823,470	\$ 0	\$ 37,038,060
Other Capital Assets	6,288,517	873,402	(663,795)	6,498,124
Total Accumulated Depreciation	<u>\$ 40,503,107</u>	<u>\$ 3,696,872</u>	<u>\$ (663,795)</u>	<u>\$ 43,536,184</u>
Total Capital Assets Depreciated, Net	<u>\$ 88,450,646</u>	<u>\$ (2,845,849)</u>	<u>\$ (19,009)</u>	<u>\$ 85,585,788</u>
Governmental Activities Capital Assets, Net	<u>\$ 91,236,337</u>	<u>\$ (2,699,388)</u>	<u>\$ (19,009)</u>	<u>\$ 88,517,940</u>

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

Governmental Activities:

Instruction	\$	2,960,192
Support Services		706,122
Operation of Non-instructional Services		<u>30,558</u>
Total Depreciation Expense - Governmental Activities	\$	<u><u>3,696,872</u></u>

C. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2015, was as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government: Highway / Public Works	General	\$ 1,872

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:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Component Unit: Emergency Communications District	Primary Government: General	\$ 24,164

Interfund Transfers:

Interfund transfers for the year ended June 30, 2015, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In	
	General Fund	General Debt Service Fund
General Fund	\$ 0	\$ 213,618
Nonmajor governmental funds	368,302	0
Total	\$ 368,302	\$ 213,618

Discretely Presented Bedford County School Department

Transfer Out	Transfer In
	General Purpose School Fund
Nonmajor governmental fund	\$ 15,548

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

D. Long-term Obligations

Primary Government

General Obligation Bonds, Notes, and Other Loans

Bedford County issues general obligation bonds and other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented School Department. 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 five 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, capital outlay

notes and other loans included in long-term debt as of June 30, 2015, will be retired from the General Debt Service Fund.

General obligation bonds, capital outlay notes and other loans outstanding as of June 30, 2015, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-15
General Obligation Bonds	3.75 to 5%	4-1-37	\$ 50,500,000	\$ 41,975,000
General Obligation Bonds - Refunding	1.8 to 2.6	4-1-25	13,715,000	10,290,000
Capital Outlay Notes	1.53	11-14-19	2,000,000	2,000,000
Other Loans	variable	5-25-17	8,000,000	1,215,000

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, 2015, the variable interest rate was .37 percent, and other fees totaled approximately .5 percent (letter of credit), .08 percent (remarketing), and \$85 per month (trustee) of the outstanding loan principal.

The annual requirements to amortize all general obligation bonds, notes and other loans outstanding as of June 30, 2015, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Notes		
	Principal	Interest	Total
2016	\$ 400,000	\$ 27,540	\$ 427,540
2017	400,000	21,420	421,420
2018	400,000	15,300	415,300
2019	400,000	9,180	409,180
2020	400,000	3,060	403,060
Total	\$ 2,000,000	\$ 76,500	\$ 2,076,500

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2016	\$ 592,000	\$ 4,443	\$ 8,067	\$ 604,510
2017	623,000	2,278	4,548	629,826
Total	\$ 1,215,000	\$ 6,721	\$ 12,615	\$ 1,234,336

Year Ending June 30	Bonds		
	Principal	Interest	Total
2016	\$ 3,070,000	\$ 2,093,545	\$ 5,163,545
2017	2,435,000	1,996,870	4,431,870
2018	2,520,000	1,907,385	4,427,385
2019	2,630,000	1,826,242	4,456,242
2020	2,725,000	1,741,543	4,466,543
2021-2025	13,320,000	7,273,847	20,593,847
2026-2030	9,650,000	4,898,124	14,548,124
2031-2035	10,865,000	2,645,325	13,510,325
2036-2037	5,050,000	343,349	5,393,349
Total	\$ 52,265,000	\$ 24,726,230	\$ 76,991,230

There is \$3,535,740 available in the General Debt Service Fund to service long-term debt. Debt per capita, including bonds, notes and other loans, totaled \$1,231, based on the 2010 federal census.

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2015, was as follows:

Governmental Activities:

	Bonds	Notes	Other Loans
Balance, June 30, 2014	\$ 55,215,000	\$ 0	\$ 1,777,000
Additions	2,610,000	2,000,000	0
Reductions	(5,560,000)	0	(562,000)
Balance, June 30, 2015	\$ 52,265,000	\$ 2,000,000	\$ 1,215,000
Balance Due Within One Year	\$ 3,070,000	\$ 400,000	\$ 592,000

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2014	\$ 267,063	\$ 490,149
Additions	511,287	40,505
Reductions	(481,184)	(17,297)
Balance, June 30, 2015	<u>\$ 297,166</u>	<u>\$ 513,357</u>
Balance Due Within One Year	<u>\$ 14,859</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2015	\$ 56,290,523
Less: Balance Due Within One Year	(4,076,859)
Add: Unamortized Premium on Debt	<u>323,427</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 52,537,091</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 15, 2015, Bedford County refunded general obligation school bonds with a separate bond issue. The county issued \$2,610,000 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 ten years will be reduced by \$227,715, and an economic gain (difference between the present value of the debt service payments for the refunded and refunding bonds) of \$149,039 was obtained.

Discretely Presented Bedford County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Bedford County School Department for the year ended June 30, 2015, was as follows:

Governmental Activities:

	<u>Other Postemployment Benefits</u>
Balance, July 1, 2014	\$ 770,635
Additions	341,794
Reductions	<u>(330,980)</u>
Balance, June 30, 2015	<u>\$ 781,449</u>
Balance Due Within One Year	<u>\$ 0</u>

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Bedford County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state’s Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2015, were \$78,925 and \$38,726, 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 and the discretely presented Bedford County School Department are exposed to various risks related to general liability, property, casualty, and workers’ compensation losses. Bedford County and the School Department 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 and the School Department joined the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. Bedford County and the School Department 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

Employee Health Insurance

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

Discretely Presented Bedford County School Department

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

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions-an Amendment of GASB Statement No. 27*; Statement No. 69, *Government Combinations and Disposals of Government Operations*; and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date-an Amendment of GASB Statement No. 68* became effective for the year ended June 30, 2015.

GASB Statement No. 68, replaces the requirements of Statements No. 27 and No. 50 as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not covered by the scope of this statement. This statement establishes standards for measuring and recognizing liabilities, deferred outflows/inflows, and expenses/expenditures.

GASB Statement No. 69, establishes accounting and financial reporting standards related to government combinations and disposals of government operations such as mergers, acquisitions, and transfer of operations.

GASB Statement No. 71, addresses issues related to contributions made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

C. Contingent Liabilities

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

On December 12, 2006, the Bedford County Commission authorized a contribution of \$1 million to the Argie Cooper Public Library. This contribution was 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. During 2014, construction of the new library was begun. Bedford County has agreed to pay the construction invoices as they are received up to the agreed upon contribution amount.

D. Changes in Administration

On August 31, 2014, Thomas Smith left the Office of Circuit and General Sessions Courts Clerk and was succeeded by Michelle Murray, Kathy Prater left the Office of County Clerk and was succeeded by Donna Thomas, and Randall Boyce left the Office of Sheriff and was succeeded by Austin Swing.

E. 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 \$1,142,390 to the operations of the library during the year ended June 30, 2015. As discussed in Note V.C. above, the Bedford County Commission has authorized an additional 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, 2015.

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, 2015.

The Interlocal Solid Waste Authority was formed by joint resolution of the counties of Bedford, Franklin, Moore and Lincoln and the municipalities of Tullahoma and Fayetteville to develop a solid waste regional plan. Each participating County Commission or City Council appointed the authority's board for varying terms of office. Bedford County made no contribution to the Interlocal Solid Waste Authority for the year ended June 30, 2015.

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, the Seventeenth Judicial District Drug Task Force, and the Interlocal Solid Waste Authority 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

Interlocal Solid Waste Authority
c/o City of Tullahoma
P.O. Box 807
Tullahoma, TN 37388

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, Hickman County, Houston County, Humphreys County, Manchester City, Marshall County, Maury 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
1800 Wilson Parkway
Fayetteville, TN 37334

F. 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.

G. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Bedford County, the discretely presented Bedford County Emergency Communications District (ECD), and non-certified employees of the discretely presented Bedford County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 41.63 percent, the discretely presented ECD employees comprise 1.37 percent, and the non-certified employees of the discretely present School Department comprise 57 percent of the plan based on census data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available to vested members at age 55. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Employees Covered by Benefit Terms. At the measurement date of June 30, 2014, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	279
Inactive Employees Entitled to But Not Yet Receiving Benefits	702
Active Employees	656
Total	1,637

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Bedford County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2015, the employer contributions for Bedford County’s plan were \$850,688, based on a rate of 5.25 percent of pensionable payroll. By law, employer contributions are required to be paid. The TCRS may intercept Bedford County’s state shared taxes if required employer contributions are not remitted. The employer’s actuarially determined contribution and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

The Bedford County plan’s net pension liability (asset) was measured as of June 30, 2014, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 2014, actuarial valuation was determined using the following

actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

Mortality rates were based on actual experience from the June 30, 2012, actuarial experience study, adjusted for some of the expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2014, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	6.46 %	33 %
International Equity Emerging Market	6.26	17
International Equity Private Equity and Strategic Lending	6.40	5
U.S. Fixed Income Real Estate	4.61	8
	0.98	29
	4.73	7
Short-term Securities	0.00	1
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Bedford County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, July 1, 2013	\$ 43,168,649	\$ 45,457,635	\$ (2,288,986)
Changes for the year:			
Service Cost	\$ 1,162,247	\$ 0	\$ 1,162,247
Interest	3,246,232	0	3,246,232
Differences Between Expected and Actual Experience	(1,525,931)	0	(1,525,931)
Contributions-Employer	0	976,847	(976,847)
Contributions-Employees	0	820,131	(820,131)
Net Investment Income	0	7,503,925	(7,503,925)
Benefit Payments, Including Refunds of Employee Contributions	(2,095,624)	(2,095,624)	0
Administrative Expense	0	(25,646)	25,646
Other Changes	0	0	0
Net Changes	\$ 786,924	\$ 7,179,633	\$ (6,392,709)
Balance, June 30, 2014	\$ 43,955,573	\$ 52,637,268	\$ (8,681,695)

Allocation of Agent Plan Changes in the Net Pension Liability (Asset)

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	41.63%	\$ 18,299,463	\$ 21,913,802	\$ (3,614,190)
ECD	1.37%	602,191	721,130	(118,939)
School Department	57.00%	25,053,919	30,002,336	(4,948,566)
Total		\$ 43,955,573	\$ 52,637,268	\$ (8,681,695)

Sensitivity of the Net Position Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of the Bedford County plan calculated using the discount rate of 7.5 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

Bedford County	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
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Net Pension Liability \$ (2,892,010) \$ (8,562,756) \$ (13,239,337)

Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions

Pension Income. For the year ended June 30, 2015, the Bedford County plan recognized pension income of \$909,707.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2015, the plan reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 0	\$ 1,220,745
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	3,285,410
Contributions Subsequent to the Measurement Date of June 30, 2014 (1)	850,688	N/A
Total	\$ 850,688	\$ 4,506,155

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2014,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Allocation of Agent Plan Deferred Outflows of Resources and
Deferred Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 495,900	\$ 1,875,912
ECD	19,493	61,734
School Department	<u>335,295</u>	<u>2,568,509</u>
Total	<u>\$ 850,688</u>	<u>\$ 4,506,155</u>

Amounts reported as deferred outflows of resources, excluding contributions subsequent to the measurement date of June 30, 2014, and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2016	\$ (1,126,539)
2017	(1,126,539)
2018	(1,126,539)
2019	(1,126,539)
2020	0
Thereafter	0

In the table show above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

Discretely Presented Bedford County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Bedford County, the discretely presented Bedford County Emergency Communications District (ECD), and non-certified employees of the discretely presented Bedford County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 41.63 percent, the discretely presented ECD

employees comprise 1.37 percent, and the non-certified employees of the discretely present School Department comprise 57 percent of the plan based on census data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Bedford County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Members of the Teachers Retirement Plan are entitled to receive unreduced service retirement benefits, which are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and

one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute five percent of salary. The Local Education Agencies (LEA) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level approved by the TCRS Board of Trustees is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2015, to the Teacher Retirement Plan were \$61,155, which is four percent of pensionable payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liabilities. Since the measurement date is June 30, 2014, which is prior to the July 1, 2014, inception of the Teacher Retirement Plan, there is no net pension liability to report at June 30, 2015.

Pension Expense. Since the measurement date is June 30, 2014, the Bedford County School Department did not recognize any pension expense at June 30, 2015.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2015, the Bedford County School Department reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
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LEAs Contributions Subsequent to the Measurement Date of June 30, 2014	\$ 61,155	N/A
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The Bedford County School Department's employer contributions of \$61,155 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction of net pension liability in the year ending June 30, 2016.

Teacher Legacy Pension Plan

General Information About the Pension Plan

Plan Description. Teachers of the Bedford County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by LEAs after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefits plan. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided. TCA, Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 55. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement

benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute five percent of salary. The Local Education Agencies (LEA) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Bedford County School Department for the year ended June 30, 2015, to the Teacher Legacy Pension Plan were \$2,436,317, which is 9.04 percent of pensionable payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Assets. At June 30, 2015, the Bedford County School Department reported an asset of \$118,688 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Bedford County School Department's proportion of the net pension asset was based on the Bedford County School Department's employer contributions to the pension plan during the year ended June 30, 2014, relative to the contributions of all LEAs for the year ended June 30, 2014. At the June 30, 2014, measurement date, the Bedford County School Department's proportion was 0.730407 percent. The proportion measured as of June 30, 2013, was 0.720642 percent.

Pension Income. For the year ended June 30, 2015, the Bedford County School Department recognized a pension income of \$78,833.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2015, the Bedford County School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 288,144	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	9,779,117
Changes in Proportion of Net Pension Liability (Asset)	137,745	0
LEAs Contributions Subsequent to the Measurement Date of June 30, 2014	<u>2,436,317</u>	N/A
Total	<u>\$ 2,862,206</u>	<u>\$ 9,779,117</u>

The Bedford County School Department's employer contributions of \$2,436,317 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2016	\$ (2,373,798)
2017	(2,373,798)
2018	(2,373,798)
2019	(2,373,798)
2020	70,981
Thereafter	70,981

In the table above, positive amounts will increase pension expense, while negative amounts will decrease pension expense.

Actuarial Assumptions. The total pension liability in the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

Mortality rates are customized based on the June 30, 2012, actuarial experience study and some included adjustment for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2014, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	6.46 %	33 %
International Equity Emerging Market	6.26	17
International Equity Private Equity and Strategic Lending	6.40	5
U.S. Fixed Income	4.61	8
Real Estate	0.98	29
Short-term Securities	4.73	7
	0.00	1
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the four factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of Net Position Liability (Asset) to Changes in the Discount Rate. The following presents Bedford County School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.5 percent, as well as what Bedford County School Department's proportionate share of the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
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Net Pension Liability \$ 20,018,033 \$ (118,688) \$ (16,789,709)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan’s fiduciary net position is available in a separately issued TCRS financial report.

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.

H. Other Postemployment Benefits (OPEB)

Plan Description

Bedford County and the Bedford County School Department participate in the state-administered Local Government Group Insurance Plan and the Local Education Group Insurance Plan for healthcare benefits. For accounting purposes, the plans are agent multiple-employer defined benefit OPEB plans. Benefits are established and amended by an insurance committee created by Section 8-27-302, *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. Bedford County and the School Department recognized expenditures of \$17,297 and \$330,980, respectively, for postemployment health care during the year ended June 30, 2015.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	Local Government Group Plan
	<u>Plan</u>	<u>Plan</u>
ARC	\$ 341,000	\$ 40,000
Interest on the NOPEBO	30,825	19,606
Adjustment to the ARC	(30,031)	(19,101)
Annual OPEB cost	\$ 341,794	\$ 40,505
Amount of contribution	(330,980)	(17,297)
Increase/decrease in NOPEBO	\$ 10,814	\$ 23,208
Net OPEB obligation, 7-1-14	<u>770,635</u>	<u>490,149</u>
Net OPEB obligation, 6-30-15	<u>\$ 781,449</u>	<u>\$ 513,357</u>

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-13	Local Education Group	\$ 588,514	60	%\$ 842,483
6-30-14	"	329,868	122	770,635
6-30-15	"	341,794	97	781,449
6-30-13	Local Government Group	80,050	14	455,363
6-30-14	"	39,470	12	490,149
6-30-15	"	40,505	43	513,357

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2013, was as follows:
(dollars in thousands)

	Local Education Group Plan	Local Government Group Plan
Actuarial valuation date	7-1-13	7-1-13
Actuarial accrued liability (AAL)	\$ 2,858	\$ 229
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 2,858	\$ 229
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 35,471	\$ 10,003
UAAL as a % of covered payroll	8%	2%

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, 2013, actuarial valuation for the Local Education Plan and the 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 was seven percent for fiscal year 2015. The trend will decrease to 6.5 percent in fiscal year 2016 and then will be reduced by decrements to an ultimate rate of 4.7 percent by fiscal year 2044. 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 July 1, 2007.

I. 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.

J. 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.

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 services for its service area. The directors serve without compensation for terms of three to four years.

Financial Reporting Entity – Component Unit – 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 is considered a component unit of Bedford County.

Pursuant to *Tennessee Code Annotated (TCA)*, Section 7-86-114, before issuing negotiable bonds, the district must have approval of the legislative body of the county wherein the 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.

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

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 position, revenues, and expenses. Proprietary fund types are reported using the economic resources measurement focus and the accrual basis of accounting. The aim of this measurement focus is to report all inflows, outflows, and balances affecting or reflecting the entities net position. Revenues are recognized when earned, and expenses are recognized 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.

Operating revenues in proprietary fund types are those revenues generated from the primary operations of the fund. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

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. In March of each year, the treasurer presents a preliminary budget to the board of directors. The budget is then discussed and amended as necessary for approval by the board.

The budget for operations is prepared on the cash receipts and disbursements basis by line-item accounts. Revenues are budgeted in the year receipts are expected, and disbursements are budgeted in the year that the disbursements are expected to occur. Capital asset purchases and capital lease payments are budgeted in total.

Capital Assets – Capital assets are stated at cost or estimated historical cost if actual cost is not available. Maintenance, repairs, and minor renewals are expensed while major renewals and betterments are capitalized. The district defines capital assets as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of three years. 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.

Depreciation is provided over estimated useful lives ranging from five to 40 years by the straight-line method.

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, 2015, 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 Revenues, Expenses, and Changes in Net Position.

Net Position Flow Assumption – The district will on occasion fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the district's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Deferred Outflows/Inflows of Resources – In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The district has one item that qualifies for reporting in this category resulting from contributions to the pension plan made subsequent to the measurement date of June 30, 2014. See note VI.G. for information concerning deferred outflows related to the pension plan.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The district has two items that qualify for reporting in this category. These items are the difference between expected and actual experience in the calculation of the total pension liability

and the difference between projected and actual earnings on pension plan investments. These amounts are deferred and amortized over five years. See note VI.G. for further information concerning deferred inflows related to the pension plan.

Pensions – For purposes of measuring the net pension liability/asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense/income, information about the fiduciary net position of the district's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from the district's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

B. Cash Shortage

Questionable purchases totaling \$46,806.60 were made from Bedford County Emergency Communications District funds during the period July 1, 2005 through March 31, 2012. These questionable purchases were published in a Special Report on March 25, 2013 by the State of Tennessee Comptroller's Office. In the Criminal Circuit Court for Bedford County, Tennessee, the former District employee pled Nolo Contendere and was given a probation term of 3 years beginning on March 31, 2015 to end on March 31, 2018. The former employee was also ordered to pay restitution to the Bedford County Emergency Communications District in the amount of \$22,392.00, which was amount paid by the District for the investigative audit fee; therefore, the cash shortage balance remains to be \$46,806.60.

C. 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, 2015, the board of directors chose to limit the investment of funds to deposits at banks.

Cash – At June 30, 2015, the carrying amount of cash deposits was \$1,374,834, and the bank balance was \$1,378,148. At June 30, 2015, 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.

Cash is presented in the financial statements as follows:

<u>Cash Accounts</u>	<u>Interest Rate</u>	<u>June 30, 2015</u>	
		<u>Carrying Amount</u>	<u>Bank Balance</u>
First Bank checking	.15%	\$ 1,299,219	\$ 1,302,533
First Bank money market	.10	75,615	75,615
Total		<u>\$ 1,374,834</u>	<u>\$ 1,378,148</u>

D. Accounts Payable

Accounts payable includes amounts due vendors totaling \$14,600 at June 30, 2015.

E. Risk Management

The district is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The district obtains insurance coverage covering the above risks of loss through a public entity 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.

F. Interlocal Agreement

The district and Bedford County have entered into an agreement dated January 15, 2004. The agreement acknowledges the district's authority to manage communications at the central public safety answering point (PSAP) as well as to take the steps considered necessary for the purpose of attaining financial self-sufficiency. Significant terms include the district's responsibility to pay all costs that relate to maintenance of the PSAP equipment, annual budgets of the district will only be approved after acceptance by the county, and provides that the employees of the district shall receive benefits generally provided to the employees of the county. Under the agreement the county must provide funding to the district equal to the net amount of money required to be paid to the district after contributions of the district and other funding sources have been applied. The agreement will automatically renew unless either party give the other written notice subject to certain specifications set out in the agreement.

Though not required by the interlocal agreement, the county has agreed to provide funding to the district equal to the cost of the dispatchers salaries, including benefits. Contributions from the county totaled \$409,583 for the year ended June 30, 2015.

G. Capital Assets

Capital assets are summarized as follows:

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Capital Assets				
Depreciated:				
Building and				
Improvements	\$ 242,481	\$ 0	\$ (14,764)	\$ 227,717
Furniture and Fixtures	90,188	0	0	90,188
Office Equipment	48,722	0	(1,537)	47,185
Communications Equipment	744,084	0	0	744,084
Vehicle	45,150	0	0	45,150
Intangibles	29,152	0	0	29,152
Other Capital Assets	109,564	0	(14,695)	94,869
Total Capital Assets				
Depreciated	\$ 1,309,341	\$ 0	\$ (30,996)	\$ 1,278,345
Less Accumulated				
Depreciation For:				
Building and				
Improvements	\$ 31,663	\$ 11,857	\$ (6,004)	\$ 37,516
Furniture and Fixtures	60,770	8,538	0	69,308
Office Equipment	37,548	5,157	(1,459)	41,246
Communications Equipment	446,585	83,446	0	530,031
Vehicle	44,192	958	0	45,150
Intangibles	4,859	2,915	0	7,774
Other Capital Assets	77,411	10,169	(12,713)	74,867
Total Accumulated				
Depreciation	\$ 703,028	\$ 123,040	\$ (20,176)	\$ 805,892
Total Capital Assets				
Depreciated, Net	\$ 606,313	\$ (123,040)	\$ (10,820)	\$ 472,453

H. General Information About the Pension Plan

Plan Description – Employees of Bedford County, Bedford County School Department, and the Emergency 911 Communications District of Bedford County are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The employees of the district comprise 1.37 percent of the plan. The district’s allocation was determined based on

the number of active employees in the plan. Because the district shares costs with Bedford County and the Bedford County School Department, the district's plan is considered to be a cost-sharing pension plan.

The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided – TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available to vested members at age 55. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Contributions – Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. The district makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2015, employer contributions for the district were \$19,493 based on a rate of 5.25 percent of covered payroll. By law, employer contributions are required to be paid. The employer's actuarially determined contribution (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

The district's net pension liability (asset) was measured as of June 30, 2014, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

Mortality rates were based on actual experience from the June 30, 2012, actuarial experience study, adjusted for some of the expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2014, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	6.46 %	33 %
International Equity Emerging Market	6.26	17
International Equity Private Equity and Strategic Lending	6.40	5
U.S. Fixed Income	4.61	8
Real Estate	0.98	29
Short-term Securities	4.73	7
	0.00	1
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from the district will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Position Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of the district calculated using the discount rate of 7.5 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

Emergency 911	1%	Current	1%
Communications	Decrease	Discount	Increase
District of Bedford County	6.5%	Rate	8.5%
		7.5%	

Net Pension Liability (Asset) \$ (40,171) \$ (118,939) \$ (183,898)

Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions

Pension Income. For the year ended June 30, 2015, the district recognized pension income of \$12,463.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2015, the district reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 0	\$ 16,724
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	45,010
Contributions Subsequent to the Measurement Date of June 30, 2014 (1)	19,493	N/A
Total	<u>\$ 19,493</u>	<u>\$ 61,734</u>

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2014,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2016	\$ (15,434)
2017	(15,434)
2018	(15,434)
2019	(15,434)
2020	0
Thereafter	0

In the table show above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

I. Implementation of GASB Statement Numbers 68 and 71

Effective for the fiscal year ended June 30, 2015, the district implemented the provisions for GASB 68, *Accounting and Financial Reporting for Pensions* and GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These statements' primary objective is to improve accounting and financial reporting for pensions. Among the requirements of GASB 68 are the recognition of a net pension liability or asset. The net pension liability or asset is measured as the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service, net of the pension plan's fiduciary net position. Accounting changes adopted to conform to the provisions of these statements are to be applied retroactively by restating financial statements.

The effect of implementing GASB 68 has been the restatement of beginning net position as follows:

Net position June 30, 2014 as previously reported	\$ 1,245,080
Net pension asset at July 1, 2013	31,360
Deferred outflow for employer contributions made during fiscal year June 30, 2014	<u>13,382</u>
Net position June 30, 2014, restated	<u>\$ 1,289,822</u>

The effect of adopting these statements on the change in net position for the year ended June 30, 2015, was to increase the change \$31,956. Because the total pension liability has not previously been actuarially calculated, pro forma amounts for the year ended June 30, 2014, are not readily determinable.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

Bedford County, Tennessee
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on
Participation in the Public Employee Pension Plan of TCRS
Primary Government
For the Fiscal Year Ended June 30

	<u>2014</u>
Total Pension Liability (Asset)	
Service Cost	\$ 1,162,247
Interest	3,246,232
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	(1,525,931)
Changes in Assumptions	0
Benefit Payments, Including Refunds of Employee Contributions	<u>(2,095,624)</u>
Net Change in Total Pension Liability (Asset)	\$ 786,924
Total Pension Liability (Asset), Beginning	<u>43,168,649</u>
 Total Pension Liability (Asset), Ending (a)	 <u>\$ 43,955,573</u>
 Plan Fiduciary Net Position	
Contributions - Employer	\$ 976,847
Contributions - Employee	820,131
Net Investment Income	7,503,925
Benefit Payments, Including Refunds of Employee Contributions	(2,095,624)
Administrative Expense	<u>(25,646)</u>
Net Change in Plan Fiduciary Net Position	\$ 7,179,633
Plan Fiduciary Net Position, Beginning	<u>45,457,635</u>
 Plan Fiduciary Net Position, Ending (b)	 <u>\$ 52,637,268</u>
 Net Pension Liability (Asset), Ending (a - b)	 <u>\$ (8,681,695)</u>
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	119.75%
Covered Employee Payroll	\$ 16,389,781
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	52.97%

Note: ten years of data will be presented when available.

Note: data presented includes primary government, discretely presented Bedford County Emergency Communications District, and discretely presented non-certified employees of the School Department.

Exhibit E-2

Bedford County, Tennessee
Schedule of Contributions Based on Participation in the Public
Employee Pension Plan of TCRS
Primary Government
For the Fiscal Year Ended June 30

	<u>2014</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 976,847	\$ 850,688
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(976,847)</u>	<u>(850,688)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>
 Covered Employee Payroll	 \$ 16,389,781	 \$ 20,127,174
 Contributions as a Percentage of Covered Employee Payroll	 5.96%	 4.23%

Note: ten years of data will be presented when available.

Note: data presented includes primary government, discretely presented Bedford County Emergency Communications District, and discretely presented non-certified employees of the School Department.

Exhibit E-3

Bedford County, Tennessee
Schedule of Contributions Based on Participation in the Teacher
Retirement Plan of TCRS
Discretely Presented Bedford County School Department
For the Fiscal Year Ended June 30

	<u>2015</u>
Actuarially Determined Contribution	\$ 38,222
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(61,155)</u>
Contribution Deficiency (Excess)	<u><u>\$ (22,933)</u></u>
Covered Employee Payroll	\$ 1,522,144
Contributions as a Percentage of Covered Employee Payroll	4.0%

Note: ten years of data will be presented when available.

Exhibit E-4

Bedford County, Tennessee
Schedule of Contributions Based on Participation in the Teacher
Legacy Pension Plan of TCRS
Discretely Presented Bedford County School Department
For the Fiscal Year Ended June 30

	<u>2014</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 2,545,755	\$ 2,436,317
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(2,545,755)</u>	<u>(2,436,317)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>
Covered Employee Payroll	\$ 28,668,412	\$ 26,777,158
Contributions as a Percentage of Covered Employee Payroll	8.88%	9.10%

Note: ten years of data will be presented when available.

Exhibit E-5

Bedford County, Tennessee
Schedule of Proportionate Share of the Net Pension Asset
in the Teacher Legacy Pension Plan of TCRS
Discretely Presented Bedford County School Department
For the Fiscal Year Ended June 30 *

	<u>2014</u>
School Department's Proportion of the Net Pension Asset	0.730407%
School Department's Proportionate Share of the Net Pension Asset	\$ 118,688
Covered Employee Payroll	28,668,412
School Department's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Employee Payroll	0.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%

* The amounts presented were determined as of June 30 of the prior fiscal year.

Note: ten years of data will be presented when available.

Exhibit E-6

Bedford County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Bedford County School Department
June 30, 2015

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Projected Unit Credit (b)	Actuarial Accrued Liability (AAL)	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	7-1-10	\$ 0	\$ 1,665	\$ 1,665	\$ 1,665	0 %	\$ 9,594	17 %
"	7-1-11	0	506	506	506	0	9,938	5
"	7-1-13	0	229	229	229	0	10,003	2
<u>DISCRETELY PRESENTED BEDFORD COUNTY SCHOOL DEPARTMENT</u>								
Local Education Group	7-1-10	0	4,199	4,199	4,199	0	30,807	14
"	7-1-11	0	5,010	5,010	5,010	0	33,694	15
"	7-1-13	0	2,858	2,858	2,858	0	35,471	8

BEDFORD COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2015

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for 2015 were calculated based on the July 1, 2013, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Frozen Initial Liability
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	4 Years
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.5%

**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.

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 of deeds, and sheriff.

Capital Projects Fund

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.

Exhibit F-1

Bedford County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015

	<u>Special Revenue Fund Drug Control</u>
<u>ASSETS</u>	
Equity in Pooled Cash and Investments	<u>\$ 22,152</u>
Total Assets	<u><u>\$ 22,152</u></u>
<u>FUND BALANCES</u>	
Restricted:	
Restricted for Public Safety	<u>\$ 22,152</u>
Total Fund Balances	<u><u>\$ 22,152</u></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, 2015

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects	
<u>Revenues</u>					
Fines, Forfeitures, and Penalties	\$ 4,681	\$ 0	\$ 4,681	\$ 0	\$ 4,681
Charges for Current Services	0	47	47	0	47
Other Local Revenues	7,356	0	7,356	0	7,356
Total Revenues	<u>\$ 12,037</u>	<u>\$ 47</u>	<u>\$ 12,084</u>	<u>\$ 0</u>	<u>\$ 12,084</u>
<u>Expenditures</u>					
Current:					
Public Safety	\$ 0	\$ 47	\$ 47	\$ 0	\$ 47
Other Operations	47	0	47	0	47
Capital Outlay	0	0	0	22,632	22,632
Total Expenditures	<u>\$ 47</u>	<u>\$ 47</u>	<u>\$ 94</u>	<u>\$ 22,632</u>	<u>\$ 22,726</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 11,990</u>	<u>\$ 0</u>	<u>\$ 11,990</u>	<u>\$ (22,632)</u>	<u>\$ (10,642)</u>
<u>Other Financing Sources (Uses)</u>					
Transfers Out	\$ 0	\$ 0	\$ 0	\$ (368,302)	\$ (368,302)
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (368,302)</u>	<u>\$ (368,302)</u>
Net Change in Fund Balances	\$ 11,990	\$ 0	\$ 11,990	\$ (390,934)	\$ (378,944)
Fund Balance, July 1, 2014	10,162	0	10,162	390,934	401,096
Fund Balance, June 30, 2015	<u>\$ 22,152</u>	<u>\$ 0</u>	<u>\$ 22,152</u>	<u>\$ 0</u>	<u>\$ 22,152</u>

Exhibit F-3

Bedford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 4,681	\$ 6,700	\$ 6,700	\$ (2,019)
Other Local Revenues	7,356	0	0	7,356
Total Revenues	<u>\$ 12,037</u>	<u>\$ 6,700</u>	<u>\$ 6,700</u>	<u>\$ 5,337</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 0	\$ 0	\$ 2,909	\$ 2,909
<u>Other Operations</u>				
Miscellaneous	47	100	100	53
Total Expenditures	<u>\$ 47</u>	<u>\$ 100</u>	<u>\$ 3,009</u>	<u>\$ 2,962</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 11,990</u>	<u>\$ 6,600</u>	<u>\$ 3,691</u>	<u>\$ 8,299</u>
Net Change in Fund Balance	\$ 11,990	\$ 6,600	\$ 3,691	\$ 8,299
Fund Balance, July 1, 2014	<u>10,162</u>	<u>9,014</u>	<u>10,162</u>	<u>0</u>
Fund Balance, June 30, 2015	<u><u>\$ 22,152</u></u>	<u><u>\$ 15,614</u></u>	<u><u>\$ 13,853</u></u>	<u><u>\$ 8,299</u></u>

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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 6,701,967	\$ 6,063,639	\$ 6,063,639	\$ 638,328
Other Local Revenues	39,737	225,000	225,000	(185,263)
Total Revenues	<u>\$ 6,741,704</u>	<u>\$ 6,288,639</u>	<u>\$ 6,288,639</u>	<u>\$ 453,065</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 290,000	\$ 290,000	\$ 290,000	\$ 0
Education	3,222,000	3,222,000	3,222,000	0
<u>Interest on Debt</u>				
General Government	177,938	177,938	177,938	0
Highways and Streets	15,300	0	15,300	0
Education	2,053,578	2,052,341	2,056,387	2,809
<u>Other Debt Service</u>				
General Government	88,374	89,000	89,500	1,126
Education	2,640,012	20,000	2,645,160	5,148
Total Expenditures	<u>\$ 8,487,202</u>	<u>\$ 5,851,279</u>	<u>\$ 8,496,285</u>	<u>\$ 9,083</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,745,498)</u>	<u>\$ 437,360</u>	<u>\$ (2,207,646)</u>	<u>\$ 462,148</u>
<u>Other Financing Sources (Uses)</u>				
Refunding Debt Issued	\$ 2,610,000	\$ 0	\$ 2,610,000	\$ 0
Transfers In	213,618	0	213,618	0
Total Other Financing Sources	<u>\$ 2,823,618</u>	<u>\$ 0</u>	<u>\$ 2,823,618</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 1,078,120	\$ 437,360	\$ 615,972	\$ 462,148
Fund Balance, July 1, 2014	<u>2,457,620</u>	<u>2,314,594</u>	<u>2,457,620</u>	<u>0</u>
Fund Balance, June 30, 2015	<u>\$ 3,535,740</u>	<u>\$ 2,751,954</u>	<u>\$ 3,073,592</u>	<u>\$ 462,148</u>

Fiduciary Funds

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

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

Constitutional Officers - Agency Fund – The Constitutional Officers - Agency Fund is used to account for amounts collected in an agency capacity by the county clerk, circuit and general sessions courts clerk, clerk and master, register of deeds, 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, 2015

	<u>Agency Funds</u>		
	<u>Cities - Sales Tax</u>	<u>Constitu - tional Officers - Agency</u>	<u>Total</u>
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,655,103	\$ 1,655,103
Accounts Receivable	0	5,715	5,715
Due from Other Governments	660,345	0	660,345
Total Assets	<u>\$ 660,345</u>	<u>\$ 1,660,818</u>	<u>\$ 2,321,163</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 660,345	\$ 0	\$ 660,345
Due to Litigants, Heirs, and Others	0	1,660,818	1,660,818
Total Liabilities	<u>\$ 660,345</u>	<u>\$ 1,660,818</u>	<u>\$ 2,321,163</u>

Exhibit H-2

Bedford County, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Year Ended June 30, 2015

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 3,772,615	\$ 3,772,615	\$ 0
Due from Other Governments	611,382	660,345	611,382	660,345
Total Assets	\$ 611,382	\$ 4,432,960	\$ 4,383,997	\$ 660,345
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 611,382	\$ 4,432,960	\$ 4,383,997	\$ 660,345
Total Liabilities	\$ 611,382	\$ 4,432,960	\$ 4,383,997	\$ 660,345
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,352,587	\$ 8,578,898	\$ 8,276,382	\$ 1,655,103
Accounts Receivable	5,206	5,715	5,206	5,715
Cash Shortage	31,460	0	31,460	0
Total Assets	\$ 1,389,253	\$ 8,584,613	\$ 8,313,048	\$ 1,660,818
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,389,253	\$ 8,584,613	\$ 8,313,048	\$ 1,660,818
Total Liabilities	\$ 1,389,253	\$ 8,584,613	\$ 8,313,048	\$ 1,660,818
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,352,587	\$ 8,578,898	\$ 8,276,382	\$ 1,655,103
Equity in Pooled Cash and Investments	0	3,772,615	3,772,615	0
Accounts Receivable	5,206	5,715	5,206	5,715
Due from Other Governments	611,382	660,345	611,382	660,345
Cash Shortage	31,460	0	31,460	0
Total Assets	\$ 2,000,635	\$ 13,017,573	\$ 12,697,045	\$ 2,321,163
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 611,382	\$ 4,432,960	\$ 4,383,997	\$ 660,345
Due to Litigants, Heirs, and Others	1,389,253	8,584,613	8,313,048	1,660,818
Total Liabilities	\$ 2,000,635	\$ 13,017,573	\$ 12,697,045	\$ 2,321,163

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, 2015

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position Total Governmental Activities
Governmental Activities:				
Instruction	\$ 36,423,706	\$ 333,300	\$ 4,413,146	\$ (31,677,260)
Support Services	19,751,314	109,416	425,553	(19,216,345)
Operation of Non-instructional Services	5,432,960	274,875	4,245,766	(912,319)
Total Governmental Activities	<u>\$ 61,607,980</u>	<u>\$ 717,591</u>	<u>\$ 9,084,465</u>	<u>\$ (51,805,924)</u>
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 8,497,841
Local Option Sales Taxes				2,134,397
Other Local Taxes				24,832
Grants and Contributions Not Restricted to Specific Programs				43,223,113
Unrestricted Investment Income				948
Gain on Sale of Capital Assets				28,182
Pension Income				597,366
Miscellaneous				162,279
Total General Revenues				<u>\$ 54,668,958</u>
Change in Net Position				\$ 2,863,034
Net Position, July 1, 2014				102,241,557
Restatement - See Note I.D.10				<u>(7,451,848)</u>
Net Position, June 30, 2015				<u>\$ 97,652,743</u>

Exhibit I-2

Bedford County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Bedford County School Department
June 30, 2015

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	<u>General</u>	<u>Other</u>	<u>Total</u>
	<u>Purpose</u>	<u>Govern-</u>	<u>Governmental</u>
	<u>School</u>	<u>mental</u>	<u>Funds</u>
		<u>Funds</u>	<u>Funds</u>
<u>ASSETS</u>			
Cash	\$ 300	\$ 4,162	\$ 4,462
Equity in Pooled Cash and Investments	12,165,297	1,386,098	13,551,395
Inventories	0	68,314	68,314
Accounts Receivable	33,555	8,593	42,148
Due from Other Governments	803,344	2,600	805,944
Property Taxes Receivable	8,813,007	0	8,813,007
Allowance for Uncollectible Property Taxes	(261,108)	0	(261,108)
Prepaid Items	132,000	0	132,000
Total Assets	<u>\$ 21,686,395</u>	<u>\$ 1,469,767</u>	<u>\$ 23,156,162</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 6,631	\$ 0	\$ 6,631
Payroll Deductions Payable	888,967	90,318	979,285
Total Liabilities	<u>\$ 895,598</u>	<u>\$ 90,318</u>	<u>\$ 985,916</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 8,232,277	\$ 0	\$ 8,232,277
Deferred Delinquent Property Taxes	309,835	0	309,835
Other Deferred/Unavailable Revenue	183,489	0	183,489
Total Deferred Inflows of Resources	<u>\$ 8,725,601</u>	<u>\$ 0</u>	<u>\$ 8,725,601</u>
<u>FUND BALANCES</u>			
Nonspendable:			
Inventory	\$ 0	\$ 68,314	\$ 68,314
Prepaid Items	132,000	0	132,000
Restricted:			
Restricted for Education	164,684	1,125	165,809
Restricted for Operation of Non-instructional Services	0	1,109,234	1,109,234
Committed:			
Committed for Education	292,532	200,776	493,308
Unassigned	11,475,980	0	11,475,980
Total Fund Balances	<u>\$ 12,065,196</u>	<u>\$ 1,379,449</u>	<u>\$ 13,444,645</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 21,686,395</u>	<u>\$ 1,469,767</u>	<u>\$ 23,156,162</u>

Exhibit I-3

Bedford County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
Discretely Presented Bedford County School Department
June 30, 2015

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$	13,444,645
(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: construction in progress		146,461	
Add: buildings and improvements net of accumulated depreciation		81,914,031	
Add: other capital assets net of accumulated depreciation		<u>3,671,757</u>	88,517,940
(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			(781,449)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years:			
Add: deferred outflows of resources related to pensions	\$	3,258,655	
Less: deferred inflows of resources related to pensions		<u>(12,347,626)</u>	(9,088,971)
(4) Net pension assets of the agent and cost-sharing plans are not current financial resources and are therefore not reported in the governmental funds.			5,067,254
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>493,324</u>
Net position of governmental activities (Exhibit A)		\$	<u>97,652,743</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, 2015

	Major Fund	Nonmajor Funds	
	General	Other	
	Purpose	Govern- mental	Total
	School	Funds	Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 11,166,083	\$ 0	\$ 11,166,083
Licenses and Permits	2,407	0	2,407
Charges for Current Services	112,390	597,331	709,721
Other Local Revenues	191,563	1,130	192,693
State of Tennessee	41,854,959	0	41,854,959
Federal Government	728,689	9,177,539	9,906,228
Total Revenues	<u>\$ 54,056,091</u>	<u>\$ 9,776,000</u>	<u>\$ 63,832,091</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 32,559,288	\$ 2,836,198	\$ 35,395,486
Support Services	18,212,730	2,154,731	20,367,461
Operation of Non-instructional Services	286,109	5,192,301	5,478,410
Capital Outlay	489,186	0	489,186
Total Expenditures	<u>\$ 51,547,313</u>	<u>\$ 10,183,230</u>	<u>\$ 61,730,543</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 2,508,778</u>	<u>\$ (407,230)</u>	<u>\$ 2,101,548</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 25,874	\$ 0	\$ 25,874
Transfers In	15,548	0	15,548
Transfers Out	0	(15,548)	(15,548)
Total Other Financing Sources (Uses)	<u>\$ 41,422</u>	<u>\$ (15,548)</u>	<u>\$ 25,874</u>
Net Change in Fund Balances	\$ 2,550,200	\$ (422,778)	\$ 2,127,422
Fund Balance, July 1, 2014	9,514,996	1,802,227	11,317,223
Fund Balance, June 30, 2015	<u>\$ 12,065,196</u>	<u>\$ 1,379,449</u>	<u>\$ 13,444,645</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, 2015

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)		\$ 2,127,422
<p>(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:</p>		
Add: capital assets purchased in the current period	\$ 997,484	
Less: current-year depreciation expense	<u>(3,696,872)</u>	(2,699,388)
<p>(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.</p>		
Less: book value of capital assets disposed		(19,009)
<p>(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Add: deferred delinquent property taxes and other deferred June 30, 2015	\$ 493,324	
Less: deferred delinquent property taxes and other deferred June 30, 2014	<u>(458,632)</u>	34,692
<p>(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.</p>		
Change in net pension asset	\$ 12,519,102	
Change in deferred outflows of resources related to pensions	3,258,655	
Change in deferred inflows of resources related to pensions	(12,347,626)	
Change in other postemployment benefits liability	<u>(10,814)</u>	<u>3,419,317</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 2,863,034</u>

Exhibit I-6

Bedford County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Bedford County School Department
June 30, 2015

	Special Revenue Funds			Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Extended School Program	
<u>ASSETS</u>				
Cash	\$ 0	\$ 3,562	\$ 600	\$ 4,162
Equity in Pooled Cash and Investments	154,895	1,129,489	101,714	1,386,098
Inventories	0	68,314	0	68,314
Accounts Receivable	425	7,730	438	8,593
Due from Other Governments	576	0	2,024	2,600
Total Assets	<u>\$ 155,896</u>	<u>\$ 1,209,095</u>	<u>\$ 104,776</u>	<u>\$ 1,469,767</u>
<u>LIABILITIES</u>				
Payroll Deductions Payable	\$ 54,771	\$ 31,547	\$ 4,000	\$ 90,318
Total Liabilities	<u>\$ 54,771</u>	<u>\$ 31,547</u>	<u>\$ 4,000</u>	<u>\$ 90,318</u>
<u>FUND BALANCES</u>				
Nonspendable:				
Inventory	\$ 0	\$ 68,314	\$ 0	\$ 68,314
Restricted:				
Restricted for Education	1,125	0	0	1,125
Restricted for Operation of Non-instructional Services	0	1,109,234	0	1,109,234
Committed:				
Committed for Education	100,000	0	100,776	200,776
Total Fund Balances	<u>\$ 101,125</u>	<u>\$ 1,177,548</u>	<u>\$ 100,776</u>	<u>\$ 1,379,449</u>
Total Liabilities and Fund Balances	<u>\$ 155,896</u>	<u>\$ 1,209,095</u>	<u>\$ 104,776</u>	<u>\$ 1,469,767</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, 2015

	Special Revenue Funds			Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Extended School Program	
<u>Revenues</u>				
Charges for Current Services	\$ 0	\$ 267,005	\$ 330,326	\$ 597,331
Other Local Revenues	0	1,130	0	1,130
Federal Government	4,978,300	4,199,239	0	9,177,539
Total Revenues	\$ 4,978,300	\$ 4,467,374	\$ 330,326	\$ 9,776,000
<u>Expenditures</u>				
Current:				
Instruction	\$ 2,836,198	\$ 0	\$ 0	\$ 2,836,198
Support Services	2,126,731	25,000	3,000	2,154,731
Operation of Non-instructional Services	0	4,860,563	331,738	5,192,301
Total Expenditures	\$ 4,962,929	\$ 4,885,563	\$ 334,738	\$ 10,183,230
Excess (Deficiency) of Revenues Over Expenditures	\$ 15,371	\$ (418,189)	\$ (4,412)	\$ (407,230)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (15,548)	\$ 0	\$ 0	\$ (15,548)
Total Other Financing Sources (Uses)	\$ (15,548)	\$ 0	\$ 0	\$ (15,548)
Net Change in Fund Balances	\$ (177)	\$ (418,189)	\$ (4,412)	\$ (422,778)
Fund Balance, July 1, 2014	101,302	1,595,737	105,188	1,802,227
Fund Balance, June 30, 2015	\$ 101,125	\$ 1,177,548	\$ 100,776	\$ 1,379,449

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, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 11,166,083	\$ 0	\$ 0	\$ 11,166,083	\$ 10,274,604	\$ 10,524,604	\$ 641,479
Licenses and Permits	2,407	0	0	2,407	3,000	3,000	(593)
Charges for Current Services	112,390	0	0	112,390	95,910	137,619	(25,229)
Other Local Revenues	191,563	0	0	191,563	132,236	161,988	29,575
State of Tennessee	41,854,959	0	0	41,854,959	41,923,564	42,055,374	(200,415)
Federal Government	728,689	0	0	728,689	642,936	1,218,708	(490,019)
Total Revenues	\$ 54,056,091	\$ 0	\$ 0	\$ 54,056,091	\$ 53,072,250	\$ 54,101,293	\$ (45,202)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 27,903,145	\$ (47,148)	\$ 750	\$ 27,856,747	\$ 30,660,926	\$ 30,684,661	\$ 2,827,914
Alternative Instruction Program	505,809	0	0	505,809	492,970	506,345	536
Special Education Program	2,803,230	0	0	2,803,230	3,059,470	3,101,019	297,789
Vocational Education Program	1,109,417	0	0	1,109,417	1,206,222	1,210,160	100,743
Adult Education Program	237,687	0	0	237,687	218,469	254,058	16,371
<u>Support Services</u>							
Attendance	94,843	0	0	94,843	95,894	104,783	9,940
Health Services	426,744	0	0	426,744	480,073	429,073	2,329
Other Student Support	1,427,723	0	0	1,427,723	1,654,642	1,899,722	471,999
Regular Instruction Program	1,296,166	(292)	0	1,295,874	1,273,239	1,594,734	298,860
Special Education Program	271,276	0	0	271,276	297,848	297,848	26,572
Vocational Education Program	20,768	0	0	20,768	29,100	27,100	6,332
Adult Programs	94,341	0	0	94,341	94,272	105,277	10,936
Other Programs	117,651	0	0	117,651	0	117,651	0
Board of Education	732,411	0	0	732,411	682,466	750,820	18,409
Director of Schools	308,029	0	0	308,029	332,695	332,695	24,666
Office of the Principal	3,239,108	0	2,084	3,241,192	3,188,594	3,244,040	2,848
Human Services/Personnel	172,057	0	0	172,057	137,608	174,334	2,277
Operation of Plant	4,977,027	0	0	4,977,027	5,496,131	5,447,303	470,276

(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 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Maintenance of Plant	\$ 1,463,854	\$ 0	\$ 0	\$ 1,463,854	\$ 1,468,792	\$ 1,525,650	\$ 61,796
Transportation	2,498,819	(3,800)	29,440	2,524,459	2,871,713	3,021,923	497,464
Central and Other	1,071,913	0	0	1,071,913	1,218,416	1,218,416	146,503
<u>Operation of Non-instructional Services</u>							
Food Service	58,237	0	0	58,237	64,125	64,125	5,888
Community Services	227,872	0	0	227,872	164,098	350,000	122,128
<u>Capital Outlay</u>							
Regular Capital Outlay	489,186	0	260,258	749,444	786,000	798,051	48,607
Total Expenditures	\$ 51,547,313	\$ (51,240)	\$ 292,532	\$ 51,788,605	\$ 55,973,763	\$ 57,259,788	\$ 5,471,183
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,508,778	\$ 51,240	\$ (292,532)	\$ 2,267,486	\$ (2,901,513)	\$ (3,158,495)	\$ 5,425,981
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 25,874	\$ 0	\$ 0	\$ 25,874	\$ 7,704	\$ 69,734	\$ (43,860)
Transfers In	15,548	0	0	15,548	8,000	8,000	7,548
Transfers Out	0	0	0	0	(36,725)	0	0
Total Other Financing Sources	\$ 41,422	\$ 0	\$ 0	\$ 41,422	\$ (21,021)	\$ 77,734	\$ (36,312)
Net Change in Fund Balance Fund Balance, July 1, 2014	\$ 2,550,200	\$ 51,240	\$ (292,532)	\$ 2,308,908	\$ (2,922,534)	\$ (3,080,761)	\$ 5,389,669
	9,514,996	(51,240)	0	9,463,756	7,643,053	7,745,465	1,718,291
Fund Balance, June 30, 2015	\$ 12,065,196	\$ 0	\$ (292,532)	\$ 11,772,664	\$ 4,720,519	\$ 4,664,704	\$ 7,107,960

Exhibit I-9

Bedford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Bedford County School Department
School Federal Projects Fund
For the Year Ended June 30, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 4,978,300	\$ 4,719,404	\$ 5,656,464	\$ (678,164)
Total Revenues	\$ 4,978,300	\$ 4,719,404	\$ 5,656,464	\$ (678,164)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 1,839,037	\$ 1,665,378	\$ 1,998,946	\$ 159,909
Special Education Program	907,173	892,626	970,049	62,876
Vocational Education Program	89,988	83,945	89,999	11
<u>Support Services</u>				
Health Services	177,309	178,711	180,738	3,429
Other Student Support	201,366	279,154	245,956	44,590
Regular Instruction Program	950,510	992,470	1,345,690	395,180
Special Education Program	281,585	308,928	289,004	7,419
Vocational Education Program	1,350	3,655	1,407	57
Transportation	514,611	298,916	519,121	4,510
Total Expenditures	\$ 4,962,929	\$ 4,703,783	\$ 5,640,910	\$ 677,981
Excess (Deficiency) of Revenues Over Expenditures	\$ 15,371	\$ 15,621	\$ 15,554	\$ (183)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (15,548)	\$ (15,621)	\$ (15,552)	\$ 4
Total Other Financing Sources	\$ (15,548)	\$ (15,621)	\$ (15,552)	\$ 4
Net Change in Fund Balance	\$ (177)	\$ 0	\$ 2	\$ (179)
Fund Balance, July 1, 2014	101,302	101,302	101,302	0
Fund Balance, June 30, 2015	\$ 101,125	\$ 101,302	\$ 101,304	\$ (179)

Exhibit I-10

Bedford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Bedford County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 267,005	\$ 435,000	\$ 435,000	\$ (167,995)
Other Local Revenues	1,130	40,000	40,000	(38,870)
Federal Government	4,199,239	4,000,000	4,335,897	(136,658)
Total Revenues	<u>\$ 4,467,374</u>	<u>\$ 4,475,000</u>	<u>\$ 4,810,897</u>	<u>\$ (343,523)</u>
<u>Expenditures</u>				
<u>Support Services</u>				
Board of Education	\$ 25,000	\$ 25,000	\$ 25,000	\$ 0
<u>Operation of Non-instructional Services</u>				
Food Service	4,860,563	4,960,481	5,318,390	457,827
Total Expenditures	<u>\$ 4,885,563</u>	<u>\$ 4,985,481</u>	<u>\$ 5,343,390</u>	<u>\$ 457,827</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (418,189)</u>	<u>\$ (510,481)</u>	<u>\$ (532,493)</u>	<u>\$ 114,304</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ 0	\$ (22,012)	\$ 0	\$ 0
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ (22,012)</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (418,189)	\$ (532,493)	\$ (532,493)	\$ 114,304
Fund Balance, July 1, 2014	<u>1,595,737</u>	<u>1,375,469</u>	<u>1,595,737</u>	<u>0</u>
Fund Balance, June 30, 2015	<u>\$ 1,177,548</u>	<u>\$ 842,976</u>	<u>\$ 1,063,244</u>	<u>\$ 114,304</u>

Exhibit I-11

Bedford County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Bedford County School Department
Extended School Program Fund
For the Year Ended June 30, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 330,326	\$ 387,414	\$ 387,414	\$ (57,088)
Total Revenues	\$ 330,326	\$ 387,414	\$ 387,414	\$ (57,088)
<u>Expenditures</u>				
<u>Support Services</u>				
Board of Education	\$ 3,000	\$ 3,000	\$ 3,000	\$ 0
<u>Operation of Non-instructional Services</u>				
Community Services	331,738	382,737	391,237	59,499
Total Expenditures	\$ 334,738	\$ 385,737	\$ 394,237	\$ 59,499
Excess (Deficiency) of Revenues Over Expenditures	\$ (4,412)	\$ 1,677	\$ (6,823)	\$ 2,411
Net Change in Fund Balance	\$ (4,412)	\$ 1,677	\$ (6,823)	\$ 2,411
Fund Balance, July 1, 2014	105,188	98,304	96,796	8,392
Fund Balance, June 30, 2015	\$ 100,776	\$ 99,981	\$ 89,973	\$ 10,803

MISCELLANEOUS SCHEDULES

Exhibit J-1

Bedford County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, and Bonds
For the Year Ended June 30, 2015

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-14	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-15
<u>NOTES PAYABLE</u>									
Payable through General Debt Service Fund Highway - Hot Mix Road Program	\$ 2,000,000	1.53%	11-14-14	11-14-19	\$ 0	\$ 2,000,000	\$ 0	\$ 0	\$ 2,000,000
Total Notes Payable					\$ 0	\$ 2,000,000	\$ 0	\$ 0	\$ 2,000,000
<u>OTHER LOANS PAYABLE</u>									
Payable through General Debt Service Fund School	8,000,000	variable	5-23-1997	5-25-17	\$ 1,777,000	\$ 0	\$ 562,000	\$ 0	\$ 1,215,000
Total Other Loans Payable					\$ 1,777,000	\$ 0	\$ 562,000	\$ 0	\$ 1,215,000
<u>BONDS PAYABLE</u>									
Payable through General Debt Service Fund									
General Obligation School Refunding	2,700,000	1.8	4-12-12	4-1-16	\$ 1,405,000	\$ 0	\$ 685,000	\$ 0	\$ 720,000
General Obligation School Refunding	8,405,000	2.09	3-25-13	4-1-23	7,695,000	0	735,000	0	6,960,000
School	4,290,000	3.25 to 4.3	4-15-05	4-15-15	2,820,000	0	210,000	2,610,000	0
General Obligation	6,500,000	3.75	12-14-06	6-30-27	4,745,000	0	290,000	0	4,455,000
School	44,000,000	4 to 5	6-14-07	4-1-37	38,550,000	0	1,030,000	0	37,520,000
General Obligation School Refunding	2,610,000	2.6	4-15-15	4-1-25	0	2,610,000	0	0	2,610,000
Total Bonds Payable					\$ 55,215,000	\$ 2,610,000	\$ 2,950,000	\$ 2,610,000	\$ 52,265,000

Exhibit J-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2016	\$ 400,000	\$ 27,540	\$ 427,540
2017	400,000	21,420	421,420
2018	400,000	15,300	415,300
2019	400,000	9,180	409,180
2020	400,000	3,060	403,060
Total	\$ 2,000,000	\$ 76,500	\$ 2,076,500

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2016	\$ 592,000	\$ 4,443	\$ 8,067	\$ 604,510
2017	623,000	2,278	4,548	629,826
Total	\$ 1,215,000	\$ 6,721	\$ 12,615	\$ 1,234,336

Year Ending June 30	Bonds		
	Principal	Interest	Total
2016	\$ 3,070,000	\$ 2,093,545	\$ 5,163,545
2017	2,435,000	1,996,870	4,431,870
2018	2,520,000	1,907,385	4,427,385
2019	2,630,000	1,826,242	4,456,242
2020	2,725,000	1,741,543	4,466,543
2021	2,840,000	1,652,227	4,492,227
2022	2,960,000	1,557,464	4,517,464
2023	3,080,000	1,455,317	4,535,317
2024	2,175,000	1,349,036	3,524,036
2025	2,265,000	1,259,803	3,524,803
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	\$ 52,265,000	\$ 24,726,230	\$ 76,991,230

Exhibit J-3

Bedford County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Bedford County School Department
For the Year Ended June 30, 2015

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	General Debt Service	Retire debt	\$ 213,618
General Capital Projects	General	Close fund	<u>368,302</u>
Total Transfers Primary Government			<u>\$ 581,920</u>
<u>DISCRETELY PRESENTED BEDFORD COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect cost	<u>\$ 15,548</u>
Total Transfers Discretely Presented Bedford County School Department			<u>\$ 15,548</u>

Exhibit J-4

Bedford County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Bedford County School Department
For the Year Ended June 30, 2015

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ 89,270	\$ 100,000	RLI Insurance Company
Highway Superintendent	Section 8-24-102, <i>TCA</i> , and County Commission	100,019 (1)	100,000	"
Superintendent of Schools	State Board of Education and County Commission	100,840 (6)	100,000	"
Trustee	Section 8-24-102, <i>TCA</i>	71,263 (3)	1,888,893	Auto-Owners (Mutual) Insurance Company
Assessor of Property	Section 8-24-102, <i>TCA</i>	72,013 (4)	50,000	RLI Insurance Company
County Clerk:				
Kathy Prater (7-1-14 through 8-31-14)	Section 8-24-102, <i>TCA</i>	11,711	50,000	"
Donna Thomas (9-1-14 through 6-30-15)	Section 8-24-102, <i>TCA</i>	58,552	100,000	"
Circuit and General Sessions Courts Clerk:				
Thomas Smith (7-1-14 through 8-31-14)	Section 8-24-102, <i>TCA</i> , and County Commission	12,882 (2)	50,000	"
Michelle Murray (9-1-14 through 6-30-15)	Section 8-24-102, <i>TCA</i> , and County Commission	64,407 (5)	100,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i> , and Chancery Court Judge	77,289 (2)	50,000	"
Register of Deeds	Section 8-24-102, <i>TCA</i>	71,263 (3)	100,000	"
Sheriff:				
Randall Boyce (7-1-14 through 8-31-14)	Section 8-24-102, <i>TCA</i>	14,170	25,000	"
Austin Swing (9-1-14 through 6-30-15)	Section 8-24-102, <i>TCA</i>	70,849	100,000	"
Finance Director	County Commission	95,135 (7)	50,000	"
<u>Other Bonds</u>				
Employee Fidelity - General Government			150,000	Tennessee Risk Management Trust
Employee Blanket Bond - Discretely Presented School Department			150,000	"

- (1) Includes \$15,000 for serving as a solid waste administrative officer.
(2) Includes an additional ten percent of clerk's salary for overseeing more than one court and a level-three training incentive pay of \$1,000.
(3) Includes a level-three training incentive pay of \$1,000.
(4) Includes a level-three training incentive pay of \$1,000 and a Tennessee certified assessor's pay of \$750.
(5) Includes an additional ten percent of clerk's salary for overseeing more than one court.
(6) Includes a travel allowance of \$2,400.
(7) Includes longevity pay of \$2,000. Does not include 100 percent of the premiums for family health and dental insurance of \$17,315.

Exhibit J-5

Bedford County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2015

	Special Revenue Funds				Debt Service Fund	Total
	General	Drug Control	Constitutional - Officers - Fees	Highway / Public Works	General Debt Service	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 8,618,242	\$ 0	\$ 0	\$ 310,570	\$ 776,416	\$ 9,705,228
Trustee's Collections - Prior Year	284,716	0	0	10,260	23,523	318,499
Trustee's Collections - Bankruptcy	10,804	0	0	389	1,147	12,340
Circuit Clerk/Clerk and Master Collections - Prior Years	242,342	0	0	8,733	21,031	272,106
Interest and Penalty	64,189	0	0	2,314	5,750	72,253
Payments in-Lieu-of Taxes - T.V.A.	400,578	0	0	14,435	36,088	451,101
Payments in-Lieu-of Taxes - Local Utilities	72,871	0	0	2,626	6,565	82,062
Payments in-Lieu-of Taxes - Other	118,230	0	0	4,261	10,651	133,142
<u>County Local Option Taxes</u>						
Local Option Sales Tax	221,997	0	0	0	5,527,144	5,749,141
Litigation Tax - General	177,105	0	0	0	0	177,105
Litigation Tax - Jail, Workhouse, or Courthouse	91,300	0	0	0	0	91,300
Litigation Tax - Courthouse Security	99,355	0	0	0	0	99,355
Business Tax	385,275	0	0	0	0	385,275
Mixed Drink Tax	4,679	0	0	0	0	4,679
Mineral Severance Tax	0	0	0	85,765	0	85,765
Adequate Facilities/Development Tax	0	0	0	0	293,652	293,652
<u>Statutory Local Taxes</u>						
Bank Excise Tax	66,319	0	0	0	0	66,319
Wholesale Beer Tax	195,585	0	0	0	0	195,585
Interstate Telecommunications Tax	2,323	0	0	0	0	2,323
Total Local Taxes	\$ 11,055,910	\$ 0	\$ 0	\$ 439,353	\$ 6,701,967	\$ 18,197,230

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service	Total
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	Fund General Debt Service	
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 43,415	\$ 0	\$ 0	\$ 0	\$ 0	43,415
<u>Permits</u>						
Beer Permits	1,712	0	0	0	0	1,712
Building Permits	117,976	0	0	0	0	117,976
Other Permits	22,390	0	0	0	0	22,390
Total Licenses and Permits	\$ 185,493	\$ 0	\$ 0	\$ 0	\$ 0	185,493
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 166	\$ 0	\$ 0	\$ 0	\$ 0	166
Officers Costs	19,075	0	0	0	0	19,075
DUI Treatment Fines	95	0	0	0	0	95
Data Entry Fee - Circuit Court	1,053	0	0	0	0	1,053
<u>Criminal Court</u>						
Interpreter Fee	16	0	0	0	0	16
<u>General Sessions Court</u>						
Officers Costs	85,529	0	0	0	0	85,529
Game and Fish Fines	774	0	0	0	0	774
Drug Control Fines	0	3,753	0	0	0	3,753
Drug Court Fees	126	0	0	0	0	126
Jail Fees	296	0	0	0	0	296
DUI Treatment Fines	13,016	0	0	0	0	13,016
Data Entry Fee - General Sessions Court	15,311	0	0	0	0	15,311
<u>Juvenile Court</u>						
Fines	57,951	0	0	0	0	57,951
Jail Fees	261,228	0	0	0	0	261,228

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service	Total
	General	Drug Control	Constitutional Officers - Fees	Highway / Public Works	Fund General Debt Service	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Chancery Court</u>						
Officers Costs	\$ 3,352	\$ 0	\$ 0	\$ 0	\$ 0	3,352
Data Entry Fee - Chancery Court	8,203	0	0	0	0	8,203
Courtroom Security Fee	63	0	0	0	0	63
<u>Other Courts - In-county</u>						
Fines	7,647	0	0	0	0	7,647
<u>Other Fines, Forfeitures, and Penalties</u>						
Other Fines, Forfeitures, and Penalties	429	928	0	0	0	1,357
Total Fines, Forfeitures, and Penalties	\$ 474,330	\$ 4,681	\$ 0	\$ 0	\$ 0	479,011
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Patient Charges	\$ 1,322,352	\$ 0	\$ 0	\$ 0	\$ 0	1,322,352
Other General Service Charges	858	0	0	0	0	858
Service Charges	200	0	0	0	0	200
<u>Fees</u>						
Copy Fees	273	0	0	0	0	273
Archives and Records Management Fee	5,358	0	0	0	0	5,358
Telephone Commissions	57,219	0	0	0	0	57,219
Constitutional Officers' Fees and Commissions	0	0	47	0	0	47
Data Processing Fee - Register	14,620	0	0	0	0	14,620
Probation Fees	343,332	0	0	0	0	343,332
Data Processing Fee - Sheriff	4,734	0	0	0	0	4,734
Sexual Offender Registration Fee - Sheriff	3,450	0	0	0	0	3,450
Data Processing Fee - County Clerk	6,787	0	0	0	0	6,787

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service Fund	Total
	General	Drug Control	Constitutional - Officers - Fees	Highway / Public Works	General Debt Service	
<u>Charges for Current Services (Cont.)</u>						
<u>Education Charges</u>						
Other Charges for Services	\$ 102,698	\$ 0	\$ 0	\$ 0	\$ 0	\$ 102,698
Total Charges for Current Services	\$ 1,861,881	\$ 0	\$ 47	\$ 0	\$ 0	\$ 1,861,928
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 39,737	\$ 39,737
Lease/Rentals	630,713	0	0	0	0	630,713
Sale of Materials and Supplies	0	0	0	1,086	0	1,086
Commissary Sales	19,031	0	0	0	0	19,031
Sale of Gasoline	0	0	0	15,603	0	15,603
Sale of Recycled Materials	61,234	0	0	821	0	62,055
Sale of Animals/Livestock	4,135	0	0	0	0	4,135
Miscellaneous Refunds	194,232	0	0	0	0	194,232
<u>Nonrecurring Items</u>						
Sale of Equipment	3,229	6,356	0	0	0	9,585
Contributions and Gifts	20,798	1,000	0	0	0	21,798
<u>Other Local Revenues</u>						
Other Local Revenues	18,220	0	0	0	0	18,220
Total Other Local Revenues	\$ 951,592	\$ 7,356	\$ 0	\$ 17,510	\$ 39,737	\$ 1,016,195
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 424,143	\$ 0	\$ 0	\$ 0	\$ 0	\$ 424,143
Circuit Court Clerk	74,747	0	0	0	0	74,747
General Sessions Court Clerk	336,413	0	0	0	0	336,413

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service Fund	Total
	General	Drug Control	Constitutional - Officers - Fees	Highway / Public Works	General Debt Service	
<u>Fees Received From County Officials (Cont.)</u>						
<u>Fees In-Lieu-of Salary (Cont.)</u>						
Clerk and Master	\$ 222,284	\$ 0	\$ 0	\$ 0	\$ 0	222,284
Register	173,662	0	0	0	0	173,662
Sheriff	25,737	0	0	0	0	25,737
Trustee	625,062	0	0	0	0	625,062
Total Fees Received From County Officials	\$ 1,882,048	\$ 0	\$ 0	\$ 0	\$ 0	1,882,048
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	9,000
Solid Waste Grants	1,464	0	0	0	0	1,464
<u>Health and Welfare Grants</u>						
Health Department Programs	372,328	0	0	0	0	372,328
<u>Public Works Grants</u>						
State Aid Program	0	0	0	346,455	0	346,455
Litter Program	0	0	0	43,200	0	43,200
<u>Other State Revenues</u>						
Income Tax	94,479	0	0	0	0	94,479
Beer Tax	18,055	0	0	0	0	18,055
Vehicle Certificate of Title Fees	9,807	0	0	0	0	9,807
Alcoholic Beverage Tax	78,422	0	0	0	0	78,422
Emergency Hospital - Prisoners	25,544	0	0	0	0	25,544
Contracted Prisoner Boarding	713,323	0	0	0	0	713,323
Gasoline and Motor Fuel Tax	0	0	0	1,865,410	0	1,865,410
Petroleum Special Tax	0	0	0	32,511	0	32,511
Registrar's Salary Supplement	15,164	0	0	0	0	15,164

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service Fund	Total
	General	Drug Control	Constitutional - Officers - Fees	Highway / Public Works	General Debt Service	
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
State Shared Sales Tax - Cities	\$ 7,100	\$ 0	\$ 0	\$ 0	\$ 0	7,100
Other State Revenues	64,252	0	0	0	0	64,252
Total State of Tennessee	\$ 1,408,938	\$ 0	\$ 0	\$ 2,287,576	\$ 0	\$ 3,696,514
<u>Federal Government</u>						
<u>Federal Through State</u>						
Civil Defense Reimbursement	\$ 45,850	\$ 0	\$ 0	\$ 0	\$ 0	45,850
Homeland Security Grants	15,367	0	0	0	0	15,367
Other Federal through State	15,597	0	0	0	0	15,597
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	9,180	0	0	0	0	9,180
Total Federal Government	\$ 85,994	\$ 0	\$ 0	\$ 0	\$ 0	\$ 85,994
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Paving and Maintenance	\$ 0	\$ 0	\$ 0	\$ 12,870	\$ 0	12,870
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 12,870	\$ 0	\$ 12,870
Total	\$ 17,906,186	\$ 12,037	\$ 47	\$ 2,757,309	\$ 6,741,704	\$ 27,417,283

Exhibit J-6

Bedford County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Bedford County School Department
For the Year Ended June 30, 2015

	General Purpose School	Special Revenue Funds			Total
		School Federal Projects	Central Cafeteria	Extended School Program	
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 7,919,464	\$ 0	\$ 0	\$ 0	\$ 7,919,464
Trustee's Collections - Prior Year	263,758	0	0	0	263,758
Trustee's Collections - Bankruptcy	9,755	0	0	0	9,755
Circuit Clerk/Clerk and Master Collections - Prior Years	223,494	0	0	0	223,494
Interest and Penalty	59,016	0	0	0	59,016
Payments in-Lieu-of Taxes - T.V.A.	368,098	0	0	0	368,098
Payments in-Lieu-of Taxes - Local Utilities	66,963	0	0	0	66,963
Payments in-Lieu-of Taxes - Other	108,644	0	0	0	108,644
<u>County Local Option Taxes</u>					
Local Option Sales Tax	2,122,059	0	0	0	2,122,059
Mixed Drink Tax	20,366	0	0	0	20,366
<u>Statutory Local Taxes</u>					
Interstate Telecommunications Tax	4,466	0	0	0	4,466
Total Local Taxes	\$ 11,166,083	\$ 0	\$ 0	\$ 0	\$ 11,166,083
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 2,407	\$ 0	\$ 0	\$ 0	\$ 2,407
Total Licenses and Permits	\$ 2,407	\$ 0	\$ 0	\$ 0	\$ 2,407
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Tuition - Summer School	\$ 840	\$ 0	\$ 0	\$ 0	\$ 840
Tuition - Other	0	0	0	330,326	330,326

(Continued)

Exhibit J-6

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

	General Purpose School	Special Revenue Funds			Total
		School Federal Projects	Central Cafeteria	Extended School Program	
<u>Charges for Current Services (Cont.)</u>					
<u>Education Charges (Cont.)</u>					
Lunch Payments - Adults	\$ 0	\$ 0	\$ 118,467	\$ 0	\$ 118,467
A la Carte Sales	0	0	148,538	0	148,538
Receipts from Individual Schools	109,416	0	0	0	109,416
Other Charges for Services	2,134	0	0	0	2,134
Total Charges for Current Services	\$ 112,390	\$ 0	\$ 267,005	\$ 330,326	\$ 709,721
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 4	\$ 0	\$ 944	\$ 0	\$ 948
Lease/Rentals	7,870	0	0	0	7,870
E-Rate Funding	60,746	0	0	0	60,746
Miscellaneous Refunds	91,342	0	186	0	91,528
<u>Nonrecurring Items</u>					
Sale of Equipment	31,322	0	0	0	31,322
Contributions and Gifts	279	0	0	0	279
Total Other Local Revenues	\$ 191,563	\$ 0	\$ 1,130	\$ 0	\$ 192,693
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-behalf Contributions for OPEB	\$ 117,651	\$ 0	\$ 0	\$ 0	\$ 117,651
<u>State Education Funds</u>					
Basic Education Program	40,529,000	0	0	0	40,529,000
Early Childhood Education	357,805	0	0	0	357,805
School Food Service	46,527	0	0	0	46,527

(Continued)

Exhibit J-6

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

	General Purpose School	Special Revenue Funds			Total
		School Federal Projects	Central Cafeteria	Extended School Program	
<u>State of Tennessee (Cont.)</u>					
<u>State Education Funds (Cont.)</u>					
Driver Education	\$ 29,704	\$ 0	\$ 0	\$ 0	\$ 29,704
Other State Education Funds	483,305	0	0	0	483,305
Career Ladder Program	225,666	0	0	0	225,666
Career Ladder - Extended Contract	60,745	0	0	0	60,745
<u>Other State Revenues</u>					
Other State Grants	4,556	0	0	0	4,556
Total State of Tennessee	\$ 41,854,959	\$ 0	\$ 0	\$ 0	\$ 41,854,959
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 2,949,169	\$ 0	\$ 2,949,169
USDA - Commodities	0	0	256,346	0	256,346
Breakfast	0	0	909,513	0	909,513
USDA - Other	0	0	84,211	0	84,211
Adult Education State Grant Program	305,704	0	0	0	305,704
Vocational Education - Basic Grants to States	0	123,358	0	0	123,358
Title I Grants to Local Education Agencies	0	2,030,071	0	0	2,030,071
Special Education - Grants to States	0	1,816,632	0	0	1,816,632
Special Education Preschool Grants	0	63,868	0	0	63,868
English Language Acquisition Grants	0	107,472	0	0	107,472
Rural Education	0	193,803	0	0	193,803
Education for Homeless Children and Youth	0	9,940	0	0	9,940
Eisenhower Professional Development State Grants	0	207,603	0	0	207,603
Race to the Top - ARRA	0	425,553	0	0	425,553
Other Federal through State	91,787	0	0	0	91,787
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	\$ 331,198	\$ 0	\$ 0	\$ 0	\$ 331,198
Total Federal Government	\$ 728,689	\$ 4,978,300	\$ 4,199,239	\$ 0	\$ 9,906,228
Total	\$ 54,056,091	\$ 4,978,300	\$ 4,467,374	\$ 330,326	\$ 63,832,091

Exhibit J-7

Bedford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2015

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	97,237	
Social Security		5,685	
State Retirement		2,460	
Unemployment Compensation		188	
Employer Medicare		1,407	
Advertising		4,958	
Total County Commission			\$ 111,935

Board of Equalization

Board and Committee Members Fees	\$	1,450	
Total Board of Equalization			1,450

Beer Board

Board and Committee Members Fees	\$	250	
Total Beer Board			250

Budget and Finance Committee

Board and Committee Members Fees	\$	1,800	
Social Security		112	
State Retirement		47	
Employer Medicare		26	
Total Budget and Finance Committee			1,985

County Mayor/Executive

County Official/Administrative Officer	\$	89,270	
Supervisor/Director		23,788	
Secretary(ies)		31,397	
Part-time Personnel		11,780	
Longevity Pay		300	
Social Security		9,507	
State Retirement		6,351	
Life Insurance		103	
Medical Insurance		6,831	
Unemployment Compensation		400	
Employer Medicare		2,223	
Communication		2,330	
Maintenance Agreements		1,348	
Postal Charges		553	
Gasoline		115	
Office Supplies		1,933	
Premiums on Corporate Surety Bonds		612	
Other Charges		517	
Furniture and Fixtures		560	
Total County Mayor/Executive			189,918

County Attorney

County Official/Administrative Officer	\$	78,664	
Total County Attorney			78,664

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Election Commission

County Official/Administrative Officer	\$	63,237	
Assistant(s)		29,592	
Custodial Personnel		9,600	
Part-time Personnel		7,226	
Longevity Pay		600	
Overtime Pay		1,548	
Election Commission		2,625	
Election Workers		19,396	
Social Security		7,032	
State Retirement		4,986	
Life Insurance		109	
Medical Insurance		4,699	
Unemployment Compensation		518	
Employer Medicare		1,645	
Communication		1,026	
Data Processing Services		2,900	
Dues and Memberships		175	
Maintenance Agreements		9,500	
Postal Charges		5,635	
Printing, Stationery, and Forms		10,516	
Travel		3,585	
Office Supplies		3,676	
Other Supplies and Materials		604	
In Service/Staff Development		1,790	
Office Equipment		1,368	
Total Election Commission	\$		193,588

Register of Deeds

County Official/Administrative Officer	\$	70,263
Assistant(s)		117,138
Educational Incentive - Official/Admin Officer		1,000
Longevity Pay		4,500
Social Security		11,116
State Retirement		10,127
Life Insurance		274
Medical Insurance		21,810
Unemployment Compensation		504
Employer Medicare		2,600
Communication		3,638
Dues and Memberships		647
Maintenance Agreements		1,230
Postal Charges		700
Travel		1,382
Other Contracted Services		8,000
Office Supplies		5,401
Premiums on Corporate Surety Bonds		612
Other Charges		840

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

Data Processing Equipment	\$ 18,616	
Office Equipment	1,925	
Total Register of Deeds	\$ 282,323	\$ 282,323

Planning

Part-time Personnel	\$ 18,849	
Longevity Pay	900	
Other Salaries and Wages	110,987	
Board and Committee Members Fees	2,200	
Social Security	7,602	
State Retirement	5,700	
Life Insurance	197	
Medical Insurance	20,012	
Unemployment Compensation	546	
Employer Medicare	1,778	
Communication	1,554	
Contracts with Government Agencies	1,323	
Legal Notices, Recording, and Court Costs	174	
Maintenance and Repair Services - Vehicles	26	
Postal Charges	294	
Other Contracted Services	9,975	
Gasoline	711	
Office Supplies	701	
Other Charges	1,000	
Data Processing Equipment	11,994	
Other Equipment	12,212	
Total Planning	208,735	208,735

Codes Compliance

Longevity Pay	\$ 900	
Other Salaries and Wages	40,337	
In-service Training	105	
Social Security	2,230	
State Retirement	2,165	
Life Insurance	55	
Medical Insurance	5,452	
Unemployment Compensation	126	
Employer Medicare	521	
Communication	1,206	
Dues and Memberships	125	
Legal Notices, Recording, and Court Costs	280	
Maintenance and Repair Services - Vehicles	172	
Gasoline	1,036	
Office Supplies	730	
Other Charges	1	
Office Equipment	980	
Total Codes Compliance	56,421	56,421

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

County Buildings

Custodial Personnel	\$	24,012	
Maintenance Personnel		38,976	
Longevity Pay		1,050	
Overtime Pay		60	
Social Security		3,223	
State Retirement		2,293	
Life Insurance		120	
Medical Insurance		10,905	
Unemployment Compensation		378	
Employer Medicare		754	
Communication		24,314	
Janitorial Services		8,739	
Maintenance and Repair Services - Buildings		105,823	
Maintenance and Repair Services - Equipment		935	
Pest Control		960	
Other Contracted Services		267	
Custodial Supplies		7,955	
Utilities		140,578	
Other Supplies and Materials		8,004	
Other Charges		6,189	
Building Improvements		20,511	
Office Equipment		9,956	
Other Equipment		16,183	
Total County Buildings			\$ 432,185

Finance

Accounting and Budgeting

County Official/Administrative Officer	\$	93,135
Accountants/Bookkeepers		184,020
Clerical Personnel		35,946
Longevity Pay		12,200
Other Salaries and Wages		5,006
In-service Training		1,040
Social Security		18,682
State Retirement		13,996
Life Insurance		393
Medical Insurance		38,141
Unemployment Compensation		1,198
Employer Medicare		4,369
Communication		33,121
Data Processing Services		14,623
Dues and Memberships		2,587
Postal Charges		4,522
Travel		161
Other Contracted Services		920
Data Processing Supplies		3,369
Office Supplies		7,040

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Other Charges	\$	3,975	
Office Equipment		1,498	
Total Accounting and Budgeting			\$ 479,942

Property Assessor's Office

County Official/Administrative Officer	\$	70,263	
Assistant(s)		29,173	
Deputy(ies)		27,877	
Data Processing Personnel		28,129	
Secretary(ies)		30,779	
Clerical Personnel		28,735	
Educational Incentive - Official/Admin Officer		1,000	
Longevity Pay		7,950	
Other Salaries and Wages		750	
In-service Training		365	
Social Security		13,060	
State Retirement		11,513	
Life Insurance		300	
Medical Insurance		32,715	
Unemployment Compensation		643	
Employer Medicare		3,054	
Communication		1,766	
Data Processing Services		12,445	
Dues and Memberships		2,005	
Maintenance and Repair Services - Equipment		5,142	
Postal Charges		1,300	
Rentals		16,015	
Travel		1,019	
Other Contracted Services		11,355	
Gasoline		4,242	
Office Supplies		535	
Other Charges		893	
Data Processing Equipment		2,801	
Total Property Assessor's Office			345,824

Reappraisal Program

Clerical Personnel	\$	30,172	
Longevity Pay		2,000	
Other Salaries and Wages		42,072	
In-service Training		125	
Social Security		4,450	
State Retirement		3,898	
Life Insurance		109	
Medical Insurance		10,152	
Unemployment Compensation		252	
Employer Medicare		1,041	
Data Processing Services		4,143	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program (Cont.)

Postal Charges	\$	611	
Printing, Stationery, and Forms		76	
Travel		1,067	
Office Supplies		1,495	
Other Charges		452	
Motor Vehicles		72	
Office Equipment		1,548	
Total Reappraisal Program			\$ 103,735

County Trustee's Office

County Official/Administrative Officer	\$	70,263	
Deputy(ies)		119,798	
Educational Incentive - Official/Admin Officer		1,000	
Longevity Pay		4,400	
Overtime Pay		691	
In-service Training		300	
Social Security		12,035	
State Retirement		10,298	
Life Insurance		274	
Medical Insurance		18,798	
Unemployment Compensation		504	
Employer Medicare		2,815	
Communication		2,700	
Data Processing Services		5,109	
Dues and Memberships		1,142	
Legal Notices, Recording, and Court Costs		504	
Maintenance Agreements		12,377	
Postal Charges		6,970	
Travel		2,391	
Office Supplies		2,977	
Premiums on Corporate Surety Bonds		8,984	
Other Charges		77	
Office Equipment		2,347	
Total County Trustee's Office			286,754

County Clerk's Office

County Official/Administrative Officer	\$	70,263
Deputy(ies)		227,041
Part-time Personnel		2,028
Longevity Pay		10,550
Social Security		17,768
State Retirement		15,136
Life Insurance		475
Medical Insurance		37,623
Unemployment Compensation		1,389
Employer Medicare		4,155
Communication		2,313

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Dues and Memberships	\$	847	
Maintenance Agreements		10,334	
Postal Charges		11,940	
Travel		1,456	
Office Supplies		11,029	
Premiums on Corporate Surety Bonds		612	
Other Charges		393	
Data Processing Equipment		3,029	
Furniture and Fixtures		73	
Office Equipment		6,630	
Total County Clerk's Office			\$ 435,084

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	77,289	
Deputy(ies)		254,395	
Part-time Personnel		13,176	
Educational Incentive - Official/Admin Officer		1,000	
Longevity Pay		11,900	
Other Salaries and Wages		37,267	
Jury and Witness Expense		15,222	
Social Security		23,481	
State Retirement		17,881	
Life Insurance		552	
Medical Insurance		28,844	
Unemployment Compensation		1,722	
Employer Medicare		5,492	
Communication		4,657	
Dues and Memberships		1,457	
Legal Notices, Recording, and Court Costs		17	
Maintenance Agreements		17,965	
Postal Charges		4,533	
Travel		2,828	
Office Supplies		14,911	
Premiums on Corporate Surety Bonds		612	
In Service/Staff Development		530	
Other Charges		3,452	
Office Equipment		12,919	
Total Circuit Court			552,102

General Sessions Court

Judge(s)	\$	150,830
Secretary(ies)		25,801
Part-time Personnel		2,489
Longevity Pay		2,000
Social Security		9,043
State Retirement		8,664

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court (Cont.)

Life Insurance	\$	103	
Medical Insurance		8,633	
Unemployment Compensation		233	
Employer Medicare		2,561	
Communication		572	
Rentals		4,000	
Total General Sessions Court			\$ 214,929

Chancery Court

County Official/Administrative Officer	\$	77,289	
Assistant(s)		124,637	
Part-time Personnel		14,050	
Educational Incentive - Official/Admin Officer		1,000	
Longevity Pay		3,900	
Social Security		12,609	
State Retirement		11,077	
Life Insurance		274	
Medical Insurance		20,304	
Unemployment Compensation		753	
Employer Medicare		2,949	
Communication		1,907	
Data Processing Services		10,487	
Dues and Memberships		1,237	
Maintenance Agreements		1,549	
Postal Charges		2,000	
Travel		68	
Office Supplies		5,303	
Premiums on Corporate Surety Bonds		1,034	
In Service/Staff Development		5,630	
Data Processing Equipment		958	
Office Equipment		4,443	
Total Chancery Court			303,458

Juvenile Court

Youth Service Officer(s)	\$	43,063	
Social Workers		74,883	
Salary Supplements		9,366	
Longevity Pay		2,750	
In-service Training		317	
Social Security		7,731	
State Retirement		6,822	
Life Insurance		164	
Medical Insurance		2,726	
Unemployment Compensation		358	
Employer Medicare		1,808	
Communication		1,017	
Contracts with Government Agencies		4,200	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

Postal Charges	\$	106	
Rentals		8,000	
Office Supplies		96	
Other Charges		34,019	
Total Juvenile Court			\$ 197,426

Judicial Commissioners

Deputy(ies)	\$	128,535	
Part-time Personnel		7,727	
Longevity Pay		2,950	
Social Security		8,220	
State Retirement		6,903	
Life Insurance		200	
Medical Insurance		16,357	
Unemployment Compensation		612	
Employer Medicare		1,923	
Maintenance Agreements		796	
Office Supplies		283	
Total Judicial Commissioners			174,506

Other Administration of Justice

Probation Officer(s)	\$	35,107	
Guidance Personnel		43,494	
Longevity Pay		1,550	
In-service Training		179	
Social Security		4,667	
State Retirement		4,208	
Life Insurance		109	
Medical Insurance		11,520	
Unemployment Compensation		333	
Employer Medicare		1,092	
Communication		965	
Contracts with Government Agencies		8,278	
Postal Charges		350	
Rentals		4,000	
Travel		41	
Office Supplies		398	
Total Other Administration of Justice			116,291

Probation Services

County Official/Administrative Officer	\$	41,797	
Clerical Personnel		155,293	
Longevity Pay		6,150	
Social Security		12,128	
State Retirement		10,122	
Life Insurance		367	
Medical Insurance		31,410	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Probation Services (Cont.)

Unemployment Compensation	\$	882	
Employer Medicare		2,836	
Communication		957	
Data Processing Services		1,500	
Maintenance Agreements		2,016	
Postal Charges		392	
Printing, Stationery, and Forms		1,247	
Rentals		16,800	
Travel		121	
Drugs and Medical Supplies		9,585	
Office Supplies		3,941	
Other Charges		523	
Data Processing Equipment		808	
Furniture and Fixtures		1,324	
Office Equipment		125	
Total Probation Services			\$ 300,324

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	85,019
Assistant(s)		112,679
Deputy(ies)		626,148
Detective(s)		138,544
Captain(s)		17,504
Lieutenant(s)		152,155
Sergeant(s)		139,400
Data Processing Personnel		17,376
Salary Supplements		23,400
Dispatchers/Radio Operators		109,719
Secretary(ies)		64,294
School Resource Officer		263,503
Overtime Pay		75,970
Other Salaries and Wages		55,054
In-service Training		9,031
Social Security		112,349
State Retirement		87,027
Life Insurance		2,357
Medical Insurance		174,038
Unemployment Compensation		7,203
Employer Medicare		26,275
Communication		31,361
Dues and Memberships		2,000
Maintenance Agreements		2,406
Maintenance and Repair Services - Buildings		1,879
Maintenance and Repair Services - Equipment		144
Maintenance and Repair Services - Vehicles		39,511
Medical and Dental Services		460

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Postal Charges	\$	1,698	
Towing Services		525	
Travel		4,794	
Other Contracted Services		3,806	
Custodial Supplies		1,940	
Gasoline		97,549	
Office Supplies		6,464	
Tires and Tubes		7,925	
Uniforms		13,027	
Utilities		16,025	
Other Supplies and Materials		1,608	
Premiums on Corporate Surety Bonds		612	
Other Charges		10,081	
Building Improvements		1,743	
Communication Equipment		35	
Data Processing Equipment		2,894	
Law Enforcement Equipment		37,893	
Motor Vehicles		36,568	
Office Equipment		6,826	
Total Sheriff's Department			\$ 2,628,819

Traffic Control

Other Salaries and Wages	\$	27,100	
Social Security		1,680	
State Retirement		1,441	
Unemployment Compensation		48	
Employer Medicare		393	
Dues and Memberships		50	
Other Charges		8,591	
Total Traffic Control			39,303

Jail

Supervisor/Director	\$	74,138	
Captain(s)		8,880	
Lieutenant(s)		50,044	
Sergeant(s)		127,596	
Data Processing Personnel		66,772	
Guards		436,318	
Maintenance Personnel		34,436	
Overtime Pay		43,050	
In-service Training		4,073	
Social Security		48,686	
State Retirement		33,469	
Life Insurance		1,383	
Medical Insurance		111,638	
Unemployment Compensation		4,708	
Employer Medicare		11,386	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Communication	\$	24,514	
Maintenance Agreements		16,964	
Maintenance and Repair Services - Buildings		14,081	
Maintenance and Repair Services - Equipment		4,939	
Medical and Dental Services		434,886	
Postal Charges		824	
Travel		640	
Custodial Supplies		18,476	
Food Supplies		139,858	
Office Supplies		6,662	
Prisoners Clothing		4,780	
Uniforms		4,998	
Utilities		83,392	
Other Supplies and Materials		5,621	
Building Improvements		296	
Office Equipment		2,389	
Other Equipment		7,026	
Total Jail			\$ 1,826,923

Workhouse

Supervisor/Director	\$	32,756
Captain(s)		7,602
Sergeant(s)		128,746
Data Processing Personnel		33,492
Guards		257,555
Maintenance Personnel		27,307
Overtime Pay		28,937
In-service Training		1,344
Social Security		30,341
State Retirement		25,960
Life Insurance		849
Medical Insurance		73,899
Unemployment Compensation		2,119
Employer Medicare		7,096
Communication		9,465
Maintenance Agreements		881
Maintenance and Repair Services - Buildings		2,926
Maintenance and Repair Services - Equipment		2,144
Postal Charges		294
Other Contracted Services		2,897
Custodial Supplies		12,370
Food Supplies		76,893
Office Supplies		3,574
Prisoners Clothing		1,637
Uniforms		2,606
Utilities		45,710
Other Supplies and Materials		4,299

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Workhouse (Cont.)

Office Equipment	\$	500	
Other Equipment		809	
Total Workhouse			\$ 825,008

Juvenile Services

County Official/Administrative Officer	\$	36,239	
Sergeant(s)		119,465	
Guards		150,444	
Overtime Pay		6,167	
Other Salaries and Wages		2,625	
In-service Training		245	
Social Security		18,929	
State Retirement		14,062	
Life Insurance		597	
Medical Insurance		49,191	
Unemployment Compensation		1,568	
Employer Medicare		4,427	
Communication		321	
Maintenance Agreements		300	
Maintenance and Repair Services - Buildings		335	
Maintenance and Repair Services - Equipment		1,167	
Maintenance and Repair Services - Office Equipment		113	
Maintenance and Repair Services - Vehicles		265	
Postal Charges		490	
Custodial Supplies		3,195	
Food Supplies		6,382	
Instructional Supplies and Materials		111	
Office Supplies		1,905	
Prisoners Clothing		605	
Uniforms		1,364	
Utilities		9,052	
Other Supplies and Materials		619	
Other Charges		3,188	
Office Equipment		1,722	
Total Juvenile Services			435,093

Other Emergency Management

Assistant(s)	\$	125,707	
Supervisor/Director		110,817	
Captain(s)		132,180	
Lieutenant(s)		121,120	
Secretary(ies)		4,765	
Longevity Pay		16,800	
Bonus Payments		14,400	
Other Salaries and Wages		301,278	
Social Security		48,426	
State Retirement		42,676	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management (Cont.)

Life Insurance	\$	1,086	
Medical Insurance		94,356	
Unemployment Compensation		2,594	
Employer Medicare		11,325	
Communication		30,975	
Maintenance and Repair Services - Buildings		10,225	
Maintenance and Repair Services - Equipment		17,434	
Maintenance and Repair Services - Vehicles		1,578	
Travel		784	
Other Contracted Services		7,375	
Custodial Supplies		2,110	
Diesel Fuel		15,593	
Gasoline		10,100	
Office Supplies		6,102	
Uniforms		7,019	
Utilities		38,982	
Other Supplies and Materials		3,675	
Liability Insurance		7,946	
Vehicle and Equipment Insurance		19,805	
Workers' Compensation Insurance		50,484	
In Service/Staff Development		10,768	
Other Charges		2,102	
Other Equipment		54,368	
Total Other Emergency Management			\$ 1,324,955

County Coroner/Medical Examiner

Medical Personnel	\$	18,375	
Total County Coroner/Medical Examiner			18,375

Other Public Safety

Contributions	\$	409,583	
Total Other Public Safety			409,583

Public Health and Welfare

Local Health Center

Other Salaries and Wages	\$	284,446	
Social Security		16,958	
State Retirement		14,319	
Life Insurance		568	
Medical Insurance		45,093	
Unemployment Compensation		1,372	
Employer Medicare		3,966	
Advertising		37	
Communication		6,962	
Janitorial Services		12,800	
Maintenance Agreements		1,482	
Maintenance and Repair Services - Buildings		16,286	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Travel	\$	4,226	
Office Supplies		338	
Utilities		18,518	
Other Supplies and Materials		2,131	
In Service/Staff Development		2,380	
Other Charges		19,232	
Total Local Health Center			\$ 451,114

Rabies and Animal Control

Assistant(s)	\$	32,405	
Supervisor/Director		37,722	
Part-time Personnel		25,732	
Longevity Pay		150	
Overtime Pay		1,485	
In-service Training		1,300	
Social Security		5,581	
State Retirement		757	
Life Insurance		120	
Medical Insurance		8,774	
Unemployment Compensation		928	
Employer Medicare		1,305	
Communication		3,379	
Maintenance and Repair Services - Buildings		1,743	
Maintenance and Repair Services - Vehicles		884	
Travel		1,219	
Animal Food and Supplies		9,676	
Custodial Supplies		4,781	
Drugs and Medical Supplies		27,101	
Gasoline		4,431	
Office Supplies		1,962	
Tires and Tubes		1,289	
Uniforms		1,997	
Utilities		9,816	
Other Charges		34,252	
Building Improvements		3,485	
Motor Vehicles		9,000	
Office Equipment		4,078	
Other Equipment		2,639	
Total Rabies and Animal Control			237,991

Ambulance/Emergency Medical Services

Supervisor/Director	\$	55,370	
Captain(s)		133,841	
Medical Personnel		564,725	
Salary Supplements		12,960	
Mechanic(s)		14,872	
Clerical Personnel		73,459	

(Continued)

Exhibit J-7

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.)

Part-time Personnel	\$	107,330	
Longevity Pay		28,000	
Overtime Pay		481,963	
In-service Training		5,161	
Social Security		87,709	
State Retirement		63,326	
Life Insurance		1,607	
Medical Insurance		116,991	
Unemployment Compensation		5,809	
Employer Medicare		20,513	
Advertising		171	
Communication		18,857	
Dues and Memberships		835	
Evaluation and Testing		1,919	
Licenses		3,029	
Maintenance Agreements		14,578	
Maintenance and Repair Services - Buildings		5,162	
Maintenance and Repair Services - Equipment		1,808	
Maintenance and Repair Services - Vehicles		83,552	
Postal Charges		2,750	
Printing, Stationery, and Forms		1,742	
Travel		1,171	
Tuition		5,884	
Disposal Fees		7,893	
Other Contracted Services		46,980	
Custodial Supplies		2,506	
Data Processing Supplies		110	
Diesel Fuel		56,077	
Drugs and Medical Supplies		71,194	
Gasoline		10,527	
Natural Gas		5,552	
Office Supplies		2,623	
Periodicals		114	
Uniforms		16,494	
Utilities		19,389	
Other Charges		40,321	
Communication Equipment		2,152	
Data Processing Equipment		3,014	
Furniture and Fixtures		2,480	
Motor Vehicles		172,700	
Other Equipment		18,721	
Total Ambulance/Emergency Medical Services			\$ 2,393,941

Other Local Health Services

Contracts with Private Agencies	\$	53,666	
Contributions		14,440	
Total Other Local Health Services			68,106

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Regional Mental Health Center

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

Appropriation to State

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

General Welfare Assistance

Contracts with Government Agencies	\$ 99,875	
Total General Welfare Assistance		99,875

Convenience Centers

County Official/Administrative Officer	\$ 15,000	
Assistant(s)	7,200	
Foremen	49,170	
Truck Drivers	86,498	
Laborers	6,320	
Secretary(ies)	400	
Attendants	163,871	
Longevity Pay	15,400	
Overtime Pay	4,513	
Board and Committee Members Fees	400	
Social Security	20,835	
State Retirement	13,497	
Life Insurance	347	
Medical Insurance	38,298	
Unemployment Compensation	2,508	
Employer Medicare	4,873	
Communication	5,575	
Contracts with Private Agencies	339,194	
Legal Services	136	
Postal Charges	682	
Printing, Stationery, and Forms	225	
Travel	885	
Diesel Fuel	78,285	
Equipment and Machinery Parts	40,917	
Gasoline	3,585	
Lubricants	1,992	
Office Supplies	993	
Tires and Tubes	19,934	
Utilities	8,778	
Other Supplies and Materials	4,215	
Vehicle and Equipment Insurance	42,878	
Workers' Compensation Insurance	11,712	
Other Charges	11,284	
Solid Waste Equipment	62,728	
Other Capital Outlay	14,706	
Total Convenience Centers		1,077,834

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services

Adult Activities

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

Senior Citizens Assistance

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

Libraries

Contributions	\$ 1,142,390	
Total Libraries		1,142,390

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$ 83,663	
Social Security	5,549	
State Retirement	9,813	
Employer Medicare	1,157	
Communication	6,844	
Maintenance Agreements	1,044	
Maintenance and Repair Services - Buildings	3,332	
Utilities	7,738	
Other Equipment	851	
Total Agricultural Extension Service		119,991

Soil Conservation

Contributions	\$ 58,000	
Total Soil Conservation		58,000

Other Agriculture and Natural Resources

Maintenance Personnel	\$ 23,544	
Longevity Pay	1,350	
Social Security	1,523	
State Retirement	1,307	
Life Insurance	55	
Medical Insurance	4,699	
Unemployment Compensation	126	
Employer Medicare	356	
Communication	1,472	
Diesel Fuel	772	
Gasoline	2,812	
Utilities	16,045	
Other Supplies and Materials	11,191	
Other Equipment	1,915	
Total Other Agriculture and Natural Resources		67,167

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations

Tourism

Contributions	\$	3,948	
Total Tourism			\$ 3,948

Veterans' Services

Supervisor/Director	\$	10,205	
Truck Drivers		7,577	
Overtime Pay		106	
Social Security		1,105	
Life Insurance		9	
Medical Insurance		964	
Unemployment Compensation		186	
Employer Medicare		258	
Communication		1,302	
Maintenance and Repair Services - Vehicles		470	
Postal Charges		98	
Gasoline		2,320	
Office Supplies		625	
Motor Vehicles		23,977	
Total Veterans' Services			49,202

Other Charges

Building and Contents Insurance	\$	188,247	
Workers' Compensation Insurance		114,140	
Liability Claims		7,783	
Total Other Charges			310,170

Contributions to Other Agencies

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

Miscellaneous

Audit Services	\$	13,517	
Contributions		38,463	
Rentals		27,569	
Other Contracted Services		38,864	
Trustee's Commission		227,162	
Liability Claims		281,490	
Other Charges		7,837	
Total Miscellaneous			634,902

Total General Fund			\$ 19,502,568
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Drug Control Fund

Other Operations

Miscellaneous

Trustee's Commission	\$	47	
Total Miscellaneous			\$ 47

Total Drug Control Fund			47
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(Continued)

Exhibit J-7

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

Constitutional Officers - Fees Fund

Public Safety

Sheriff's Department

Constitutional Officers' Operating Expenses	\$ 47	
Total Sheriff's Department		\$ 47

Total Constitutional Officers - Fees Fund \$ 47

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	\$ 85,019	
Assistant(s)	44,868	
Accountants/Bookkeepers	43,268	
Secretary(ies)	19,584	
Overtime Pay	969	
Other Salaries and Wages	4,499	
Board and Committee Members Fees	4,880	
Social Security	12,439	
State Retirement	10,578	
Life Insurance	149	
Medical Insurance	14,786	
Unemployment Compensation	739	
Employer Medicare	2,909	
Data Processing Services	79	
Dues and Memberships	3,219	
Legal Notices, Recording, and Court Costs	106	
Postal Charges	72	
Printing, Stationery, and Forms	835	
Travel	272	
Other Contracted Services	2,895	
Office Supplies	1,241	
Total Administration		253,406

Highway and Bridge Maintenance

Foremen	\$ 37,440
Equipment Operators	216,165
Truck Drivers	251,774
Laborers	2,100
Overtime Pay	10,135
Other Salaries and Wages	21,410
Social Security	31,214
State Retirement	28,171
Life Insurance	881
Medical Insurance	75,631

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)Highways (Cont.)Highway and Bridge Maintenance (Cont.)

Dental Insurance	\$	1,668	
Unemployment Compensation		4,364	
Employer Medicare		7,300	
Rentals		6,455	
Asphalt - Cold Mix		8,925	
Asphalt - Hot Mix		128,906	
Asphalt - Liquid		158,736	
Crushed Stone		257,902	
Other Road Materials		1,425	
Pipe		13,701	
Road Signs		5,374	
Small Tools		56	
Total Highway and Bridge Maintenance			\$ 1,269,733

Operation and Maintenance of Equipment

Mechanic(s)	\$	67,956	
Laborers		63,908	
Overtime Pay		3,264	
Other Salaries and Wages		5,213	
Social Security		8,400	
State Retirement		6,484	
Life Insurance		160	
Medical Insurance		17,235	
Dental Insurance		208	
Unemployment Compensation		1,361	
Employer Medicare		1,965	
Diesel Fuel		106,936	
Equipment and Machinery Parts		67,032	
Garage Supplies		6,164	
Gasoline		39,713	
Lubricants		9,213	
Tires and Tubes		15,846	
Other Supplies and Materials		4,840	
Total Operation and Maintenance of Equipment			425,898

Litter and Trash Collection

Overtime Pay	\$	201	
Other Salaries and Wages		23,023	
Social Security		1,462	
State Retirement		249	
Life Insurance		51	
Medical Insurance		597	
Unemployment Compensation		609	
Employer Medicare		342	
Other Charges		19,837	
Total Litter and Trash Collection			46,371

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges

Communication	\$	9,423	
Electricity		8,236	
Natural Gas		4,401	
Trustee's Commission		26,608	
Vehicle and Equipment Insurance		79,154	
Other Charges		<u>1,963</u>	
Total Other Charges			\$ 129,785

Employee Benefits

Uniforms	\$	3,767	
Workers' Compensation Insurance		<u>53,234</u>	
Total Employee Benefits			57,001

Capital Outlay

Engineering Services	\$	12,056	
Bridge Construction		38,192	
Highway Construction		1,649,288	
Highway Equipment		<u>81,351</u>	
Total Capital Outlay			<u>1,780,887</u>

Total Highway/Public Works Fund \$ 3,970,081

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	<u>290,000</u>	
Total General Government			\$ 290,000

Education

Principal on Bonds	\$	2,660,000	
Principal on Other Loans		<u>562,000</u>	
Total Education			3,222,000

Interest on Debt

General Government

Interest on Bonds	\$	<u>177,938</u>	
Total General Government			177,938

Highways and Streets

Interest on Notes	\$	<u>15,300</u>	
Total Highways and Streets			15,300

Education

Interest on Bonds	\$	2,047,887	
Interest on Other Loans		<u>5,691</u>	
Total Education			2,053,578

(Continued)

Exhibit J-7

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

<u>General Debt Service Fund (Cont.)</u>			
<u>Other Debt Service</u>			
<u>General Government</u>			
Trustee's Commission	\$	74,098	
Other Debt Service		<u>14,276</u>	
Total General Government			\$ 88,374
<u>Education</u>			
Other Debt Service	\$	<u>2,640,012</u>	
Total Education			<u>2,640,012</u>
Total General Debt Service Fund			\$ 8,487,202
<u>General Capital Projects Fund</u>			
<u>Capital Outlay</u>			
<u>Regular Capital Outlay</u>			
Other Capital Outlay	\$	<u>22,632</u>	
Total Regular Capital Outlay			<u>\$ 22,632</u>
Total General Capital Projects Fund			<u>22,632</u>
Total Governmental Funds - Primary Government			<u>\$ 31,982,577</u>

Exhibit J-8

Bedford County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Bedford County School Department
For the Year Ended June 30, 2015

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 19,455,409	
Career Ladder Program	129,906	
Career Ladder Extended Contracts	1,950	
Salary Supplements	22,603	
Bus Drivers	182	
Clerical Personnel	68,221	
Educational Assistants	956,121	
Other Salaries and Wages	70,051	
Certified Substitute Teachers	292,024	
Social Security	1,218,891	
State Retirement	1,783,823	
Life Insurance	15,872	
Medical Insurance	2,603,842	
Unemployment Compensation	76,918	
Employer Medicare	288,039	
Maintenance and Repair Services - Equipment	8,631	
Travel	8,707	
Other Contracted Services	192,552	
Instructional Supplies and Materials	303,506	
Textbooks	159,007	
Other Supplies and Materials	15,474	
In Service/Staff Development	5,040	
Other Charges	139,948	
Regular Instruction Equipment	86,428	
Total Regular Instruction Program		\$ 27,903,145

Alternative Instruction Program

Teachers	\$ 278,721	
Career Ladder Program	2,000	
Social Workers	85,933	
Clerical Personnel	15,466	
Educational Assistants	25,734	
Other Salaries and Wages	2,305	
Social Security	24,462	
State Retirement	34,061	
Medical Insurance	31,406	
Employer Medicare	5,721	
Total Alternative Instruction Program		505,809

Special Education Program

Teachers	\$ 1,897,745	
Career Ladder Program	11,665	
Educational Assistants	120,921	
Other Salaries and Wages	16,330	
Certified Substitute Teachers	24,565	
Social Security	121,747	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

State Retirement	\$	176,519	
Medical Insurance		245,845	
Unemployment Compensation		5,447	
Employer Medicare		28,496	
Other Contracted Services		107,583	
Instructional Supplies and Materials		33,789	
Special Education Equipment		12,578	
Total Special Education Program			\$ 2,803,230

Vocational Education Program

Teachers	\$	855,915	
Career Ladder Program		4,621	
Certified Substitute Teachers		12,340	
Social Security		50,557	
State Retirement		74,890	
Medical Insurance		78,788	
Employer Medicare		12,338	
Maintenance and Repair Services - Equipment		2,572	
Instructional Supplies and Materials		10,397	
Vocational Instruction Equipment		6,999	
Total Vocational Education Program			1,109,417

Adult Education Program

Teachers	\$	187,394	
Clerical Personnel		21,035	
Other Salaries and Wages		417	
Social Security		12,943	
State Retirement		3,786	
Medical Insurance		475	
Employer Medicare		3,027	
Instructional Supplies and Materials		8,610	
Total Adult Education Program			237,687

Support Services

Attendance

Supervisor/Director	\$	73,423	
Career Ladder Program		1,000	
Social Security		4,614	
State Retirement		6,612	
Employer Medicare		1,079	
Travel		165	
Other Supplies and Materials		7,626	
Other Charges		270	
Attendance Equipment		54	
Total Attendance			94,843

(Continued)

Exhibit J-8

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.)

Health Services

Medical Personnel	\$	253,699	
Other Salaries and Wages		35,253	
Social Security		16,998	
State Retirement		14,159	
Medical Insurance		34,545	
Employer Medicare		3,976	
Travel		6,760	
Drugs and Medical Supplies		7,009	
Other Supplies and Materials		51,764	
In Service/Staff Development		209	
Other Charges		196	
Health Equipment		2,176	
Total Health Services			\$ 426,744

Other Student Support

Career Ladder Program	\$	11,249	
Guidance Personnel		945,565	
Other Salaries and Wages		70,247	
Social Security		51,040	
State Retirement		78,554	
Medical Insurance		99,000	
Employer Medicare		14,206	
Evaluation and Testing		72,034	
Travel		3,175	
Other Contracted Services		80,400	
Other Supplies and Materials		2,253	
Total Other Student Support			1,427,723

Regular Instruction Program

Supervisor/Director	\$	221,526	
Career Ladder Program		13,893	
Librarians		680,120	
Secretary(ies)		41,140	
Other Salaries and Wages		2,443	
Social Security		54,153	
State Retirement		79,576	
Medical Insurance		71,062	
Employer Medicare		13,458	
Travel		1,446	
Other Contracted Services		69,414	
Library Books/Media		26,714	
Other Supplies and Materials		20,106	
In Service/Staff Development		1,115	
Total Regular Instruction Program			1,296,166

(Continued)

Exhibit J-8

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

Supervisor/Director	\$	78,877	
Career Ladder Program		1,000	
Psychological Personnel		98,477	
Secretary(ies)		13,401	
Social Security		11,312	
State Retirement		16,827	
Medical Insurance		21,605	
Employer Medicare		2,645	
Travel		4,857	
Other Contracted Services		13,960	
Other Supplies and Materials		2,172	
In Service/Staff Development		3,380	
Other Equipment		2,763	
Total Special Education Program			\$ 271,276

Vocational Education Program

Secretary(ies)	\$	14,320	
Other Salaries and Wages		358	
Social Security		820	
State Retirement		752	
Medical Insurance		4,326	
Employer Medicare		192	
Total Vocational Education Program			20,768

Adult Programs

Supervisor/Director	\$	71,971	
Social Security		4,235	
State Retirement		6,506	
Medical Insurance		6,484	
Employer Medicare		990	
Travel		2,506	
In Service/Staff Development		1,649	
Total Adult Programs			94,341

Other Programs

On-behalf Payments to OPEB	\$	117,651	
Total Other Programs			117,651

Board of Education

Secretary to Board	\$	35,484	
Other Salaries and Wages		1,631	
Board and Committee Members Fees		27,127	
Social Security		3,497	
State Retirement		1,863	
Medical Insurance		5,529	
Employer Medicare		818	

(Continued)

Exhibit J-8

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.)

Audit Services	\$	17,750	
Dues and Memberships		19,090	
Legal Services		8,945	
Travel		13,826	
Trustee's Commission		259,421	
Workers' Compensation Insurance		315,085	
In Service/Staff Development		11,662	
Criminal Investigation of Applicants - TBI		1,743	
Other Charges		8,940	
Total Board of Education			\$ 732,411

Director of Schools

County Official/Administrative Officer	\$	100,840	
Assistant(s)		82,821	
Clerical Personnel		27,291	
Other Salaries and Wages		1,255	
Social Security		12,961	
State Retirement		18,036	
Medical Insurance		6,593	
Employer Medicare		3,031	
Communication		41,760	
Dues and Memberships		3,458	
Postal Charges		5,014	
Travel		4,500	
Other Contracted Services		120	
Other Charges		349	
Total Director of Schools			308,029

Office of the Principal

Principals	\$	1,082,024	
Career Ladder Program		18,707	
Accountants/Bookkeepers		122,094	
Career Ladder Extended Contracts		53,400	
Assistant Principals		1,044,645	
Secretary(ies)		142,095	
Clerical Personnel		45,176	
Other Salaries and Wages		14,365	
Social Security		149,140	
State Retirement		214,943	
Medical Insurance		264,034	
Employer Medicare		34,881	
Communication		33,025	
Other Supplies and Materials		20,579	
Total Office of the Principal			3,239,108

(Continued)

Exhibit J-8

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.)

Human Services/Personnel

Supervisor/Director	\$	55,471	
Clerical Personnel		81,970	
Other Salaries and Wages		2,183	
Social Security		8,489	
State Retirement		7,445	
Medical Insurance		8,641	
Employer Medicare		1,985	
Maintenance and Repair Services - Equipment		1,996	
Travel		2,306	
Office Supplies		1,444	
Other Charges		127	
Total Human Services/Personnel	\$		172,057

Operation of Plant

Supervisor/Director	\$	51,856	
Salary Supplements		9,201	
Secretary(ies)		19,293	
Custodial Personnel		1,076,540	
Other Salaries and Wages		21,013	
Social Security		71,753	
State Retirement		50,690	
Medical Insurance		141,774	
Unemployment Compensation		4,565	
Employer Medicare		16,781	
Maintenance and Repair Services - Equipment		999	
Other Contracted Services		294,571	
Custodial Supplies		174,972	
Electricity		2,176,895	
Natural Gas		364,783	
Water and Sewer		233,878	
Other Supplies and Materials		11,496	
Building and Contents Insurance		236,395	
Other Charges		11,981	
Plant Operation Equipment		7,591	
Total Operation of Plant			4,977,027

Maintenance of Plant

Salary Supplements	\$	60	
Secretary(ies)		26,883	
Maintenance Personnel		592,329	
Other Salaries and Wages		11,709	
Social Security		37,909	
State Retirement		30,667	
Medical Insurance		68,964	
Unemployment Compensation		275	
Employer Medicare		8,866	

(Continued)

Exhibit J-8

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.)

Maintenance of Plant (Cont.)

Communication	\$	3,199	
Laundry Service		9,985	
Maintenance and Repair Services - Buildings		84,821	
Maintenance and Repair Services - Equipment		166,729	
Maintenance and Repair Services - Vehicles		20,338	
Other Contracted Services		91,075	
Gasoline		43,912	
Other Supplies and Materials		181,602	
Other Charges		25,747	
Maintenance Equipment		58,784	
Total Maintenance of Plant			\$ 1,463,854

Transportation

Supervisor/Director	\$	48,970	
Salary Supplements		590	
Mechanic(s)		103,341	
Bus Drivers		887,560	
Clerical Personnel		19,840	
Other Salaries and Wages		25,815	
Certified Substitute Teachers		320	
Social Security		61,593	
State Retirement		46,146	
Medical Insurance		146,724	
Employer Medicare		15,198	
Laundry Service		1,676	
Maintenance and Repair Services - Vehicles		27,493	
Medical and Dental Services		7,980	
Travel		356	
Other Contracted Services		675	
Diesel Fuel		298,915	
Garage Supplies		5,601	
Gasoline		14,226	
Lubricants		10,400	
Tires and Tubes		29,731	
Vehicle Parts		75,894	
Other Supplies and Materials		4,830	
Vehicle and Equipment Insurance		169,085	
Other Charges		28,983	
Transportation Equipment		466,877	
Total Transportation			2,498,819

Central and Other

Supervisor/Director	\$	60,707	
Data Processing Personnel		121,052	
Other Salaries and Wages		2,789	
Social Security		11,131	

(Continued)

Exhibit J-8

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.)

Central and Other (Cont.)

State Retirement	\$	11,843	
Medical Insurance		16,065	
Employer Medicare		2,603	
Maintenance and Repair Services - Equipment		18,844	
Travel		7,326	
Other Contracted Services		164,658	
Other Supplies and Materials		10,299	
In Service/Staff Development		310	
Other Charges		10,421	
Data Processing Equipment		633,865	
Total Central and Other			\$ 1,071,913

Operation of Non-instructional Services

Food Service

Supervisor/Director	\$	44,628	
Social Security		2,304	
State Retirement		4,034	
Medical Insurance		6,732	
Employer Medicare		539	
Total Food Service			58,237

Community Services

Teachers	\$	82,775	
Part-time Personnel		33,179	
Other Salaries and Wages		54,803	
Social Security		10,399	
State Retirement		9,076	
Employer Medicare		2,432	
Travel		1,559	
Food Supplies		16,024	
Instructional Supplies and Materials		6,616	
Other Charges		11,009	
Total Community Services			227,872

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	475,014	
Site Development		14,172	
Total Regular Capital Outlay			489,186

Total General Purpose School Fund \$ 51,547,313

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	601,373	
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(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Regular Instruction Program (Cont.)

Educational Assistants	\$	78,728	
Other Salaries and Wages		15,010	
Certified Substitute Teachers		9,590	
Social Security		41,784	
State Retirement		59,529	
Medical Insurance		66,519	
Employer Medicare		9,779	
Other Fringe Benefits		1,765	
Instructional Supplies and Materials		530,906	
Regular Instruction Equipment		424,054	
Total Regular Instruction Program			\$ 1,839,037

Special Education Program

Teachers	\$	84,160	
Homebound Teachers		11,020	
Educational Assistants		450,131	
Speech Pathologist		98,428	
Other Salaries and Wages		9,207	
Social Security		38,668	
State Retirement		35,781	
Life Insurance		1,600	
Medical Insurance		67,322	
Unemployment Compensation		3,408	
Employer Medicare		9,174	
Contracts with Private Agencies		6,120	
Instructional Supplies and Materials		21,135	
Textbooks		527	
Other Supplies and Materials		9,493	
Special Education Equipment		60,999	
Total Special Education Program			907,173

Vocational Education Program

Clerical Personnel	\$	11,985	
Employer Medicare		174	
Maintenance and Repair Services - Equipment		4,465	
Instructional Supplies and Materials		6,479	
Vocational Instruction Equipment		66,885	
Total Vocational Education Program			89,988

Support Services

Health Services

Medical Personnel	\$	143,631	
Other Salaries and Wages		1,176	
Social Security		8,618	
State Retirement		10,084	
Life Insurance		100	

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

Medical Insurance	\$	9,665	
Employer Medicare		2,016	
Travel		2,019	
Total Health Services			\$ 177,309

Other Student Support

Guidance Personnel	\$	109,855	
Other Salaries and Wages		5,508	
Social Security		7,074	
State Retirement		10,316	
Medical Insurance		9,805	
Employer Medicare		1,654	
Travel		26,601	
Other Contracted Services		3,133	
Other Supplies and Materials		7,980	
In Service/Staff Development		1,983	
Other Charges		17,457	
Total Other Student Support			201,366

Regular Instruction Program

Supervisor/Director	\$	72,267	
Secretary(ies)		26,692	
Clerical Personnel		14,573	
Other Salaries and Wages		327,242	
Certified Substitute Teachers		21,415	
Social Security		27,345	
State Retirement		38,282	
Medical Insurance		33,991	
Employer Medicare		6,395	
Other Fringe Benefits		1,897	
Maintenance and Repair Services - Equipment		5,736	
Travel		23,190	
Other Contracted Services		40,000	
Other Supplies and Materials		20,118	
In Service/Staff Development		230,488	
Other Charges		8,499	
Other Equipment		3,485	
Other Capital Outlay		48,895	
Total Regular Instruction Program			950,510

Special Education Program

Psychological Personnel	\$	56,101	
Assessment Personnel		91,657	
Secretary(ies)		12,707	
Clerical Personnel		14,574	
Other Salaries and Wages		1,840	

(Continued)

Exhibit J-8

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.)

Social Security	\$	10,336	
State Retirement		14,789	
Life Insurance		300	
Medical Insurance		21,493	
Employer Medicare		2,417	
Travel		15,097	
Other Contracted Services		21,727	
In Service/Staff Development		10,799	
Other Charges		7,748	
Total Special Education Program			\$ 281,585

Vocational Education Program

Travel	\$	1,338	
Other Supplies and Materials		12	
Total Vocational Education Program			1,350

Transportation

Bus Drivers	\$	214,748	
Other Salaries and Wages		78,204	
Social Security		16,536	
State Retirement		9,660	
Life Insurance		206	
Medical Insurance		20,628	
Employer Medicare		4,122	
Contracts with Parents		2,169	
Transportation Equipment		168,338	
Total Transportation			514,611

Total School Federal Projects Fund \$ 4,962,929

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	
Clerical Personnel		67,206	
Cafeteria Personnel		1,188,249	
Maintenance Personnel		16,640	
Other Salaries and Wages		32,364	
Social Security		80,082	
State Retirement		55,252	
Life Insurance		2,250	

(Continued)

Exhibit J-8

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

Central Cafeteria Fund (Cont.)

Operation of Non-instructional Services (Cont.)

Food Service (Cont.)

Medical Insurance	\$	151,835	
Unemployment Compensation		4,195	
Employer Medicare		18,729	
Maintenance and Repair Services - Equipment		26,998	
Travel		4,666	
Other Contracted Services		10,605	
Food Preparation Supplies		249,504	
Food Supplies		2,624,232	
Office Supplies		6,177	
Uniforms		12,095	
USDA - Commodities		256,346	
In Service/Staff Development		4,819	
Food Service Equipment		28,319	
Total Food Service			\$ 4,860,563

Total Central Cafeteria Fund \$ 4,885,563

Extended School Program Fund

Support Services

Board of Education

Workers' Compensation Insurance	\$	3,000	
Total Board of Education			\$ 3,000

Operation of Non-instructional Services

Community Services

Supervisor/Director	\$	54,839	
Clerical Personnel		42,982	
Part-time Personnel		156,131	
Other Salaries and Wages		3,416	
Social Security		15,657	
State Retirement		7,646	
Medical Insurance		16,021	
Employer Medicare		3,662	
Communication		1,084	
Maintenance and Repair Services - Equipment		449	
Travel		2,297	
Food Supplies		12,523	
Instructional Supplies and Materials		6,108	
Other Supplies and Materials		4,571	
In Service/Staff Development		1,812	
Other Equipment		2,540	
Total Community Services			331,738

Total Extended School Program Fund 334,738

Total Governmental Funds - Bedford County School Department \$ 61,730,543

Exhibit J-9

Bedford County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2015

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 3,772,615
Total Cash Receipts	<u>\$ 3,772,615</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 3,734,889
Trustee's Commission	37,726
Total Cash Disbursements	<u>\$ 3,772,615</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2014	<u>0</u>
 Cash Balance, June 30, 2015	 <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	188-195
Revenue Capacity:		
These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.	7-11	196-200
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	201-205
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	206-207
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	208-211

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

Table 1

Bedford County, Tennessee
General Government and Discretely Presented Bedford County School Department
Net Position by Component
Last Five Fiscal Years
(accrual basis of accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Primary Government					
Governmental Activities					
Invested in Capital Assets, Net of Related Debt	\$ 23,918,548	\$ 23,433,157	\$ 0	\$ 0	\$ 0
Net Investment in Capital Assets	0	0	24,061,291	25,246,263	24,345,496
Restricted	6,192,578	1,928,797	2,121,316	2,388,323	4,631,407
Unrestricted	<u>(53,097,005)</u>	<u>(41,803,175)</u>	<u>(39,833,406)</u>	<u>(36,661,844)</u>	<u>(33,328,675)</u>
Total Primary Government's Governmental Activities Net Position	<u>\$ (22,985,879)</u>	<u>\$ (16,441,221)</u>	<u>\$ (13,650,799)</u>	<u>\$ (9,027,258)</u>	<u>\$ (4,351,772)</u>
Total Primary Government					
Invested in Capital Assets, Net of Related Debt	\$ 23,918,548	\$ 23,433,157	\$ 0	\$ 0	\$ 0
Net Investment in Capital Assets	0	0	24,061,291	25,246,263	24,345,496
Restricted	6,192,578	1,928,797	2,121,316	2,388,323	4,631,407
Unrestricted	<u>(53,097,005)</u>	<u>(41,803,175)</u>	<u>(39,833,406)</u>	<u>(36,661,844)</u>	<u>(33,328,675)</u>
Total Primary Government Net Position	<u>\$ (22,985,879)</u>	<u>\$ (16,441,221)</u>	<u>\$ (13,650,799)</u>	<u>\$ (9,027,258)</u>	<u>\$ (4,351,772)</u>
Discretely Presented Bedford County School Department					
Governmental Activities					
Invested in Capital Assets	\$ 99,123,821	\$ 96,201,332	\$ 0	\$ 0	\$ 0
Net Investment in Capital Assets	0	0	92,976,955	91,236,337	88,517,940
Restricted	3,405,462	2,185,372	1,972,801	1,763,290	1,343,357
Unrestricted	<u>9,302,865</u>	<u>9,469,221</u>	<u>7,380,379</u>	<u>9,241,930</u>	<u>7,791,446</u>
Total Discretely Presented Bedford County School Department's Governmental Activities Net Position	<u>\$ 111,832,148</u>	<u>\$ 107,855,925</u>	<u>\$ 102,330,135</u>	<u>\$ 102,241,557</u>	<u>\$ 97,652,743</u>

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 Position
Last Five Fiscal Years
(accrual basis of accounting)

	2011		2012		2013		2014		2015	
	Primary Government	Component Unit								
Expenses										
Governmental Activities:										
General Government	\$ 2,458,580	\$ 0	\$ 2,622,551	\$ 0	\$ 2,679,511	\$ 0	\$ 2,698,463	\$ 0	\$ 2,805,033	\$ 0
Finance	1,522,871	0	1,551,852	0	1,586,677	0	1,639,345	0	1,599,186	0
Administration of Justice	1,700,803	0	1,774,488	0	1,749,801	0	1,796,717	0	1,795,328	0
Public Safety	7,954,991	0	8,011,004	0	7,788,326	0	7,916,501	0	7,786,605	0
Public Health and Welfare	4,380,157	0	4,126,630	0	5,356,033	0	4,486,032	0	4,472,045	0
Social, Cultural, and Recreational Services	156,662	0	156,662	0	514,850	0	598,490	0	1,189,722	0
Agriculture and Natural Resources	216,955	0	260,546	0	294,011	0	266,214	0	297,833	0
Highways	2,736,615	0	2,583,006	0	2,933,127	0	1,751,616	0	2,481,031	0
Education	2,868,706	0	2,693,913	0	2,495,792	0	2,318,241	0	2,353,808	0
Component Unit - Bedford County School Department	0	61,487,565	0	63,705,713	0	64,609,492	0	64,154,978	0	61,607,980
Total Expenses	\$ 23,996,340	\$ 61,487,565	\$ 23,780,652	\$ 63,705,713	\$ 25,398,128	\$ 64,609,492	\$ 23,471,619	\$ 64,154,978	\$ 24,780,591	\$ 61,607,980
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 569,304	\$ 0	\$ 481,210	\$ 0	\$ 539,912	\$ 0	\$ 729,270	\$ 0	\$ 996,046	\$ 0
Finance	981,784	0	1,006,052	0	997,037	0	1,060,922	0	1,061,823	0
Administration of Justice	1,403,878	0	1,683,922	0	1,619,539	0	1,495,030	0	1,455,787	0
Public Safety	1,280,113	0	1,326,428	0	939,714	0	849,422	0	912,066	0
Public Health and Welfare	1,377,502	0	1,608,862	0	1,523,074	0	1,964,227	0	1,757,596	0
Agriculture and Natural Resources	7,800	0	5,550	0	8,310	0	6,450	0	9,300	0
Highways	19,436	0	22,263	0	19,391	0	19,839	0	29,559	0
Operating Grants and Contributions	3,805,231	0	3,365,287	0	3,439,576	0	2,559,500	0	2,515,105	0
Capital Grants and Contributions	698,513	0	837,862	0	749,197	0	833,698	0	355,635	0
Component Unit - Bedford County School Department:										
Charges for Services	0	1,733,479	0	1,630,033	0	1,607,907	0	1,512,140	0	717,591
Operating Grants and Contributions	0	8,502,993	0	8,864,455	0	8,240,600	0	8,904,944	0	9,084,465
Capital Grants and Contributions	0	71,571	0	0	0	0	0	136,646	0	0
Total Revenues	\$ 10,143,561	\$ 10,308,043	\$ 10,337,436	\$ 10,494,488	\$ 9,835,750	\$ 9,848,507	\$ 9,518,358	\$ 10,553,730	\$ 9,092,917	\$ 9,802,056
Net (Expense)/Revenue										
Total	\$ (13,852,779)	\$ (51,179,522)	\$ (13,443,216)	\$ (53,211,225)	\$ (15,562,378)	\$ (54,760,985)	\$ (13,953,261)	\$ (53,601,248)	\$ (15,687,674)	\$ (51,805,924)

(Continued)

Table 2

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

	2011		2012		2013		2014		2015	
	Primary Government	Component Unit	Primary Government	Component Unit	Primary Government	Component Unit	Primary Government	Component Unit	Primary Government	Component Unit
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property Taxes	\$ 9,731,369	\$ 7,941,311	\$ 10,155,790	\$ 8,286,550	\$ 10,600,355	\$ 7,731,057	\$ 10,385,599	\$ 8,407,067	\$ 10,367,833	\$ 8,497,841
Sales Taxes	5,142,959	1,888,559	5,365,336	1,976,524	5,222,426	1,922,541	5,473,609	2,026,045	5,777,154	2,134,397
Other Taxes	1,161,823	2,435	1,244,429	2,776	1,142,346	3,842	1,209,328	10,315	1,270,682	24,832
Unrestricted Grants and Contributions	698,542	38,654,298	909,020	38,709,171	1,078,237	39,375,514	1,091,349	42,946,669	921,801	43,223,113
Investment Earnings	336,696	1,870	223,752	88,905	40,277	43,626	36,627	1,124	39,737	948
Gain on Sale of Capital Assets	0	0	0	0	0	0	0	20,109	0	28,182
Special Item (see Note IV.D)	0	0	1,821,783	0	0	0	0	0	0	0
Pension Income	0	0	0	0	0	0	0	0	378,711	597,366
Transfers in/out	0	0	0	0	731,675	0	0	0	0	0
Miscellaneous	401,887	251,508	267,764	171,076	272,656	158,615	380,290	101,341	247,676	162,279
Total Governmental Activities	<u>\$ 17,473,276</u>	<u>\$ 48,739,981</u>	<u>\$ 19,987,874</u>	<u>\$ 49,235,002</u>	<u>\$ 19,087,972</u>	<u>\$ 49,235,195</u>	<u>\$ 18,576,802</u>	<u>\$ 53,512,670</u>	<u>\$ 19,003,594</u>	<u>\$ 54,668,958</u>
Total	<u>\$ 17,473,276</u>	<u>\$ 48,739,981</u>	<u>\$ 19,987,874</u>	<u>\$ 49,235,002</u>	<u>\$ 19,087,972</u>	<u>\$ 49,235,195</u>	<u>\$ 18,576,802</u>	<u>\$ 53,512,670</u>	<u>\$ 19,003,594</u>	<u>\$ 54,668,958</u>
Prior-period Adjustment/Restatement	\$ (53,211)	\$ 0	\$ 0	\$ 0	\$ (735,172)	\$ 0	\$ 0	\$ 0	\$ 1,359,566	\$ (7,451,846)
Change in Net Position	<u>\$ 3,567,286</u>	<u>\$ (2,439,541)</u>	<u>\$ 6,544,658</u>	<u>\$ (3,976,223)</u>	<u>\$ 2,790,422</u>	<u>\$ (5,525,790)</u>	<u>\$ 4,623,541</u>	<u>\$ (88,578)</u>	<u>\$ 4,675,486</u>	<u>\$ (4,588,812)</u>

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	Litigation Tax	Business Tax	Mineral Severance Tax	Wholesale Beer Tax	Other	Total
Primary Government								
2011	\$ 9,731,369	\$ 5,142,959	\$ 278,579	\$ 317,681	\$ 109,964	\$ 197,564	\$ 367,999	16,146,115
2012	10,155,790	5,365,336	458,927	365,163	74,220	198,779	254,419	16,872,634
2013	10,600,355	5,222,426	393,011	378,816	60,113	189,353	121,053	16,965,127
2014	10,385,599	5,473,609	370,080	337,659	63,473	194,814	243,302	17,068,536
2015	10,367,833	5,777,154	367,760	385,275	85,765	195,585	236,297	17,415,669
Component Unit								
2011	\$ 7,941,311	\$ 1,888,559	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,435	9,832,305
2012	8,286,550	1,976,524	0	0	0	0	2,776	10,265,850
2013	7,731,057	1,922,541	0	0	0	0	3,842	9,657,440
2014	8,407,067	2,026,045	0	0	0	0	10,315	10,443,427
2015	8,497,841	2,134,397	0	0	0	0	24,832	10,657,070

Note(s): The primary government implemented Governmental Accounting Standards Board Statement No. 34, *Basic Financial 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)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Primary Government:										
General Fund										
Reserved	\$ 57,151	\$ 102,703	\$ 184,719	\$ 282,804	\$ 493,945	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Unreserved	2,673,039	4,017,340	3,434,641	3,990,325	11,194,313	0	0	0	0	0
Restricted	0	0	0	0	0	638,427	810,591	1,045,339	1,301,479	1,494,868
Committed	0	0	0	0	0	131,105	166,862	73,110	123,695	90,515
Assigned	0	0	0	0	0	6,190,717	6,190,717	8,837,240	7,298,025	5,843,278
Unassigned	0	0	0	0	0	4,678,463	5,359,126	4,362,556	5,135,801	5,086,174
Total General Fund	\$ 2,730,190	\$ 4,120,043	\$ 3,619,360	\$ 4,273,129	\$ 11,688,258	\$ 11,638,712	\$ 12,527,296	\$ 14,318,245	\$ 13,859,000	\$ 12,514,835
All Other Governmental Funds										
Reserved	\$ 6,149,374	\$ 4,185,068	\$ 2,581,807	\$ 666,701	\$ 15,529	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Unreserved, Reported in:										
Special Revenue Funds	7,740,284	9,343,189	8,226,868	7,440,991	914,960	0	0	0	0	0
Debt Service Funds	429,110	1,689,527	3,686,389	4,332,615	4,745,230	0	0	0	0	0
Capital Projects Funds	104,941	3,259,358	231,780	64,539	610,931	0	0	0	0	0
Restricted	0	0	0	0	0	814,266	985,573	950,483	952,886	765,568
Committed	0	0	0	0	0	4,238,144	3,222,188	2,828,512	2,848,554	4,522,276
Total All Other Governmental Funds	\$ 14,423,709	\$ 18,477,142	\$ 14,726,844	\$ 12,504,846	\$ 6,286,650	\$ 5,052,410	\$ 4,207,761	\$ 3,778,995	\$ 3,801,440	\$ 5,287,844
Component Unit:										
General Fund (General Purpose School)										
Reserved	\$ 3,019,162	\$ 2,639,156	\$ 2,429,978	\$ 3,458,476	\$ 391,001	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Unreserved	3,596,076	5,126,482	8,247,874	7,270,619	10,183,468	0	0	0	0	0
Nonspendable	0	0	0	0	0	0	0	0	0	132,000
Restricted	0	0	0	0	0	213,477	199,843	165,078	166,251	164,684
Committed	0	0	0	0	0	941,892	483,315	90,556	51,240	292,532
Unassigned	0	0	0	0	0	9,124,213	8,900,911	7,508,455	9,297,505	11,475,980
Total General Fund	\$ 6,615,238	\$ 7,765,638	\$ 10,677,852	\$ 10,729,095	\$ 10,574,469	\$ 10,279,582	\$ 9,584,069	\$ 7,764,089	\$ 9,514,996	\$ 12,065,196
All Other School Funds										
Reserved	\$ 522,289	\$ 17,019,351	\$ 26,252,895	\$ 1,577,570	\$ 129,800	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Unreserved, Reported in:										
Special Revenue Funds	1,371,563	1,236,951	1,220,548	1,349,478	1,636,112	0	0	0	0	0
Capital Projects Funds	669,710	25,690,557	(4,945,341)	1,080,491	0	0	0	0	0	0
Nonspendable	0	0	0	0	0	154,382	78,958	69,787	62,906	68,314
Restricted	0	0	0	0	0	1,839,985	1,906,571	1,737,936	1,534,133	1,110,359
Committed	0	0	0	0	0	236,096	204,995	197,821	205,188	200,776
Total All Other Governmental Funds	\$ 2,563,562	\$ 43,946,859	\$ 22,528,102	\$ 4,007,539	\$ 1,765,912	\$ 2,230,463	\$ 2,190,524	\$ 2,005,544	\$ 1,802,227	\$ 1,379,449

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)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Revenues										
Taxes	\$ 14,866,540	\$ 15,489,944	\$ 16,054,169	\$ 15,974,804	\$ 16,097,920	\$ 16,657,679	\$ 17,653,465	\$ 17,797,946	\$ 17,751,437	\$ 18,197,230
Licenses and Permits	153,269	298,936	206,756	162,490	108,911	110,558	124,385	118,632	148,734	185,493
Fines and Forfeitures	505,218	532,322	483,882	408,577	376,180	323,633	503,321	478,464	477,127	479,011
Charges for Service	2,310,872	2,157,381	1,683,451	1,687,630	2,194,627	1,821,470	2,113,738	1,844,557	2,431,463	1,861,928
Other Local Revenue	7,921,576	3,064,019	3,081,408	1,410,494	1,252,468	1,253,095	1,018,210	726,632	952,557	1,016,195
Fees from County Officials	859,798	1,388,662	1,886,861	1,878,701	1,824,044	1,812,097	1,876,402	1,854,492	1,847,897	1,882,048
State Revenues	3,664,481	3,885,086	3,787,242	4,265,779	3,985,551	4,117,662	4,192,890	3,902,012	3,606,910	3,696,514
Federal Revenues	453,488	698,997	559,095	619,997	318,997	665,073	419,540	512,931	732,388	85,994
Other Govt/Citizens	208,441	94,686	166,476	1,193,499	2,154,927	1,044,387	1,007,321	1,000,376	2,454	12,870
Total Revenues	<u>\$ 30,943,683</u>	<u>\$ 27,610,033</u>	<u>\$ 27,909,340</u>	<u>\$ 27,601,971</u>	<u>\$ 28,313,625</u>	<u>\$ 27,805,654</u>	<u>\$ 28,909,272</u>	<u>\$ 28,236,042</u>	<u>\$ 27,950,967</u>	<u>\$ 27,417,283</u>
Expenditures										
General Government	\$ 842,698	\$ 1,131,972	\$ 957,128	\$ 1,132,685	\$ 1,085,169	\$ 1,330,518	\$ 1,460,288	\$ 1,361,659	\$ 1,556,066	\$ 1,557,454
Finance	936,555	910,450	1,273,122	1,575,772	1,541,838	1,550,567	1,547,127	1,581,299	1,636,393	1,651,339
Admin. of Justice	1,090,968	1,193,135	1,371,633	1,614,493	1,620,883	1,696,031	1,771,828	1,759,688	1,796,881	1,859,036
Public Safety	4,626,765	4,551,316	4,920,472	6,020,806	7,393,993	7,379,267	7,640,525	7,677,972	7,465,438	7,508,106
Public Health/Welfare	3,232,189	3,913,195	3,509,757	4,109,429	4,016,552	3,921,733	3,841,254	4,218,825	4,208,827	4,395,761
Social, Cultural/Rec.	147,197	150,906	150,906	156,662	163,391	156,662	156,662	167,090	167,090	1,167,090
Agriculture and										
Natural Resources	188,875	209,328	208,244	198,356	239,482	206,310	205,537	208,192	230,609	245,158
Other Operations	3,590,070	3,955,168	3,703,196	1,603,031	782,032	789,966	741,446	1,439,296	860,151	1,125,718
Highway and Bridge	2,989,907	3,264,191	3,974,033	2,872,158	2,188,517	2,986,847	2,753,252	2,674,616	2,622,733	3,963,081
Debt Service:										
Principal	2,851,932	3,400,324	4,056,691	5,548,386	5,242,242	5,512,665	5,450,298	5,166,600	4,475,600	3,512,000
Interest	1,424,667	1,501,629	3,177,328	3,413,122	3,295,358	3,104,068	2,923,613	2,655,861	2,351,178	2,246,816
Other Charges	99,222	109,193	196,355	103,312	94,615	95,474	113,665	111,478	103,658	2,728,386
Capital Projects	1,048,976	50,699,865	4,729,371	5,714,988	38,018	821,589	251,469	851,283	913,143	22,632
Total Expenditures	<u>\$ 23,070,021</u>	<u>\$ 74,990,672</u>	<u>\$ 32,228,236</u>	<u>\$ 34,063,200</u>	<u>\$ 27,702,090</u>	<u>\$ 29,551,697</u>	<u>\$ 28,856,964</u>	<u>\$ 29,873,859</u>	<u>\$ 28,387,767</u>	<u>\$ 31,982,577</u>
Excess of Revenues Over (Under) Expenditures	\$ 7,873,662	\$(47,380,639)	\$ (4,318,896)	\$ (6,461,229)	\$ 611,535	\$ (1,746,043)	\$ 52,308	\$ (1,637,817)	\$ (436,800)	\$ (4,565,294)

(Continued)

Table 5

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Other Financing Sources (Uses)										
Transfers In	\$ 227,755	\$ 230,000	\$ 349,400	\$ 509,980	\$ 7,359,412	\$ 162,257	\$ 327,570	\$ 347,929	\$ 710,734	\$ 581,920
Transfers Out	(227,755)	(304,000)	(349,400)	(509,980)	(7,359,412)	0	(327,570)	(347,929)	(710,734)	(581,920)
Bond Proceeds	0	50,500,000	3,435,000	0	0	0	0	0	0	0
Note Proceeds	834,000	2,000,000	0	4,893,000	450,000	300,000	0	0	0	2,000,000
Insurance Recovery	0	0	0	0	135,398	0	0	0	0	97,533
Proceeds on Refunded Bonds	0	0	0	0	0	0	2,700,000	8,405,000	0	2,610,000
Payments to Refunded Bond										
Escrow Agent	0	0	(3,501,939)	0	0	0	(2,708,373)	(8,405,000)	0	0
Premiums on Bonds Sold	0	443,599	134,854	0	0	0	0	0	0	0
Sale of Nursing Home Capital Assets	0	0	0	0	0	0	0	3,000,000	0	0
Total Other Financing Sources (Uses)	<u>\$ 834,000</u>	<u>\$ 52,869,599</u>	<u>\$ 67,915</u>	<u>\$ 4,893,000</u>	<u>\$ 585,398</u>	<u>\$ 462,257</u>	<u>\$ (8,373)</u>	<u>\$ 3,000,000</u>	<u>\$ 0</u>	<u>\$ 4,707,533</u>
Net Change in Fund Balances	<u>\$ 8,707,662</u>	<u>\$ 5,488,960</u>	<u>\$ (4,250,981)</u>	<u>\$ (1,568,229)</u>	<u>\$ 1,196,933</u>	<u>\$ (1,283,786)</u>	<u>\$ 43,935</u>	<u>\$ 1,362,183</u>	<u>\$ (436,800)</u>	<u>\$ 142,239</u>
Debt Service as a Percentage of										
Noncapital Expenditures	19.4%	7.1%	26.0%	28.4%	31.7%	30.8%	30.1%	27.3%	25.8%	19.5%
Capital Expenditures	\$ 1,048,976	\$ 5,549,795	\$ 4,456,562	\$ 2,488,541	\$ 782,381	\$ 1,602,588	\$ 1,073,924	\$ 1,231,563	\$ 1,924,834	\$ 2,443,200

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Property Tax	\$ 8,804,521	\$ 9,316,418	\$ 9,756,204	\$ 9,635,803	\$ 9,803,618	\$ 9,544,367	\$ 10,159,124	\$ 10,541,068	\$ 10,282,564	\$ 10,308,173
Sales Tax	5,069,703	5,084,727	5,026,899	4,874,050	4,815,931	5,119,682	5,333,207	5,243,541	5,429,374	5,749,141
Litigation Tax	211,220	243,802	207,680	276,344	416,066	371,284	458,927	393,011	370,080	367,760
Business Tax	311,223	297,586	320,908	311,258	313,324	317,681	365,163	378,816	337,659	385,275
Mineral Severance	198,688	154,085	154,595	81,093	81,218	109,964	107,079	60,113	63,473	85,765
Development Tax	0	90,154	364,074	283,189	216,164	342,536	145,352	133,624	162,926	293,652
Wholesale Beer Tax	175,744	165,798	180,448	181,799	193,502	197,564	198,779	189,353	194,814	195,585
Bank Excise Tax	91,920	133,593	40,565	73,489	35,160	21,032	157,420	127,964	201,274	66,319
Other Statutory Tax	3,521	3,781	2,796	257,779	2,011	1,507	1,399	1,998	2,388	2,323
	<u>\$14,866,540</u>	<u>\$ 15,489,944</u>	<u>\$ 16,054,169</u>	<u>\$ 15,974,804</u>	<u>\$ 15,876,994</u>	<u>\$ 16,025,617</u>	<u>\$ 16,926,450</u>	<u>\$ 17,069,488</u>	<u>\$ 17,044,552</u>	<u>\$ 17,453,993</u>

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)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Local Taxes	\$ 9,539,539	\$ 10,006,667	\$ 9,835,545	\$ 9,816,402	\$ 9,955,712	\$ 10,181,119	\$ 10,842,595	\$ 10,198,143	\$ 10,921,251	\$ 11,166,083
Licenses and Permits	2,361	2,241	2,268	2,693	5,994	2,274	2,813	2,248	2,574	2,407
Charges for Current Services	1,756,323	1,795,873	1,773,948	1,850,006	1,648,859	1,558,792	1,597,663	1,558,003	1,501,265	709,721
Investment Earnings	95,890	131,081	48,986	14,496	0	0	0	0	0	0
Other Local Revenues	149,703	90,317	80,885	176,867	134,793	436,815	316,421	266,941	121,181	192,693
State of Tennessee	26,591,961	28,619,676	33,868,492	34,631,558	35,170,368	36,409,178	37,718,020	37,636,177	42,084,781	41,854,959
Federal Government	5,163,971	5,456,658	5,349,681	6,071,191	8,762,111	10,324,685	9,352,411	9,412,841	9,245,991	9,906,228
Other Governments and Citizens Groups	720,000	47,886,090	0	4,693,000	0	0	0	68,174	0	0
Total Revenues	\$ 44,019,748	\$ 93,988,603	\$ 50,959,805	\$ 57,256,213	\$ 55,677,837	\$ 58,912,863	\$ 59,829,923	\$ 59,142,527	\$ 63,877,043	\$ 63,832,091
Expenditures										
Current:										
Instruction	\$ 25,760,059	\$ 27,648,288	\$ 30,247,351	\$ 31,633,770	\$ 34,373,220	\$ 36,400,761	\$ 36,425,159	\$ 36,833,683	\$ 37,284,617	\$ 35,395,486
Support Services	12,832,127	13,145,079	13,713,665	15,884,647	16,919,180	17,769,273	19,036,517	18,789,889	19,260,911	20,367,461
Operation of Non- Instructional Services	2,905,851	3,349,192	4,005,947	3,895,651	3,817,509	4,227,544	4,739,742	5,018,453	5,307,802	5,478,410
Capital Outlay	505,346	490,529	542,722	721,148	889,597	345,621	363,957	505,462	516,949	489,186
Capital Projects	2,354,176	6,818,110	20,954,500	23,590,317	2,074,584	0	0	0	0	0
Debt Service	3,708	3,708	2,163	0	0	0	0	0	0	0
Total Expenditures	\$ 44,361,267	\$ 51,454,906	\$ 69,466,348	\$ 75,725,533	\$ 58,074,090	\$ 58,743,199	\$ 60,565,375	\$ 61,147,487	\$ 62,370,279	\$ 61,730,543
Excess of Revenues Over (Under) Expenditures	\$ (341,519)	\$ 42,533,697	\$ (18,506,543)	\$ (18,469,320)	\$ (2,396,253)	\$ 169,664	\$ (735,452)	\$ (2,004,960)	\$ 1,506,764	\$ 2,101,548
Other Financing Sources (Uses)										
Transfers In	\$ 37,279	\$ 18,185	\$ 11,619	\$ 25,149	\$ 118,300	\$ 103,192	\$ 0	\$ 121,037	\$ 10,521	\$ 15,548
Transfers Out	(37,279)	(18,185)	(11,619)	(25,149)	(118,300)	(103,192)	0	(121,037)	(10,521)	(15,548)
Insurance Recovery	0	0	0	0	0	0	0	0	40,826	25,874
Total Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 40,826	\$ 25,874
Net Change in Fund Balances	\$ (341,519)	\$ 42,533,697	\$ (18,506,543)	\$ (18,469,320)	\$ (2,396,253)	\$ 169,664	\$ (735,452)	\$ (2,004,960)	\$ 1,547,590	\$ 2,127,422

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 Telecom- munications Tax	Other Statutory Local Taxes	Total
Primary Government:										
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
2013	10,541,068	5,243,541	393,011	378,816	60,113	189,353	127,964	1,998	862,082	17,797,946
2014	10,282,564	5,429,374	370,080	337,659	63,473	194,814	201,274	2,388	869,811	17,751,437
2015	10,308,173	5,749,141	367,760	385,275	85,765	195,585	66,319	2,323	1,036,889	18,197,230
Component Unit:										
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
2013	7,718,464	1,942,675	0	0	0	0	0	3,842	533,162	10,198,143
2014	8,330,219	2,013,271	0	0	0	0	0	4,591	573,170	10,921,251
2015	8,416,471	2,122,059	0	0	0	0	0	4,466	623,087	11,166,083

Table 8

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

Fiscal Year Ended June 30	Tax Year	Real Property Assessed			Tangible Personal Property Assessed	Public Utility Property	Total Taxable Assessed Value (Inside City of Shelbyville)	Total Taxable Assessed Value (Outside City of Shelbyville)	Total Taxable Assessed Value	Assessed Value as a Percentage of Actual Value	Estimated Actual Taxable Value	Total Direct Tax Rate
		Residential	Farm Agricultural and Forest Property	Commercial Industrial and Mineral Property								
2006	2005	\$ 361,120,075	\$ 121,064,920	\$ 60,943,665	\$ 33,420,235	\$ 211,113,160	\$ 271,071,835	\$ 576,548,895	28.39%	\$ 2,030,505,565	\$ 2.77	
2007	2006	473,364,250	152,388,840	79,812,896	40,293,721	267,529,215	358,223,875	745,859,707	27.95%	2,668,811,186	2.27	
2008	2007	486,143,975	155,443,760	80,930,381	42,859,029	274,877,045	366,710,690	765,377,145	28.40%	2,694,715,806	2.27	
2009	2008	494,876,925	156,984,600	77,397,381	42,495,975	347,652,527	381,611,096	771,754,881	28.42%	2,715,534,416	2.27	
2010	2009	503,591,300	167,263,520	74,874,856	42,775,968	358,027,739	387,701,937	788,505,644	28.57%	2,759,881,341	2.27	
2011	2010	507,751,000	161,072,120	64,842,431	44,817,232	343,269,678	390,395,873	778,482,783	28.50%	2,731,324,772	2.27	
2012	2011	518,228,375	170,176,360	60,074,596	46,706,116	346,455,651	402,023,680	795,185,447	28.57%	2,783,539,733	2.27	
2013	2012	520,099,875	170,523,880	68,010,388	47,632,813	354,545,784	404,088,359	806,266,956	28.59%	2,820,036,348	2.27	
2014	2013	522,256,850	173,607,320	69,384,428	49,177,015	358,387,190	406,861,408	814,425,613	28.64%	2,843,785,871	2.27	
2015	2014	529,856,350	181,448,000	72,341,823	49,777,137	368,185,307	415,460,866	833,423,310	28.66%	2,908,079,796	2.27	

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

<u>Fiscal Year Ended¹</u>	<u>Tax Year</u>	<u>General Fund</u>	<u>Highway Fund</u>	<u>General Purpose School Fund</u>	<u>General Debt Service Fund</u>	<u>Total² Direct Rate</u>	<u>City of Shelbyville Tennessee^{2,3}</u>	<u>City of Bell Buckle Tennessee^{2,3}</u>	<u>City of Wartrace Tennessee^{2,3}</u>	<u>Total Direct and Overlapping</u>
2006	2005 ⁴	\$ 1.05	\$ 0.04	\$ 1.06	\$ 0.12	\$ 2.27	\$ 1.41	\$ 0.15	\$ 1.00	\$ 3.68
2007	2006	1.09	0.04	1.02	0.12	2.27	1.41	0.15	1.00	3.68
2008	2007	1.11	0.04	1.02	0.10	2.27	1.41	0.15	1.00	3.68
2009	2008	1.11	0.04	1.02	0.10	2.27	1.41	0.15	1.00	3.68
2010	2009	1.11	0.04	1.02	0.10	2.27	1.41	0.16	1.00	3.68
2011	2010 ⁴	1.11	0.04	1.02	0.10	2.27	1.41	0.16	1.00	3.68
2012	2011	1.11	0.04	1.02	0.10	2.27	1.41	0.16	1.00	3.68
2013	2012	1.11	0.04	0.96	0.16	2.27	1.41	0.16	1.00	3.68
2014	2013	1.11	0.04	1.02	0.10	2.27	1.41	0.16	1.00	3.68
2015	2014	1.11	0.04	1.02	0.10	2.27	1.41	0.16	1.00	3.68

Source(s): Bedford County Commission's resolutions for tax levies by fiscal year and the City Recorder's 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>	Fiscal Year Ended 2015			Fiscal Year Ended 2006		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
	Calsonic Manufacturing	\$ 24,555,119	1	2.9%	\$ 29,584,651	1
Duck River Electric Membership	20,108,230	2	2.4%	12,125,785	2	2.1%
Walmart Stores East	12,449,459	3	1.5%	6,565,270	6	1.1%
Sanford Corporation	10,195,595	4	1.2%	10,018,894	3	1.7%
Tyson Foods	8,856,898	5	1.1%	9,782,920	4	1.7%
Twist Beauty Packaging	8,468,100	6	1.0%	7,810,239	5	1.4%
Bemis	6,331,966	7	0.8%	5,166,477	8	0.9%
SMW Automotive	5,610,203	8	0.7%	-	-	0.0%
CSX Transportation	4,807,638	9	0.6%	-	-	0.0%
Bellsouth Telecommunications	4,494,065	10	0.5%	5,830,165	7	1.0%
United Telephone	-	-	-	3,126,801	10	0.5%
Lowes Home Centers	-	-	-	3,127,186	9	0.5%
Totals	\$ 105,877,273		12.7%	\$ 93,138,388		16.2%

Source: Trustee's Tax Rolls.

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
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%
2013	2012	18,237,900	17,040,915	93.44%	476,632	17,517,547	96.05%
2014	2013	18,467,741	17,344,682	93.92%	358,666	17,703,348	95.86%
2015	2014	18,604,967	17,603,674	94.62%	288,353	17,892,028	96.17%

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

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

Table 12

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

Fiscal Year Ended June 30	Governmental Activities				Total Primary Government ¹	Percentage of Personal Income ²	Per Capita ²
	General Obligation Bonds	Rural School Bonds	Capital Outlay Notes	Other Loans Payable			
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
2013	5,020,000	53,665,000	471,600	2,311,000	61,467,600	7.17%	1,349
2014	4,745,000	50,470,000	0	1,777,000	56,992,000	6.45%	1,242
2015	4,455,000	47,810,000	2,000,000	1,215,000	55,480,000	6.16%	1,190

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 Debt¹	Less: Amounts Available in General Debt Service Fund²	Total	Percentage of Estimated Actual Taxable Value of Property³	Per Capita⁴
2006	\$ 4,390,000	\$ 23,125,000	\$ 27,515,000	\$ 6,548,740	\$ 20,966,260	1.03%	\$ 486
2007	10,425,000	65,880,000	76,305,000	4,485,627	71,819,373	2.69%	1,630
2008	6,275,000	68,035,000	74,310,000	6,076,445	68,233,555	2.53%	1,515
2009	6,040,000	65,350,000	71,390,000	4,963,594	66,426,406	2.45%	1,461
2010	5,800,000	62,585,000	68,385,000	4,745,230	63,639,770	2.31%	1,399
2011	5,550,000	59,715,000	65,265,000	3,595,256	61,669,744	2.26%	1,369
2012	5,290,000	56,745,000	62,035,000	2,586,588	59,448,412	2.14%	1,306
2013	5,020,000	53,665,000	58,685,000	2,359,440	56,325,560	2.00%	1,236
2014	4,745,000	50,470,000	55,215,000	2,457,620	52,757,380	1.86%	1,149
2015	4,455,000	47,810,000	52,265,000	3,535,740	48,729,260	1.68%	1,045

Source(s): Debt amortization schedules.

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

¹ This is the general bonded debt of governmental activities, net of original issuance discounts and premiums.

² This is the amount committed for debt service principal payments.

³ See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on Table 8 for property value data.

⁴ 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, 2015

		% of Estimated Property Value	% of Assessed Property Value
Direct Debt			
General Bonded Debt	\$ 52,265,000	1.80%	6.27%
Capital Outlay Notes	2,000,000		
Other Loans Payable	<u>1,215,000</u>		
Total Direct Debt	\$ 55,480,000	1.91%	6.66%
Overlapping Debt			
City of Shelbyville	\$ 2,998,602	0.10%	0.36%
City of Bell Buckle	1,606,075	0.06%	0.19%
City of Wartrace	1,823,801	0.06%	0.22%
Total Overlapping Debt	<u>6,428,479</u>		
Total Direct and Overlapping Debt	<u>\$ 61,908,479</u>	2.13%	7.43%

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 \$ 833,423,310

Estimated Value 2,908,079,796

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}
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
2013	45,573	857,365	18,813	37.0	8,103	9.3
2014	45,901	883,365	19,245	37.2	8,212	7.5
2015	46,627	900,041	19,303	37.2	8,336	7.5

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 2011-15 were calculated by multiplying population by per capita income.

²⁾ Fiscal years 2006 and 2012 were calculated by taking a three-year average change of the three previous years. Amounts for fiscal years 2007-11 and 2013-15 are U.S. Census Bureau estimates.

³⁾ Enrollment amounts represent the weighted full-time equivalent of 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

<u>Employer</u>³	<u>2015</u>			<u>2006</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>¹	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>²
Calsonic Manufacturing	1,501	1	8.14%	1,000	1	5.63%
Tyson Foods	1,463	2	7.93%	1,000	1	5.63%
Sanford Distribution	800	3	4.34%	900	2	5.07%
National Pen Corp.	450	4	2.44%	500	4	2.81%
Wal-Mart Distribution Center	400	5	2.17%	323	5	-
Jostens, Inc.	375	6	2.03%	550	3	3.10%
Albea (Pechiney, Alcan, American Can)	200	7	1.08%	280	6	1.58%
Century Mold Co., Inc.	173	8	0.94%	107	10	0.60%
Corsicana Bedding, Inc.	135	9	0.73%	192	7	1.08%
Bemis	120	10	0.65%	190	8	1.07%
Cooper Steel	-	-	-	115	9	0.65%
Economy Pencil Company	-	-	-	115	9	0.65%
Total	<u>5,617</u>		<u>30.46%</u>	<u>5,272</u>		<u>27.86%</u>

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

Note(s):

¹ Percentage is based on December 2014 employment data provided by the U.S. Department of Labor, Bureau of Labor Statistics.

² Percentage is based on June 2006 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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Function:										
General Government	152	194	194	205	173	76	72	75	76	77
Finance	0	8	8	10	10	10	9	9	9	9
Justice	17	19	24	34	29	34	33	33	33	34
Public Safety	122	110	110	108	134	129	130	134	134	137
Health and Welfare	18	20	18	10	12	15	14	13	13	26
Agriculture	1	1	1	1	1	1	1	1	1	1
Other	0	0	0	0	0	1	1	1	1	1
Road and Bridge	40	40	38	27	26	26	26	26	26	25
Total	350	392	393	395	385	292	286	292	293	310
Component Unit:										
Education	925	945	961	972	1,060	1,096	1,199	1,169	1,134	1,111

Source: Bedford County Finance Department

Table 20

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

Function	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>General Government</u>										
Registered voters	20,586	21,069	23,238	23,124	23,824	23,461	24,264	23,704	24,090	23,223
Building permits issued										
Single family homes	294	169	135	78	74	42	58	56	85	85
All other permits	195	158	137	201	172	343	383	68	68	112
<u>Public Safety</u>										
Physical arrests	1,628	1,641	1,776	569	3,151	3,298	9,726	6,465	2,165	1,565
Traffic citations	1,894	2,008	2,092	2,003	412	1,016	2,122	n/a	n/a	386
Warrants served	10,305	10,418	10,716	13,458	13,732	10,542	11,827	10,879	9,737	10,343
Summary of inmate days:										
Felons-convicted	21,254	20,452	23,660	28,467	22,848	22,898	45,740	34,931	13,682	18,832
Misdemeanant-convicted	55,757	53,653	62,069	26,317	24,681	9,447	35,834	32,270	8,316	26,378
Pretrial	252	242	280	22,866	23,552	23,472	1,315	5,173	20,432	24,530
Other	117	113	130	422	319	129	4,920	5,545	1,057	418
Total inmate days	77,380	74,460	86,139	78,072	71,400	55,946	87,809	77,919	43,487	70,158
Other daily inmate information										
Average daily population	212	204	236	243	195	250	231	211	175	182
Daily inmate capacity of facility	204	217	217	217	216	206	206	206	206	213
<u>Public Health</u>										
Ambulance - call volume	4,769	4,810	5,418	5,135	4,818	5,206	5,465	6,050	6,687	6,928
Response time - average minutes	11	11	11	10	10	11	11	11	11	7
Animal control										
Requests for service	912	796	1,494	922	998	733	283	864	927	747
Animals impounded	1,475	1,701	1,977	1,615	1,515	1,192	929	1,246	1,250	1,320
Animals adopted	103	171	266	211	696	692	465	908	1,012	1,038

(Continued)

Table 20

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

Function (Cont.)	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>Road and Bridge</u>										
Street resurfaced (miles)	25	35	20	11	9	12	10	13	15	28
<u>Sanitation</u>										
Solid Waste Department										
Refuse collected (in tons)	n/a	11,400	11,448	11,115	10,932	10,579	10,179	10,045	9,899	9,711
Recyclables collected (in tons)										
Paper	n/a	121	126	116	92	235	249	302	280	249
Batteries	n/a	7	6	5	4	1	1	1	1	0
Metals	n/a	365	397	498	412	301	190	250	288	249
Tires	n/a	680	675	679	701	676	413	394	499	451
Used oil (gallons)	n/a	85	80	4,604	5,472	8,100	9,705	4,855	10,590	5,048
<u>Component Unit:</u>										
Bedford County School Department										
Weighted Full-time Equivalent Average										
Daily Attendance	8,352	8,352	8,517	8,628	7,521	7,400	7,599	7,730	7,837	7,956
Number Graduated	426	458	478	505	532	455	522	505	500	491

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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Highways and Streets										
Number of Miles	673	678	679	683	683	683	683	683	683	683
Number of Bridges	191	191	191	191	191	188	188	188	188	188
Public Safety										
Number of Correctional Facilities	2	2	2	2	2	2	2	2	2	2
Health and Welfare										
Nursing Home	1	1	1	1	1	0	0	0	0	0
Number of Beds	90	90	90	90	90	0	0	0	0	0
Dispatch Station	1	1	1	1	1	1	1	1	1	1
Ambulance Stations	3	4	4	4	4	5	5	5	5	5
Number of Ambulance Units	7	8	8	8	8	6	8	8	8	8
Sanitation/Solid Waste Department										
Number of Trucks	4	4	4	4	4	4	4	4	4	4
Health Department Facilities	1	1	1	1	1	1	1	1	1	1
<u>Facilities and Services Not Included in the Primary Government</u>										
Education:										
Form of Administration										
Number of Schools										
Elementary Schools	7	7	7	7	7	8	8	8	8	8
Middle Schools	1	1	1	1	1	2	3	3	3	3
High Schools	3	3	3	3	3	3	3	3	3	3
Alternative School	1	1	1	1	1	1	1	1	1	1

Sources: Bedford County Highway Department, Sheriff's Department, Ambulance Department, Solid Waste Department, Board of Education.

SINGLE AUDIT SECTION



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
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**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in
Accordance With *Government Auditing Standards***

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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, 2015, and the related notes to the financial statements, which collectively comprise Bedford County's basic financial statements, and have issued our report thereon dated September 24, 2015. Our report includes a reference to other auditors who audited the financial statements of the discretely presented Emergency Communications District of Bedford County, as described in our report on Bedford County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Bedford County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of Bedford County's internal control.

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 a 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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be a significant deficiency: 2015-002.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bedford County's financial statements are free from 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: 2015-001 and 2015-003.

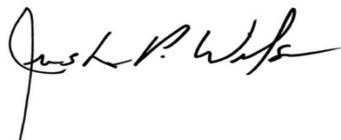
Bedford County's Response to Findings

Bedford County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Bedford County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bedford County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

September 24, 2015

JPW/yu



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
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Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Bedford County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Bedford County's major federal programs for the year ended June 30, 2015. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Bedford County's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Bedford County's compliance.

Opinion on Each Major Federal Program

In our opinion, Bedford County complied, in all material respects, with the types of compliance 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, 2015.

Report on Internal Control Over Compliance

Management of Bedford County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Bedford County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

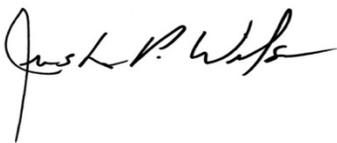
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

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, 2015, and the related notes to the financial statements, which collectively comprise Bedford County's basic financial statements. We issued our report thereon dated September 24, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

September 24, 2015

JPW/yu

Bedford County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year-Ended June 30, 2015

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)	\$ 909,513
National School Lunch Program	10.555	(2)	2,949,169 (3)
Fresh Fruit and Vegetable Program	10.582	(2)	84,211
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	(2)	256,346 (3)
Total U.S. Department of Agriculture			<u>\$ 4,199,239</u>
U.S. Department of Justice:			
Direct Program:			
Bulletproof Vest Partnership Program	16.607	N/A	\$ 9,180
Total U.S. Department of Justice			<u>\$ 9,180</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Open Container Requirements	20.607	Z-14-GHSO-22	\$ 15,597
Total U.S. Department of Transportation			<u>\$ 15,597</u>
U.S. Department of Education:			
Direct Program:			
Fund for the Improvement of Education	84.215	N/A	\$ 331,198
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	(2)	305,704
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	2,030,071
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,816,810
Special Education - Preschool Grants	84.173	N/A	63,868
Career and Technical Education - Basic Grants to States	84.048	N/A	123,358
Education for Homeless Children and Youth	84.196	N/A	9,940
Rural Education	84.358	N/A	193,803
English Language Acquisition State Grants	84.365	N/A	107,472
Mathematics and Science Partnerships	84.366	N/A	91,787
Improving Teacher Quality State Grants	84.367	N/A	207,603
State Fiscal Stabilization Funds (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	425,553
Total U.S. Department of Education			<u>\$ 5,707,167</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	43685-17325	\$ 45,850
Homeland Security Grant Program	97.067	34101-14314	15,367
Total U.S. Department of Homeland Security			<u>\$ 61,217</u>
Total Expenditures of Federal Awards			<u>\$ 9,992,400</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	Contract Number	Expenditures
<u>State Grants</u>			
Litter Program - State Department of Transportation	N/A	(2)	\$ 43,200
Juvenile Justice - State Commission on Children and Youth	N/A	GG-10-29451-00	9,000
Waste Tire Grant - State Department of Environment and Conservation	N/A	35937	1,464
Lottery for Education - After-school Programs - State Department of Education	N/A	(2)	227,871
Adult Education - State Department of Labor and Workforce Development	N/A	(2)	101,902
ConnectTN - State Department of Education	N/A	(2)	23,965
Rural Local Health Services - State Department of Health	N/A	(2)	372,328
Pilot - Lottery for Pre-K Classrooms - State Department of Education	N/A	(2)	357,805
Safe Schools Act 2003 - State Department of Education	N/A	(2)	47,590
Student Ticket Subsidy Grant - State Arts Commission	N/A	(2)	4,556
Coordinated School Health Initiative - State Department of Education	N/A	(2)	<u>70,173</u>
 Total State Grants			 <u>\$ 1,259,854</u>

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

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Information not available.
- (3) Total for CFDA No. 10.555 is \$3,205,515.

Bedford County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2015

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. There are no findings from the Comprehensive Annual Financial Report for Bedford County, Tennessee, for the year ended June 30, 2014, which have not been corrected.

BEDFORD COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2015

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Bedford County is unmodified.
2. The audit of the financial statements of Bedford County disclosed a significant deficiency in internal control. This deficiency was not considered to be a material weakness.
3. The audit reported no instances of noncompliance that are material to the financial statements.
4. The audit reported no significant deficiencies in internal control over major programs.
5. An unmodified 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 Adult Education – Basic Grants to States (CFDA No. 84.002); Title I Grants to Local Educational Agencies (CFDA No. 84.010); the Fund for the Improvement of Education (CFDA No. 84.215); the Special Education Cluster: Special Education – Grants to States, and Special Education – Preschool Grants (CFDA Nos. 84.027 and 84.173); and the State Fiscal Stabilization Funds – Race-to-the-Top Incentive Grants, Recovery Act (CFDA No. 84.395) 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 qualified 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 director of zoning and building inspections and director of probation are paraphrased in this report. Other management officials did not provide responses for inclusion in this report.

OFFICE OF COUNTY MAYOR

FINDING 2015-001 **THE OFFICES OF ZONING AND BUILDING INSPECTIONS AND PROBATION HAD DEFICIENCIES IN COMPUTER SYSTEM BACKUP PROCEDURES**
(Noncompliance Under *Government Auditing Standards*)

System backups were not performed daily and were not regularly stored off-site. Section 10-7-121, *Tennessee Code Annotated (TCA)*, provides that records required to be retained by any government official may be maintained on a computer or removable storage media as long as certain standards are met. One of these standards requires that all data generated and stored within the computer system be copied to storage media daily, and media more than one week old be stored at an off-site location. This deficiency is the result of management's failure to implement adequate disaster recovery planning procedures. In the event of a disaster, all backup data could be destroyed, resulting in costly delays in generating and recording information accounted for through the automated process.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – DIRECTOR OF ZONING AND BUILDING INSPECTIONS

The Information Technology Department has made all corrections necessary to comply with Section 10-7-121, *TCA*.

MANAGEMENT'S RESPONSE – DIRECTOR OF PROBATION

Steps were taken on March 12, 2015, to correct the deficiency.

FINDING 2015-002

THE RECEIPTING SOFTWARE USED BY THE OFFICE OF ZONING AND BUILDING INSPECTIONS DID NOT HAVE ADEQUATE APPLICATION CONTROLS

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

We noted the following internal control weaknesses in the office’s receipting software application:

- A. The application allowed users to alter receipts without leaving an audit trail.
- B. Although the application assigned receipt numbers, several skips in receipt numbers were noted.

Sound business practices dictate that proper application controls be implemented. These controls would help ensure the reliability and integrity of the information maintained by the system. Since the vendor did not design the system with these controls, inappropriate system activity could occur.

RECOMMENDATION

Management should contact their software vendor and request a report of all alterations that should be made available by date range. The vendor should correct the deficiency that allows receipt numbers to skip.

MANAGEMENT’S RESPONSE – DIRECTOR OF ZONING AND BUILDING INSPECTIONS

The Information Technology Department worked with our software vendor to resolve deficiencies in their software suite, and an update was installed to fix the deficiency. However, it has now been determined that this update did not correct the deficiency. Our software vendor will be contacted, and a meeting will be held with all parties to resolve the issue.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 2015-003

COMPUTER SYSTEM BACKUPS WERE NOT REGULARLY STORED OFF-SITE

(Noncompliance Under *Government Auditing Standards*)

System backups were not regularly stored off-site. Section 10-7-121, *Tennessee Code Annotated*, provides that records required to be retained by any government official may be maintained on a computer or removable storage media as long as certain standards are met. One of these standards requires that all data generated and stored within the computer system be copied to storage media daily, and media more than one week old be stored at an off-site location. This deficiency is the result of management’s failure to implement adequate disaster recovery planning procedures. In the event of a disaster, all backup data could be destroyed, resulting in costly delays in generating and recording information accounted for

through the automated process. Proper procedures were implemented when this deficiency was brought to management's attention in January 2015.

RECOMMENDATION

System backups should be rotated off-site on a weekly basis.

**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, 2015

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